

RICHMOND FELLOWSHIP (NI) LTD

REPORT OF THE COMMITTEE OF MANAGEMENT

YEAR ENDED 31 MARCH 2023

Reference and Administrative Details of the Charity, its Trustees and Advisers

**COMMITTEE OF
MANAGEMENT**

Dr P McGarry (Chairperson)
Mr A Harbinson (Vice Chairperson)
Mr R Lamrock
Prof M Donnelly
Mr T Price
Mr J Campbell
Ms C Loughran

CEO/SECRETARY

Dr Raman Kapur

TRADING NAME

Threshold

REGISTERED NAME

Richmond Fellowship (NI) Ltd

REGISTERED OFFICE

432 Antrim Road
Belfast
BT15 5GB

Registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, No. 346

Registered under the Charities Commission for Northern Ireland, No. 100956 & HMRC, Charity No. XN91835

AUDITORS

Miscampbell & Co
6 Annadale Avenue
Belfast
BT7 3JH

BANKERS

Ulster Bank Ltd 16 Donegall Sq East Belfast BT1 5UB	Santander 301 St Vincent St Glasgow G4 5HN	Virgin Money Jubilee House Gosforth NE3 4PL
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INVESTMENT MANAGERS

Investec 58 - 60 Bedford St Belfast BT2 7DR	Evelyn Partners 32 – 38 Linenhall St Belfast BT2 8GB	NICIF 1-7 Bedford St Belfast BT2 7EG
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SOLICITORS

Worthingtons
24 -38 Gordon Street
Belfast
BT1 2LG

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Objectives and activities

Purposes and Aims

Our charity's purposes as set out in the objects contained in the Charity's model rules are:

- to provide therapeutic residential accommodation for children, adolescents, adults and the elderly, recovering from mental health problems, and
- to provide counselling, therapy, outreach services, research and other related activities within the social care field for children, adolescents, adults and the elderly.

Achievements and performance

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months, based on the corporate plan. This ensures our aims, objectives and activities remain focused on our stated purposes.

We ensure that a high level of service is achieved and there is a focus on continual improvement which promotes both good outcomes and best value.

Our outcome data continues to provide evidence that our patient population benefits from being in our service.

We are committed to meeting the standards required from our key stakeholders and surpassing these through continued organisational improvement which will ensure that we further our legal purposes and provide best care and life opportunities to the service user's referred to us. A key service and business objective is the continuing high occupancy level of the residential service we provide. Satisfactory performance was achieved during the reporting period.

Externally Threshold is regulated by the Regulation and Improvement Authority (RQIA) and Quality Assessment Framework (QAF) for Supporting People. Regulation of the social care workforce is regulated by the Northern Ireland Social Care Council (NISCC), Health Professional Council (HPC) and Nursing and Midwifery Council (NMC) which also places stringent requirements on the organisation, all of which are adhered to through our policies and procedures.

Main activities

The focus of our work

Our residential therapeutic communities offer effective psycho-social environments for the severely mentally ill patients in our care.

Our Floating Support Service, which helps people with mental health problems remain in their own homes, means that we reach nearly 150 people with our therapeutic work.

External stakeholder budgets remained constrained during the year.

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How our activities deliver public benefit

Our main activities and who we try to help are described above. All our charitable activities focus on those recovering from mental health problems and those who require counselling and are undertaken to further our charitable purposes for the public benefit.

Financial Review

Results

Net income and (expenditure) in the year was (£70,558) (£145,953 - 2022). Our services continue to be in high demand, with our average occupancy surpassing set budgeted rates within our accommodation based services. Operational performance has been satisfactory, with the deficit sustained, as a consequence of investment performance in the year.

Surpluses are generated through increased occupancy, but also as a result of turnover in our staff team. Gaps in recruitment, due to necessarily extended recruitment processes do lead to reduced costs, which are mitigated by the draw in of labour from a retained bank staff provision, provided by specialist recruitment companies. Over the reporting period there was a reduction in the use of bank staff, due to an increase in stability of the permanent staff team.

Continual focus on costs, as a result of our largely fixed rate income streams, has been successful this year, and the instability in financial markets have impacted detrimentally on our investment portfolios.

Going concern

After making appropriate enquires, the Committee of Management have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The company has effectively managed its services through a difficult period, during the Covid 19 pandemic. Processes are in place to react to further government advice should any be received.

Principal risks and uncertainties

Threshold manages all of its financial risks through a series of controls and maintenance of a Risk Register which is continually reviewed by management and considered by the Committee of Management on an annual basis. Risks are assessed for likelihood and impact, with mitigating action described against each risk identified.

The principal commercial, operational and financial risks that have been identified as having a serious potential impact on the performance and future prospects or reputation of the organisation are as follows:

1. Reduction in core revenue streams as a result of primary funder's budget constraints;
2. Failure to meet performance standards/contract compliance from key stakeholders;
3. Cost inflation;
4. Failure to recruit, develop and maintain a competent qualified workforce.

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The Committee of Management and Senior Management Team are satisfied that appropriate actions have been identified and taken so that these risks are managed effectively. Mitigation actions include:

1. Building capacity within the budgeting process to mitigate against funding reductions;
2. Transparent engagement with key stakeholders to ensure adherence to performance requirements;
3. Effective cost budgeting;
4. Continual labour market testing.

Principal Funding Sources

Our principal funder continues to be the NIHE both in terms of its direct funding through Supporting People and indirectly through Housing Benefit paid to our tenants. The Department of Health provides valuable assistance with core funding and training grants, while Northern Trust, Western Trust and Belfast Trust provided financing for the provision of direct care services to our residents.

Investment Policy and performance

The Charity continued to adhere to its investment policy, to invest funds with now three investment management firms. The aim has continued to be the investment of funds within a managed risk setting, to ensure returns are hedged against inflationary loss.

The investment has been set for the medium term.

Reserves Policy

The Committee of Management has examined the Charity's requirements for cash reserves in light of the main risks that exist. It has established a policy whereby the available cash reserves should be between 3 and 6 months of projected expenditure. Budgeted expenditure for 2023/22 is £2.2m, while available cash reserves stood at £794K being 4.3 months of budgeted running costs.

The cash reserves are needed to meet the working capital requirements of the Charity and the Committee of Management are confident that at this level they would be able to continue the current activities of the Charity in the event of a significant drop in funding.

The total funds of the charity were £2,331,049, held in the following categories:

Share Capital of £21.

Restricted revenue reserves of £1,452,651 have been accumulated as a result of surpluses earned on existing contracted services. While these services persist, this reserve will be maintained to service future surpluses and deficits arising. During the year the Agency witnessed an increase in Support funