



**Annual Report of Trustees
and
Financial Statements**

Caring for People

2004

March 2004

Kent Community Housing Trust

Report of the Trustees

1 April 2003 to 31 March 2004

The Trust is a company limited by guarantee and a registered charity, controlled by a Board of Trustees acting as Non-Executive Directors of the Company.

The Memorandum and Articles of Association provide for a minimum of 6 and a maximum of 18 Trustees.

The Financial Statements for the year ending 31 March 2004 are prepared on a consolidated basis to include the activities of Kent Community Services Ltd, a wholly-owned and controlled non-charitable subsidiary Company Limited by Guarantee of the Trust.

1 Governance

At the commencement of the financial year there were 13 Trustees. During the year Councilor Wendy Perfect (27 October 2003) resigned as a Member.

The Board continually keeps under its review its membership and the breadth of skills and expertise to ensure proper governance.

During the year the Board of Trustees met on four occasions in addition to the Annual General Meeting. The Board is supported in its work by the:

- Finance and General Purposes Committee which met on 1 occasions. Following a restructure this Committee was replaced by the Finance & Resources Committee which met on 4 occasions commencing 22 September 2003.
- Care Committee which met on 1 occasion. Again following the restructure this Committee was replaced by the Care Management Committee dealing with Services for Older People which met on 3 occasions commencing 6 October 2003 and the Moving Forward Management Committee dealing with Younger People's Services which met on 4 occasions commencing 6 October 2003.
- Development Committee which met on 1 occasions. Following the restructure this Committee's business was included within the Finance & Resources Committee
- Board of Directors of Kent Community Services Limited (which met on 4 occasions)

It is through the Board of Trustees and these Committees that the activities of Kent Community Housing Trust are controlled.

Day to day responsibility for the management of the Trust's business is delegated to the Chief Executive who is the principal adviser to the Board of Trustees, working with the Management Team. The Management Team of five decreased to four during the year following the restructure. From 1 November 2003 the role of Company Secretary passed from the Chief Executive to the Director of Finance & Resources. At the end of the financial year the Management Team comprises:

- the Chief Executive and Acting Director of Moving Forward and KCSL
- the Director of Finance & Resources and Company Secretary
- the Director of Property & Development
- the Director of Care (From 1.8.2003)

Following a careful analysis of the structure of KCHT, a new management structure was implemented in Autumn 2003. The new structure comprises of two service divisions; KCHT Care and KCHT Moving Forward as well as a Finance and Resources Division and a Property & Development Division. The structure provides for each division to be headed by a director. KCHT Care comprises the Care Homes and the Care at Home Service, caring for older people and divided into two areas, Kent and London each managed by a General Manager. The Moving Forward Division encompasses the three Services for Younger People; Moving Forward, Breakthrough and Finding Your Feet. Again this Division is divided into two areas, East and West, each controlled by a General manager.

The revised structure is working well with the General Managers taking full responsibility for the provision of their respective services thereby allowing the Chief Executive and Directors more time to concentrate on strategic issues and forward planning.

2 Statement of Trustees' Responsibilities

Company Law and Charity Law require Trustees to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs and the surplus or deficit for that period. In preparing such statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are responsible and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in Financial Statements
- Prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

The Trustees are responsible for keeping proper accounting records which disclose - with reasonable accuracy at any time - the financial position of the Trust and enable them to ensure that the Financial Statements comply with the Companies Act 1985 and the requirements of the Charity Commissioners in relation to accounting for charities. They are responsible for safeguarding the assets of the Trust and taking reasonable steps for the prevention and detection of fraud and other irregularities.

3 Principal Activities

3.1 KCHT Care Division

Care Homes

We care for more than 1,000 older people in our 22 Care Homes together with further additional older people receiving Respite Care and Day Care. The greater number of our residents have high dependency needs resulting from dementia and Alzheimers.

The demand for our services continues to remain very high with average occupancy rates for the year exceeding 97%.

The Government's initiative of enabling the elderly to remain in their own homes for a longer period of time has resulted in new residents having very much higher dependency needs and shorter stays within our Care Homes than was the situation in previous years.

The majority of our residents and clients are sponsored by Social Services Departments who continue to face considerable financial constraints. However, during 2003 we were able to negotiate higher levels of funding from some Authorities to more closely match the dependency needs of residents, which improved the resources available to enhance our services.

We have a planned programme of development for our Care Homes in order that they will meet the new Care Standards and provide a comfortable home meeting the needs and expectations of our residents now and in the future. 2003/04 saw the completion of the first phase of the programme which involved the refurbishment of Perrygrove, Sunbury Lodge and Weybourne in Greenwich, Honeyfield in Hextable, Kent and the refurbishment and extension of the New Close in Bridge, Kent. In January 2004 we started on site in Bexley to refurbish and extend Russell House.

The Trust remains a preferred provider for the care of older people with Kent County Council, Medway Council, Bexley Council and the London Borough of Greenwich. In addition, we are commissioned by a variety of other Local Authorities to provide services to individual residents. We work in partnership with Social Services in order to ensure that we are able to provide services which meet the changing needs of our residents now and in the future.

Care at Home

Our Care at Home service continues to support more than 400 older people and people with disabilities in their own homes. The Trust remains a preferred supplier of such services with Kent County Council.

Our New Outlooks service in Kent continues to provide community support to a small number of adults with a learning difficulty, who have established and are maintaining their first homes.

3.2 KCHT Moving Forward Division

Moving Forward

Our service for vulnerable young people supported more than 1000 young people in difficulties during 2003/2004. The service aims to provide young people with opportunities and choices to lift self esteem and promote inclusion.

In September 2003 we commenced a pilot project, C4ward in partnership with a charity, C-Far, who work with young offenders on early release from prison. The project involves providing a similar service, using C-Far's residential facilities in Okehampton along with a KCHT keyworker, to a limited number of young offenders in Kent. We are currently seeking further funding to allow this project to continue.

In October 2003 a pilot Moving Forward service was set up in Bexley funded by Connexions London East. Bexley Council have invited Moving Forward to accept their support in finding opportunities to access funding to research the needs of the young people presenting themselves to Social Services as homeless, to support a small group initially, then to eventually develop a full Moving Forward service in Bexley.

In addition to funding for a variety of statutory sources including Supporting People monies, we have benefited from the additional sources of finance such as:

Breakthrough

Breakthrough is a mediation service providing support and empowerment for young people aged 8 to 16 years of age and their families in looking for solutions to their difficulties. This service is funded by Social Services and the Children's Fund and has expanded throughout the Kent area. Breakthrough Plus in the Gravesend area of West Kent was set up to enable us to help older children aged 16 to 21 who are still within the family unit.

Finding Your Feet

Our service for unaccompanied minors entering the country as asylum seekers experienced a reduction in numbers during 2003/2004 which had been anticipated.

The Outreach service which supported young people living in hotel accommodation mainly in Dover, ended in September. This was due to the fall in numbers of arrivals meaning that all new arrivals could from that point be accommodated at our reception centre in Ashford before moving into the community.

We are continuing to experience falling numbers, as arrivals are reducing and when a young person reaches the age of 18 they are required to leave the Finding Your Feet service. We are, however, finding ways to support these young people through Supporting People Grant, integrated into our Moving Forward service.

The Finding Your Feet Service is fully funded by Kent County Council Social Services under their obligations under the Children's Act.

During the year two First Base Training Programmes were set up; in Medway funded by NACRO and in Gravesend funded by Key Training. The programme provides training in Life skills, Citizenship, Cultural Awareness and development of English language skills.

4 Quality Management

During 2003/2004 the Trust has converted its ISO 9002 Accreditation to ISO 9001 for our Care Homes, Care at Home and Moving Forward Services.

The Trust also has accreditation under Investors in People.

5 Business Plan

Our 5-Year Business Plan was agreed in March 2000 and remains the framework and visions to guide our work until March 2005.

Our Business Plan 2000/2005 focuses on:

- (i) Extending our Quality Assurance and Management Systems to encompass the whole organisation by 2005.

- (ii) Continuing to concentrate on enhancing and developing our services to meet the specialist needs of vulnerable people.
- (iii) Seeking to add value to our services wherever possible, particularly by enhancing and developing the work of volunteers within the Trust.
- (iv) Continuing to work in partnership with other organisations and agencies wherever this can be seen to be beneficial to those using our services.
- (v) Sustaining and developing a flexible staff establishment and continuing our work to provide opportunities for all our staff to achieve accredited recognition of their skills.
- (vi) Containing overhead costs to below 6% of income, thereby ensuring that the maximum financial resources are employed in delivering care services.
- (vii) Continuing to invest in the Trust's capital assets to ensure that our services provide the facilities required to meet the needs of beneficiaries.
- (viii) Harnessing new and emergent technologies to maximise efficiency and effectiveness.

During 2003/04 we were able to make further progress against the Business Plan:

- (a) Our increasing concentration on the needs of older people with dementia and Alzheimers, together with the expansion of our Breakthrough Service for children and young people, took forward our objective of enhancing and developing our services.
- (b) Accessing new forms of funding, for example through Connexions, the Children's Fund and Supporting People Grant, has enabled us to work in closer partnership with a variety of other organisations and agencies.
- (c) Progress was made in recruiting and supporting volunteers to add value to the services we provide, this will continue in 2004.
- (d) Completing the first phase of our care homes development programme and commencing phase two.
- (e) Continuing to invest in training and development for all of our employees and finding new ways of recruiting staff particularly in our Care Homes.
- (f) Commencing work on upgrading our IT facilities which will include converting to ADSL (Broadband) throughout our network, implementing a new financial accounting package and finding better ways of working by sharing data and avoiding duplication.

Our Annual Plan for 2004/2005 sets objectives to make further progress on our Business Plan.

6 Review of Financial Position

Trustees are of the opinion that the financial results for the year ending 31 March 2004 are satisfactory having regard to the challenges which the Trust met during the year.

The financial results showed a surplus of £992,032 (3.37% of turnover) which is a reduction of £350,000 on the results of the previous year (4.28%). This was in line with the reduction in turnover from £31.4 million in

02/03 to £29.4 million which was mainly due to the reducing numbers of service users within the Finding Your Feet Service.

Of the total resources expended, 66% of expenditure was on staff costs including training and recruitment. Due to extraordinary costs during the year, management and administration costs were 7% of turnover. Trustees aim to keep this figure at or below 6% to ensure that maximum resources can be expended on service provision to service users.

7 Reserves Policy

The cash reserves policy was reviewed during 2002, bearing in mind that as a charitable organisation, our primary stakeholders are our beneficiaries and our financial objectives are to maximise the value to those beneficiaries.

The Trust needs to ensure that it has adequate reserves in order that it can continue to care for and support service users in unforeseen circumstances should funding from any source temporarily cease. Having considered income variability and risks relating to income as well as financial obligations and their flexibility, Trustees agreed that our policy should be to hold reserves of one month's expenditure which, based on the 2004/2005 budget would be £2.19 million.

The Charity SORP definition of reserves excludes amounts which could only be realised on disposal of assets used by the Charity to carry out its activities. Using this definition, at the end of the year the Trust hold no cash reserves and therefore aims to build reserves to the level of £2.19 million over a number of years.

8 Risk Assessment

During 2002 the Board of Trustees made an assessment of the risks to which the Trust is exposed, taking into account financial, operational and regulatory risks. In 2003 and 2004 the risks were reviewed to ensure comprehensiveness and to follow up any of the current measures in operation to mitigate risks.

The major risks facing the Trust appeared to be the risk of loss of income and the risk of being unable to recruit and retain personnel.

In order to mitigate risks, the Trust has measures and controls in place. With regards to risks to income, there are monthly management accounts and performance data, debtor control and internal audits. With regard to recruitment and retention we are Investors in People, a Staff Council has replaced the Joint Negotiating Committee and a Human Resources Manager has been recruited. Also, staff 'Terms and Conditions' underwent an extensive review during 2002.

As an organisation which provides care and support to vulnerable people KCHT has policies in place to ensure the protection of children, young people and vulnerable adults against abuse. The policies are included KCHT's written Health and Safety policy and its ISO 9001 Quality Manuals which comply with the guidelines in the Home Office Code of Practice "Safe from Harm". KCHT obtains enhanced Criminal Records Bureau Disclosures for all of its employees.

Reviewing risk is an ongoing part of the governance of the organisation which the Board integrates into its regular meetings.

9 Information About the Trust's Work

The Trust will launch a new edition of "Profile" for 2004 at this years Annual Review, this is available free upon request and gives greater information on the work of KCHT.

10 Accounts and Dividends

The results for the Trust for the year under review are considered to be satisfactory and an increase in the revenue reserves was achieved, The Trust is committed to continually enhancing and developing its services, and the greater part of the operating the operating surplus has been invested, over the year, in improving property, enhancing existing services and developing additional services.

As a charitable company the Trust does not distribute dividends.

11 Going Concern

Within its not for profit objective, and its status as a charity, Trustees consider the Trust to be a continuing going concern. Net current liabilities have reduced slightly (from £161k to £154k). The net liability situation is due to the fact that capital repayments due within 12 months, included in current liabilities, are now higher due to the completion of the first phase of the Care Homes development programme and the final drawdown on the loan.

12 Auditors

A resolution will be proposed at the Annual General Meeting on 25 October 2004 that Appleby and Wood be re-appointed Auditors of the Trust for the year ending March 2005.

13 Board of Trustees - Trustees 2004

The Lady Northbourne	Chairman
Sir David Berriman CIMgt	Honorary Treasurer
Mr H J Bragg MRPharmS	Deputy Chairman
Mrs A Cottrell	
Mr B Bushell	
Mrs M E de Courcy DSC	
Mr A H M de Gelsey CBE DL	
Mr D Tapp	
Mr R Pickett BSc (Econs) FCCA	
Mrs J Loudon	
Mr J Russell	
Cllr Mr R Lewis	

Honorary President

The Rt Hon The Countess Mountbatten of Burma CBE CD JP DL

14 Non-Executive Directors of Kent Community Services Limited 2004

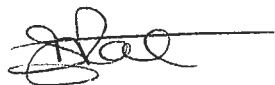
Mr H J Bragg MRPharmS	Chairman
The Lady Northbourne	
Mr B Bushell	
Mr R Pickett BSc (Econs) FCCA	
Mr R D Howells FICH	Chief Executive of KCHT
Mrs D J Pert	Company Secretary

15 Management Team 2004

Mr R D Howells FICH	Chief Executive
Mrs D J Pert MCMI ACCA	Director of Finance & Resources and Company Secretary
Ms T Jones MCIH	Director of Property & Development
Ms P Evans	Director of Care (Resigned 25.6.2004)

The Trustees of Kent Community Housing Trust and the Non-Executive Directors of Kent Community Services Limited both act in the voluntary capacity of Non-Executive Directors and do not have service contracts nor do they receive any emoluments in connection with those duties.

BY ORDER OF THE BOARD



Debbie Pert MCMI ACCA
Company Secretary

KENT COMMUNITY HOUSING TRUST
COMPANY LIMITED BY GUARANTEE - NO. 2565021
REGISTERED CHARITY NO. 1002727

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE

YEAR ENDED 31st MARCH 2004

REGISTERED OFFICE:

**Bridgewood House
8 Laker Road
Rochester
Kent ME1 3QX**

Adopted at the Annual General Meeting
3rd November 2004

Independent Auditor's Report to the Members of Kent Community Housing Trust.

We have audited the financial statements of Kent Community Housing Trust for the year ended 31st March 2004 which are set out on pages 1 to 11. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the Trust's members, as a body. In accordance with the Companies Acts. Our audit work has been undertaken so that we might state to the Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective Responsibilities of Trustees and Auditors

As described in the Statement of Trustees' Responsibilities, the company's trustees are non-executive company directors, for preparing the financial statements in accordance with applicable law and UK Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and UK Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

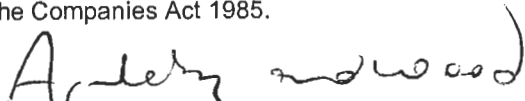
Basis of Audit Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company and group affairs as at 31st March 2004 and of their incoming resources and application of resources including cashflow of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Appleby & Wood
Registered Auditors
3 The Office Village
4 Romford Road
London E15 4EA

Date: 3 . 11 . 04

KENT COMMUNITY HOUSING TRUST

CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31ST MARCH 2004

	Note	GROUP		CHARITY	
		2004	2003	2004	2003
		£	£	£	£
Tangible Fixed Assets	4	18,133,827	17,414,438	18,123,802	17,398,546
Current Assets					
Debtors & Prepayments	5	2,016,797	1,474,243	1,973,944	1,524,825
Short Term Deposits		1,678,927	11,495	1,446,669	11,495
Cash at Bank and In Hand		61,098	1,719,329	70,943	1,708,948
		<u>3,756,822</u>	<u>3,205,067</u>	<u>3,491,556</u>	<u>3,245,268</u>
Current Liabilities	6	<u>(3,914,627)</u>	<u>(3,380,338)</u>	<u>(3,645,825)</u>	<u>(3,406,313)</u>
Net Current (Liabilities)		(157,805)	(175,271)	(154,269)	(161,045)
Total Assets less Current Liabilities		<u>17,976,022</u>	<u>17,239,167</u>	<u>17,969,533</u>	<u>17,237,501</u>
Long Term Liabilities					
Bank Loan Account		(5,766,428)	(5,945,656)	(5,766,428)	(5,945,656)
Hire Purchase Account		(110,809)	(191,581)	(110,809)	(191,581)
		<u>(5,877,237)</u>	<u>(6,137,237)</u>	<u>(5,877,237)</u>	<u>(6,137,237)</u>
Net Assets		<u>12,098,785</u>	<u>11,101,930</u>	<u>12,092,296</u>	<u>11,100,264</u>
Represented by:					
<u>Reserves</u>					
Revenue Unrestricted		4,558,577	3,613,308	4,552,088	3,553,900
Revenue Restricted		51,935	349	51,935	58,091
Capital		7,488,273	7,488,273	7,488,273	7,488,273
		<u>12,098,785</u>	<u>11,101,930</u>	<u>12,092,296</u>	<u>11,100,264</u>

Signed by:

The Lady Northbourne, Chairman

Sir David Berriman CIMgt, Honorary Treasurer

R D Howells FCIH, Chief Executive

D J Pert MCMi ACCA, Director Finance & Resources and Company Secretary

Adopted at the Annual General Meeting

3rd November 2004

KENT COMMUNITY HOUSING TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2004

Incoming Resources	Notes	Capital Reserve	Unrestricted Funds	Restricted Funds	2004 Total Funds	2003 Total Funds	
		£	£	£	£	£	
Income from Charitable Activities			29,116,820	–	29,116,820	31,156,587	
Voluntary Income & Grants			–	227,625	227,625	148,613	
National Lotteries Board			–	–	–	–	
Interest Receivable			52,319	–	52,319	33,329	
Other Charitable Income			5,301	–	5,301	17,152	
Trading Income			530,146	–	530,146	44,708	
Total Incoming Resources			<u>29,704,586</u>	<u>227,625</u>	<u>29,932,211</u>	<u>31,400,389</u>	
Resources expended							
Direct Charitable Expenditure	3a						
Residential Home Services			17,842,223	1,469	17,843,692	16,716,077	
Care at Home Services			1,325,580	1,362	1,326,942	1,325,929	
Moving Forward (Including expenditure from grants received from National Lotteries Board)			888,388	79,820	968,208	811,195	
Finding Your Feet			5,563,364	151,130	5,714,494	8,662,573	
			<u>25,619,555</u>	<u>233,781</u>	<u>25,853,336</u>	<u>27,515,774</u>	
Other Expenditure							
Advertising & Publicity			18,495	–	18,495	17,896	
Management & Administration	3b		1,904,331	–	1,904,331	1,543,200	
Trading Expenditure	3c		1,159,194	–	1,159,194	1,007,803	
			<u>3,082,020</u>	<u>0</u>	<u>3,082,020</u>	<u>2,568,899</u>	
Total Resources Expended			<u>28,701,575</u>	<u>233,781</u>	<u>28,935,356</u>	<u>30,084,673</u>	
Net incoming resources for the year			–	1,003,011	-6,156	996,855	1,315,716
Balance Brought Forward at 1 April 2003			7,488,273	2,297,646	58,091	9,844,010	9,786,214
Balance Carried Forward at 31 March 2004			<u>7,488,273</u>	<u>3,300,657</u>	<u>51,935</u>	<u>10,840,865</u>	<u>11,101,930</u>

All amounts relate to continuing activities

None of the Trust's activities was acquired or discontinued during the above two-year period.

All recognised and unrecognised gains and losses are included in the Statement of Financial Activities.

Adopted at the Annual General Meeting
3rd November 2004

KENT COMMUNITY HOUSING TRUST
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2004

Net Cash (Outflow)/Inflow from Operating Activities	31.3.2004	31.3.2003	
	£	£	
Surplus on ordinary activities	996,855	1,315,716	
Depreciation Charge	598,856	567,757	
(Increase)/Decrease in Debtors	(542,554)	323,888	
Increase/(Decrease) in Creditors	534,289	789,556	
	<u>1,587,446</u>	<u>2,996,917</u>	
 Financing			
Long Term Loan (Repaid)/Received (Net)	(260,000)	1,038,944	
	<u>1,327,446</u>	<u>4,035,861</u>	
 Investing Activities			
Payments to acquire Tangible Fixed Assets (Net)	(1,318,245)	(2,582,848)	
Sale of Tangible Fixed Assets	0	9,750	
	<u>9,201</u>	<u>1,462,763</u>	
 (Decrease)/Increase in Cash			
Reconciliation of Net Cash Flow to Movement in Net Debt			
(Decrease)/Increase in Cash	9,201	1,462,763	
Cash (Outflow)/Inflow from change in debt	260,000	(1,038,944)	
Increase in Net Debt from Cash Flows	269,201	423,819	
Net Debt at 1.4.2003	(4,409,986)	(4,833,805)	
Net Debt at 31.3.2004	<u>(4,140,785)</u>	<u>(4,409,986)</u>	
 Analysis of Net Debt			
	At 1.4.03	Cashflow	At 31.3.04
Changes in Cash	1,700,825	9,201	1,710,026
Changes in Debt: Bank Loan	<u>(6,110,811)</u>	<u>260,000</u>	<u>(5,850,811)</u>
Changes in Net Debt	<u>(4,409,986)</u>	<u>269,201</u>	<u>(4,140,785)</u>

Adopted at the Annual General Meeting
3rd November 2004

KENT COMMUNITY HOUSING TRUST
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004

Note

1 Statement of Accounting Policies

a Basis of Accounting and Consolidation

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, and comply with the requirements of SORP, "Accounting and Reporting by Charities".

The Consolidated Financial Statements incorporate the Financial Statements of the Company and its Subsidiaries for the 52 weeks ended 31st March 2004

b Turnover

Turnover represents income from residential and community care. In the case of the trading subsidiary, turnover is from the provision of relief staff.

c Depreciation

Depreciation is provided from the date of purchase on a straight line basis on cost as follows: -

Leasehold Improvements	Remaining period of Lease
Computer Equipment	25% per annum
Fixtures and Fittings	20% per annum
Motor Vehicles	20% per annum

The freehold properties have been revalued on an existing use basis. Depreciation has been provided for at the rate of 2% per annum on the buildings element contained within the revalued amount.

d Current Liabilities

Capital Repayments due on long-term loans & HP accounts relates to instalments due in the next twelve months.

e Tax Status

No provision for taxation is necessary as the Charity has exemption under Section 505 of the ICTA 1998. In the case of the trading subsidiary, no provision is necessary due to assessable losses for the year.

f Comparative Figures

Comparative figures are for the year to 31 March 2003

g Capital Reserve

Capital Reserve includes the revaluation surplus on the Freehold Property which was valued on an open market basis by Highland & Co. as at 31 March 2000. This revaluation gave an unrealised loss of £559,256 over previous valuations, the original valuations being carried out on 26.6.97.

i Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease in proportion to the balance of capital repayments outstanding.

Adopted at the Annual General Meeting
3rd November 2004

KENT COMMUNITY HOUSING TRUST

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2004

Note		2004 £	2003 £
2	Staff Costs		
	Salaries and Wages	17,201,641	16,317,179
	Staff Recruitment and Training	195,475	249,194
	Employer's Social Security Costs	899,816	809,413
	Employer's Pension Costs	647,238	575,628
		<u>18,944,170</u>	<u>17,951,414</u>
	Analysed as :		
	Works Programme - Capitalised 2004	9,370	47,960
	Works Programme Expenditure (including Garden Maintenance and Property Repairs)	135,940	87,005
	Residential Care	13,647,881	12,676,187
	Care at Home	1,218,046	1,207,322
	Moving Forward	580,287	538,560
	Finding Your Feet	1,523,803	1,647,518
	Management and Administration	1,123,541	795,375
	Trading Subsidiary	705,302	951,487
		<u>18,944,170</u>	<u>17,951,414</u>
		2004	2003
	The average monthly number of persons employed during the year was:	<u>1,616</u>	<u>1,523</u>

3a	Direct Charitable Expenditure	Care Homes	Care at Home	Moving Forward	Finding Your Feet	Total	Total
	Staff Costs	13,647,881	1,218,046	580,287	1,523,803	16,970,017	16,069,587
	Property Costs	1,818,402	9,401	97,526	153,486	2,078,815	2,012,281
	Operating Costs	1,522,853	96,498	259,873	4,010,505	5,889,729	8,572,217
	Depreciation	484,521	1,635	17,474	26,700	530,330	497,891
	Finance Charges	368,566	0	8,094	0	376,660	363,798
	Charitable Fund Expenditure	1,469	1,362	4,954	0	7,785	0
	Total	<u>17,843,692</u>	<u>1,326,942</u>	<u>968,208</u>	<u>5,714,494</u>	<u>25,853,336</u>	<u>27,515,774</u>

3b	Management and Administration of the Charity	Total	Total
	Staff Costs	1,259,481	882,380
	Property Costs	67,017	69,567
	Operating Costs	502,674	511,303
	Audit Fees	12,500	15,705
	Depreciation	62,659	64,245
	Total	<u>1,904,331</u>	<u>1,543,200</u>

3c	Trading Expenditure	Total	Total
	Staff Costs	705,302	951,487
	Training Providers	399,470	0
	Property Costs	1,954	1,940
	Operating Costs	45,837	47,786
	Audit Fees	764	969
	Depreciation	5,867	5,621
	Total	<u>1,159,194</u>	<u>1,007,803</u>

Adopted at the Annual General Meeting
3rd November 2004

KENT COMMUNITY HOUSING TRUST

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31ST MARCH 2004

Note		Freehold Property £	Leasehold Improvements £	Computer Equipment £	Fixtures & Fittings £	Motor Vehicles £	TOTAL £
4	Tangible Fixed Assets						
	Cost/Valuation						
	At 1.4.03	17,024,329	659,654	550,201	1,303,570	193,550	19,731,304
	Additions	746,671	243,497	110,471	210,380	37,651	1,348,670
	Grants Received	-	-	-	-	-30,425	-30,425
	Disposals	-	-	-	-	-	0
	Revaluation	-	-	-	-	-	0
	At 31.3.04	17,771,000	903,151	660,672	1,513,950	200,776	21,049,549
	Depreciation						
	At 1.4.03	771,553	289,568	357,667	740,289	157,789	2,316,866
	Charge for Year	286,638	24,057	81,672	192,379	14,110	598,856
	Disposals	-	-	-	-	-	0
	At 31.3.04	1,058,191	313,625	439,339	932,668	171,899	2,915,722
	Net Book Value						
	At 31.3.04	16,712,809	589,526	221,333	581,282	28,877	18,133,827
	At 31.3.03	16,252,776	370,086	192,534	563,281	35,761	17,414,438

5 Debtors	GROUP		CHARITY	
	2004	2003	2004	2003
	£	£	£	£
Trade Debtors	1,602,379	925,330	1,561,151	896,568
Amounts due from Subsidiary	-	-	-	79,404
Other Debtors	18,721	69,688	18,294	69,688
Prepayments	152,674	126,433	152,674	126,433
Accrued Income	243,023	352,792	241,825	352,732
	<u>2,016,797</u>	<u>1,474,243</u>	<u>1,973,944</u>	<u>1,524,825</u>

6 Creditors and Accruals				
Trade Creditors	548,498	599,142	542,428	592,223
Amounts due to Subsidiary Co	-	-	44,089	91,521
Other Creditors	86,888	86,635	84,823	87,866
Accruals	1,253,004	984,136	967,514	944,928
Other Taxes and Social Secur	273,376	276,779	257,727	256,129
Deferred Income	901,768	739,644	898,151	739,644
Capital repayments due within one year on long-term loans and li	851,093	694,002	851,093	694,002
	<u>3,914,627</u>	<u>3,380,338</u>	<u>3,645,825</u>	<u>3,406,313</u>

7 Capital Commitments
Capital expenditure contracted for, unpaid for at the year end and not provided for in the financial statements - £1,603,092 (2003 Nil)
Capital expenditure authorised by the Trustees but not yet contracted for - £1,376,390 (2003 Nil)

8 Contingent Liabilities
There are no known contingent liabilities arising from contracted disputes or from any other cause (2003 Nil)

9 Residents' Bank Accounts
The Trust administers bank accounts for which it has power of attorney on behalf of residents who cannot manage their own affairs
These accounts have not been reflected in these Financial Statements as an asset or liability

10 Obligations under Hire Purchase and Finance Leases		
Obligations under hire purchase and finance leases are analysed as follows:	2004	2003
Current obligations	147,146	158,935
Obligations due between one and five years	110,809	191,581
	<u>257,955</u>	<u>350,516</u>

11 Bank Loan Accounts
The bank loans are secured by mortgages on certain of the Trust's properties. The amount of the loan liability is £6,470,374 (2003: £6,480,723) and the value of the properties charged is £11,995,000 (2003: £11,995,000).

Adopted at the Annual General Meeting
3rd November 2004

KENT COMMUNITY HOUSING TRUST

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2004

Note

12 **Employee's Emoluments**

Senior Management

The number of employees whose emoluments for the year fell within each band of £10,000 from £40,000 upwards was as follows:-

<u>Emoluments</u>	<u>No. of Employees</u>
£40,000 to £50,000	3
£50,000 to £60,000	4
£60,000 to £70,000	0
£70,000 to £80,000	0
£80,000 to £90,000	1

13 **Amenity Funds**

There is an amount of £6920.85 included within the Trust's Financial Statements which is held on behalf of the following Amenity Funds:-

	£
Dovedale	347
Hevercourt	5,000
Honeyfields	1,593
Hartley House	30
New Close	26
Perrygrove	-141
Sunbury Lodge	66

This is shown within the creditors under Current Liabilities on the Balance Sheet.

14 **Subsidiary Undertakings**

Kent Community Services Limited Incorporated in the United Kingdom. This subsidiary undertaking is wholly owned and the results have been consolidated in the group accounts.

At 31st March 2004

Fixed Assets	10,025
Current Assets	319,308
Current Liabilities	(322,844)
Net Current Assets	(3,536)
	<u>6,489</u>
Reserves	<u>6,489</u>
Turnover	1,171,307
Expenditure	(1,166,484)
Profit for year	<u>4,823</u>
Covenanted to Kent Community Housing Trust	-
	<u>4,823</u>

Adopted at the Annual General Meeting

3rd November 2004

KENT COMMUNITY HOUSING TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2004

Note 15 Pension Commitments

The Trust participates in the pension schemes which are named below. The costs are charged to the profit and loss account as and when they are paid on a monthly basis. The pension cost charge for the period is stated in Note 2 of the financial statements and is detailed below. There are no outstanding or prepaid contributions at the balance sheet date.

<u>Pension Scheme</u>	<u>Rate of Contribution</u>		<u>2004 Cost</u>
	<u>Employer's</u>	<u>Employee's</u>	<u>£</u>
The Pensions Trust	10.60%	4.0 & 5.0 %	55,612
KCC Pensions (LGPS)	13.00 & 15.60%	5.0 & 6.0 %	144,241
LBG Pensions (LGPS)	13.00%	5.0 & 6.0 %	15,788
LBB Pensions (LGPS)	17.50%	5.0 & 6.0 %	274,127
Sun Life	Up to 5%	Variable	76,667

The Sun Life scheme is a defined contribution scheme and the Pensions Trust and LGPS schemes are defined benefit pension schemes. Whilst the Trust continues to account for pensions costs in accordance with SSAP 24, under FRS 17 the following transitional disclosures are required for the defined benefit schemes:-

The Pensions Trust

The Social Housing Pensions Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state scheme. It is not possible to identify the share of underlying assets and liabilities belonging to individual participating members.

The last formal valuation of the scheme was performed at 30 September 2002 by a professionally qualified actuary using the "projected unit credit" method. The market value of the Scheme's assets at the last valuation date was £650 million. The valuation revealed a shortfall of £117 million (equivalent to a past service funding level of 85%).

Due to the nature of the scheme, the profit and loss account charge for the period under both SSAP24 and FRS17 represents the employer contribution payable.

The financial assumptions underlying the valuation were as follows:

	<u>%pa</u>
Rate of return on future contributions	6.6
Rate of return on accumulated assets	7.2
Rate of salary increases	4.5
Rate of pension increases	2.5
Rate of price inflation	2.5

In view of the past service shortfall most employers (including KCHT) are required to contribute at the standard rate of 10.6% of pensionable salaries in order to bring the value of assets and liabilities into balance.

Kent County Council

The Kent County Council Pension Fund is a multi-employer defined benefit scheme.

The last formal valuation of the scheme was performed at 31 March 2001 by a professionally qualified actuary. The market value of the Scheme's total assets at the last valuation date was £1,610 million. The valuation revealed a shortfall of £519 million giving a funding level of 76%.

An actuarial valuation of the Trust's share in the scheme was carried out as at 31 March 2004 for the purposes of FRS17. The deficit at the beginning of the year was valued at £2,726,000 and the deficit at the end of the year was valued at £2,611,000.

The financial assumptions (under current market conditions) underlying the valuation were as follows:

	<u>%pa</u>
Investment return	
- Equities	7.70
- Bonds	5.10
- Property	6.50
- Cash	4.00
Pay increases	4.40
Price inflation/ pension increases	2.90

Adopted at the Annual General Meeting
3rd November 2004

KENT COMMUNITY HOUSING TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2004

Note 15 Pension Commitments (cont'd)

London Borough of Bexley

The London Borough of Bexley Pension Fund is a multi-employer defined benefit scheme .

The last formal valuation of the scheme was performed at 31 March 2001 by a professionally qualified actuary using the "Projected Unit method". The market value of the Scheme's assets at the last valuation date was £314 million. The valuation revealed a surplus of £11.7 million over and above its liabilities, giving a funding level of 104%.

An Interim Review of the fund was carried out at 31 March 2003. The valuation revealed deficit of £92.4 million, giving a funding level of 72%.

An actuarial valuation of the Trust's share in the scheme was carried out as at 31 March 2003 for the purposes of FRS17. The deficit at the beginning of the year was valued at £2,429,000 and the deficit at the end of the year was valued at £2,087,000.

The financial assumptions (under current market conditions) underlying the valuation were as follows:

	<u>%pa</u>
Investment return	
- Equities	7.50
- Bonds	5.50
- Property/Other	6.50
Pay increases	4.30
Price inflation/ pension increases	2.80

London Borough of Greenwich

The London Borough of Greenwich Pension Fund is a multi-employer defined benefit scheme . The Trust has been unable to identify the share of underlying assets and liabilities belonging to it's membership in the scheme.

The last formal valuation of the Scheme was performed at 31 March 2001 by a qualified actuary. At that date the market value of the scheme's assets was £550.8 million which is a surplus over and above its liabilities of £12.4 million giving a funding level of 102%.

The financial assumptions (under current market conditions) underlying the valuation were as follows:

	<u>%pa</u>
Investment return	
- Equities	6.75
- Bonds	5.75
- 75% Equities/25% Bonds	6.50
Pay increases	4.80
Price inflation/ pension increases	2.80

Adopted at the Annual General Meeting
3rd November 2004

KENT COMMUNITY HOUSING TRUST
COMPANY LIMITED BY GUARANTEE - NO. 2565021
REGISTERED CHARITY NO. 1002727

FINANCIAL STATEMENTS
FOR THE
YEAR ENDED 31st MARCH 2004

REGISTERED OFFICE:

**Bridgewood House
8 Laker Road
Rochester
Kent ME1 3QX**

Adopted at the Annual General Meeting
3rd November 2004

Independent Auditor's Report to the Members of Kent Community Housing Trust.

We have audited the financial statements of Kent Community Housing Trust for the year ended 31st March 2004 which are set out on pages 1 to 10. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the Trust's members, as a body. In accordance with the Companies Acts. Our audit work has been undertaken so that we might state to the Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective Responsibilities of Trustees and Auditors

As described in the Statement of Trustees' Responsibilities, the company's trustees are non-executive company directors, for preparing the financial statements in accordance with applicable law and UK Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and UK Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company and group affairs as at 31st March 2004 and of their incoming resources and application of resources including cashflow of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Appleby & Wood
Registered Auditors
3 The Office Village
4 Romford Road
London E15 4EA

Date:

3 . 11 . 04

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KENT COMMUNITY HOUSING TRUST
BALANCE SHEET AS AT 31ST MARCH 2004

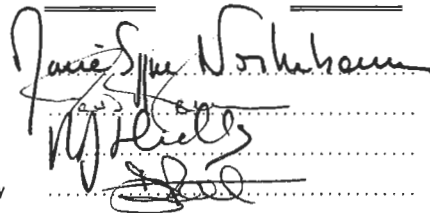
	Note	31.3.04		31.3.03
		£	£	£
Tangible Fixed Assets	4		18,123,802	17,398,546
Current Assets				
Debtors & Prepayments	5	1,973,944		1,524,824
Short Term Deposits		1,446,669		11,495
Cash at Bank and In Hand		70,943		1,708,949
		3,491,556		3,245,268
Current Liabilities				
Creditors falling due within one year	6	2,794,732		2,712,311
Capital Repayments due within one year on long-term loans & HP Accounts		851,093		694,002
		3,645,825		3,406,313
Net Current (Liabilities)			(154,269)	(161,045)
Total Assets less Current Liabilities			17,969,533	17,237,501
Long Term Liabilities				
Bank Loan Account	11	5,766,428		5,945,656
Hire Purchase Account		110,809	(5,877,237)	191,581 (6,137,237)
Net Assets			12,092,296	11,100,264

Represented by

Reserves

Revenue Unrestricted	4,552,088		3,553,900	
Revenue Restricted	51,935	4,604,023	58,091	3,611,991
Capital		7,488,273		7,488,273
		12,092,296		11,100,264

Signed by: The Lady Northbourne, Chairman
 Sir David Berriman CIMgt, Honorary Treasurer
 R D Howells FCIH, Chief Executive
 D J Pert MCMI ACCA, Director, Finance and Resources and Company Secretary



KENT COMMUNITY HOUSING TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2004

Incoming Resources	Notes	Capital Reserve	Unrestricted Funds	Restricted Funds	2004 Total funds	2003 Total Funds
		£	£	£	£	
Income from Charitable Activities			29,124,110	-	29,124,110	31,163,247
Voluntary Income & Grants			-	227,625	227,625	206,355
Interest Receivable			52,319	-	52,319	33,329
Other Income			5,301	-	5,301	17,152
Total Incoming Resources			29,181,730	227,625	29,409,355	31,420,083
Resources expended						
Direct Charitable Expenditure	3a					
Residential Home Services			18,283,361	1,469	18,284,830	17,386,998
Care at Home Services			1,332,818	1,362	1,334,180	1,334,676
Moving Forward			902,813	79,820	982,633	831,090
Finding Your Feet			5,587,183	151,130	5,738,313	8,707,739
			26,106,175	233,781	26,339,956	28,260,503
Other Expenditure						
Advertising & Publicity			18,495	-	18,495	17,896
Management & Administration	3b		2,058,872	0	2,058,872	1,796,972
			2,077,367	0	2,077,367	1,814,868
Total Resources Expended			28,183,542	233,781	28,417,323	30,075,371
Net incoming resources for the year			-	998,188	-6,156	992,032
Balance Brought Forward at 1 April 2003		7,488,273	3,553,900	58,091	11,100,264	9,755,552
Balance Carried Forward at 31 March 2004		7,488,273	4,552,088	51,935	12,092,296	11,100,264

All amounts relate to continuing activities

None of the Trust's activities was acquired or discontinued during the above two-year period.

All recognised and unrecognised gains and losses are included in the Statement of Financial Activities.

Adopted at the Annual General Meeting

3rd November 2004

KENT COMMUNITY HOUSING TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2004

Net Cash (Outflow)/Inflow from Operating Activities	31.3.2004	31.3.2003	
	£	£	
Surplus on ordinary activities	992,032	1,344,712	
Depreciation Charge	592,989	562,135	
Decrease/(Increase) in Debtors	(449,120)	373,071	
Increase/(Decrease) in Creditors	<u>(10,139)</u>	<u>370,895</u>	
	<u>1,125,762</u>	<u>2,650,813</u>	
 Financing			
Loans (Repaid)/Received (Net)	<u>(10,349)</u>	<u>1,408,856</u>	
	<u>1,115,413</u>	<u>4,059,669</u>	
 Investing Activities			
Payments to acquire Tangible Fixed Assets (Net)	<u>(1,318,245)</u>	<u>(2,567,070)</u>	
Increase in Cash	<u>(202,832)</u>	<u>1,492,599</u>	
 (Decrease)/Increase in Cash			
Reconciliation of Net Cash Flow to Movement in Net Debt			
(Decrease)/Increase in Cash	(202,832)	1,492,599	
Cash (Outflow)/Inflow from change in debt	<u>10,349</u>	<u>(1,408,856)</u>	
Increase in Net Debt from Cash Flows	(192,483)	83,743	
Net Debt at 1.4.2003	<u>(4,760,280)</u>	<u>(4,844,023)</u>	
Net Debt at 31.3.2004	<u>(4,952,763)</u>	<u>(4,760,280)</u>	
 Analysis of Net Debt			
	At 1.4.03	Cashflow	At 31.3.04
Changes in Cash	1,720,443	(202,832)	1,517,611
Changes in Debt: Bank Loan	<u>(6,480,723)</u>	<u>10,349</u>	<u>(6,470,374)</u>
Changes in Net Debt	<u>(4,760,280)</u>	<u>(192,483)</u>	<u>(4,952,763)</u>

Adopted at the Annual General Meeting
3rd November 2004

KENT COMMUNITY HOUSING TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004

Note

1 Statement of Accounting Policies

a Basis of Accounting

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, and comply with the requirements of SORP, "Accounting and Reporting by Charities".

b Turnover

Turnover represents income from residential and community care.

c Depreciation

Depreciation is provided from the date of purchase on a straight line basis on cost as follows: -

Leasehold Improvements	Remaining period of Lease
Computer Equipment	25% per annum
Fixtures and Fittings	20% per annum
Motor Vehicles	20% per annum

The freehold properties have been revalued on an existing use basis. Depreciation has been provided for at the rate of 2% per annum on the buildings element contained within the revalued amount.

d Current Liabilities

Capital Repayments due on long-term loans & HP accounts relates to instalments due in the next twelve months.

e Tax Status

No provision for taxation is necessary as the Company has exemption under Section 505 of the ICTA 1998.

f Comparative Figures

Comparative figures are for the year to 31 March 2003

g Capital Reserve

Capital Reserve includes the revaluation surplus on the Freehold Property which was valued on an open market basis by Highland & Co. as at 31 March 2000. This revaluation gave an unrealised loss of £559,256 over previous valuations, the original valuations being carried out on 26.6.97.

h Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease in proportion to the balance of capital repayments outstanding.

KENT COMMUNITY HOUSING TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2004

Note 2		2004	2003
		£	£
Staff Costs			
Salaries and Wages		16,995,472	16,137,437
Staff Recruitment and Training		337,503	475,951
Employer's Social Security Costs		899,816	809,413
Employer's Pension Costs		<u>647,238</u>	<u>575,628</u>
		<u>18,880,029</u>	<u>17,998,429</u>
Analysed as			
Development Programme - Capitalised		9,370	47,960
Care Homes		14,089,019	13,347,109
Care at Home		1,225,284	1,218,089
Moving Forward		594,712	558,455
Finding Your Feet		1,547,622	1,692,684
Management and Administration		<u>1,414,022</u>	<u>1,136,152</u>
		<u>18,880,029</u>	<u>17,998,429</u>
		2004	2003
The average monthly number of persons employed during the year was:		<u>1,605</u>	<u>1,442</u>

Note 3a	Direct Charitable Expenditure	Care Homes	Care at Home	Moving Forward	Finding Your Feet	Total	Total
	Staff Costs	14,089,019	1,225,284	594,712	1,547,622	17,456,637	16,814,317
	Property Costs	1,818,402	9,401	97,526	153,486	2,078,815	2,012,282
	Operating Costs	1,522,853	96,498	259,873	4,010,505	5,889,729	8,572,217
	Depreciation	484,521	1,635	17,474	26,700	530,330	497,890
	Finance Charges	368,566	0	8,094	0	376,660	363,797
	Charitable Fund Expenditure	1,469	1,362	4,954	0	7,785	0
	Total	<u>18,284,830</u>	<u>1,334,180</u>	<u>982,633</u>	<u>5,738,313</u>	<u>26,339,956</u>	<u>28,260,503</u>

Note 3b	Management and Administration of the Charity	2004	2003
		£	£
	Staff Costs	1,414,022	1,136,152
	Property Costs	67,017	69,567
	Other Costs	502,674	511,303
	Audit Fee	12,500	15,705
	Depreciation	62,659	64,245
	Total	<u>2,058,872</u>	<u>1,796,972</u>

Adopted at the Annual General Meeting
3rd November 2004

KENT COMMUNITY HOUSING TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

AS AT 31ST MARCH 2004

Note		Freehold Property £	Leasehold Improvements £	Computer Equipment £	Fixtures & Fittings £	Motor Vehicles £	TOTAL £
4	Tangible Fixed Assets						
	Cost/Valuation						
	At 1.4.03	17,024,330	654,012	538,463	1,291,731	193,550	19,702,086
	Additions	746,671	243,497	110,471	210,380	37,651	1,348,670
	Grants Received	-	-	-	-	-30,425	-30,425
	Disposals	-	-	-	-	-	0
	Revaluation	-	-	-	-	-	0
	At 31.3.04	<u>17,771,001</u>	<u>897,509</u>	<u>648,934</u>	<u>1,502,111</u>	<u>200,776</u>	<u>21,020,331</u>
	Depreciation						
	At 1.4.03	771,553	288,530	350,903	734,765	157,789	2,303,540
	Charge for Year	286,638	23,493	78,737	190,011	14,110	592,989
	Disposals	-	-	-	-	-	0
	At 31.3.04	<u>1,058,191</u>	<u>312,023</u>	<u>429,640</u>	<u>924,776</u>	<u>171,899</u>	<u>2,896,529</u>
	Net Book Value						
	At 31.3.04	16,712,810	585,486	219,294	577,335	28,877	18,123,802
	At 31.3.03	16,252,777	365,482	187,560	556,966	35,761	17,398,546

	2004 £	2003 £
5 Debtors		
Trade Debtors	1,561,151	896,568
Amounts due from Subsidiary Company	0	79,404
Other Debtors	18,284	69,688
Prepayments	152,674	126,433
Accrued Income	<u>241,825</u>	<u>352,732</u>
	<u>1,973,944</u>	<u>1,524,825</u>

6 Creditors and Accruals		
Trade Creditors	542,428	592,223
Amounts due to Subsidiary Company	44,089	91,521
Other Creditors	84,823	87,866
Accruals	967,514	944,928
Other Taxes and Social Security	257,727	256,129
Deferred Income	<u>898,151</u>	<u>739,844</u>
	<u>2,794,732</u>	<u>2,712,311</u>

Our policy for the payment of creditors is month end following date of invoice. The average number of days between receipt and payment of purchase invoices is 25 days.

7 Capital Commitments

Capital expenditure contracted for, unpaid for at the year end and not provided for in the financial statements - £1,803,092 (2003 Nil)
Capital expenditure authorised by the Trustees but not yet contracted for - £1,376,390 (2003 Nil)

8 Contingent Liabilities

There are no known contingent liabilities arising from contracted disputes or from any other cause (2003 Nil)

9 Residents' Bank Accounts

The Trust administers bank accounts for which it has power of attorney on behalf of residents who cannot manage their own affairs
These accounts have not been reflected in these Financial Statements as an asset or liability

10 Obligations under Hire Purchase and Finance Leases

Obligations under hire purchase and finance leases are analysed as follows:	2004	2003
Current obligations	147,146	158,935
Obligations due between one and five years	<u>110,609</u>	<u>191,581</u>
	<u>257,955</u>	<u>350,516</u>

11 Bank Loan Accounts

The bank loans are secured by mortgages on certain of the Trust's properties. The amount of the loan liability is £6,470,374 (2003: £6,480,723) and the value of the properties charged is £11,995,000 (2003: £11,995,000).

Adopted at the Annual General Meeting
3rd November 2004

KENT COMMUNITY HOUSING TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2004

Note 12 Employee's Emoluments

The total emoluments (i.e. remuneration and Benefits-in-kind, as defined for taxation purposes) for the year ended 31 March 2004 was £ 15,923,961

Senior Management

The number of employees whose emoluments for the year fell within each band of £10,000 from £40,000 upwards was as follows:-

<u>Emoluments</u>	<u>No. of Employees</u>
£40,000 to £50,000	3
£50,000 to £60,000	4
£60,000 to £70,000	0
£70,000 to £80,000	0
£80,000 to £90,000	1

Note 13 Amenity Funds

There is an amount of £6,920.85 included within the Trust's Financial Statements which is held on behalf of the following Amenity Funds:-

	<u>£</u>
Dovedale	347
Hevercourt	5,000
Honeyfields	1,593
Hartley House	30
New Close	26
Perrygrove	-141
Sunbury Lodge	66

This is shown within the creditors under Current Liabilities on the Balance Sheet.

Note 14 Pension Commitments

The Trust participates in the pension schemes which are named below. The costs are charged to the profit and loss account as and when they are paid on a monthly basis. The pension cost charge for the period is stated in Note 2 of the financial statements and is detailed below. There are no outstanding or prepaid contributions at the balance sheet date.

<u>Pension Scheme</u>	<u>Rate of Contribution</u>		<u>2004 Cost</u>
	<u>Employer's</u>	<u>Employee's</u>	<u>£</u>
The Pensions Trust	10.60%	4.0 & 5.0 %	55,612
KCC Pensions (LGPS)	13.00 & 15.60%	5.0 & 6.0 %	144,241
LBG Pensions (LGPS)	13.00%	5.0 & 6.0 %	15,788
LBB Pensions (LGPS)	17.50%	5.0 & 6.0 %	274,127
Sun Life	Up to 5%	Variable	76,667

The Sun Life scheme is a defined contribution scheme and the Pensions Trust and LGPS schemes are defined benefit pension schemes. Whilst the Trust continues to account for pensions costs in accordance with SSAP 24, under FRS 17 the following transitional disclosures are required for the defined benefit schemes:-

The Pensions Trust

The Social Housing Pensions Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state scheme. It is not possible to identify the share of underlying assets and liabilities belonging to individual participating members.

The last formal valuation of the scheme was performed at 30 September 2002 by a professionally qualified actuary using the "projected unit credit" method. The market value of the Scheme's assets at the last valuation date was £650 million. The valuation revealed a shortfall of £117 million (equivalent to a past service funding level of 85%).

Due to the nature of the scheme, the profit and loss account charge for the period under both SSAP24 and FRS17 represents the employer contribution payable.

The financial assumptions underlying the valuation were as follows:

	<u>%pa</u>
Rate of return on future contributions	6.6
Rate of return on accumulated assets	7.2
Rate of salary increases	4.5
Rate of pension increases	2.5
Rate of price inflation	2.5

In view of the past service shortfall most employers (including KCHT) are required to contribute at the standard rate of 10.6% of pensionable salaries in order to bring the value of assets and liabilities into balance.

KENT COMMUNITY HOUSING TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2004

Note 14 Pension Commitments (cont'd)

Kent County Council

The Kent County Council Pension Fund is a multi-employer defined benefit scheme .

The last formal valuation of the scheme was performed at 31 March 2001 by a professionally qualified actuary. The market value of the Scheme's total assets at the last valuation date was £1,610 million. The valuation revealed a shortfall of £519 million giving a funding level of 76%.

An actuarial valuation of the Trust's share in the scheme was carried out as at 31 March 2004 for the purposes of FRS17. The deficit at the beginning of the year was valued at £2,726,000 and the deficit at the end of the year was valued at £2,611,000.

The financial assumptions (under current market conditions) underlying the valuation were as follows:

	<u>%pa</u>
Investment return	
- Equities	7.70
- Bonds	5.10
- Property	6.50
- Cash	4.00
Pay increases	4.40
Price inflation/ pension increases	2.90

London Borough of Bexley

The London Borough of Bexley Pension Fund is a multi-employer defined benefit scheme .

The last formal valuation of the scheme was performed at 31 March 2001 by a professionally qualified actuary using the "Projected Unit method". The market value of the Scheme's assets at the last valuation date was £314 million. The valuation revealed a surplus of £11.7 million over and above its liabilities, giving a funding level of 104%.

An Interim Review of the fund was carried out at 31 March 2003. The valuation revealed deficit of £92.4 million, giving a funding level of 72%.

An actuarial valuation of the Trust's share in the scheme was carried out as at 31 March 2003 for the purposes of FRS17. The deficit at the beginning of the year was valued at £2,429,000 and the deficit at the end of the year was valued at £2,087,000.

The financial assumptions (under current market conditions) underlying the valuation were as follows:

	<u>%pa</u>
Investment return	
- Equities	7.50
- Bonds	5.50
- Property/Other	6.50
Pay increases	4.30
Price inflation/ pension increases	2.80

London Borough of Greenwich

The London Borough of Greenwich Pension Fund is a multi-employer defined benefit scheme . The Trust has been unable to identify the share of underlying assets and liabilities belonging to it's membership in the scheme.

The last formal valuation of the Scheme was performed at 31 March 2001 by a qualified actuary. At that date the market value of the scheme's assets was £550.8 million which is a surplus over and above its liabilities of £12.4 million giving a funding level of 102%.

The financial assumptions (under current market conditions) underlying the valuation were as follows:

	<u>%pa</u>
Investment return	
- Equities	6.75
- Bonds	5.75
- 75% Equities/25% Bonds	6.50
Pay increases	4.80
Price inflation/ pension increases	2.80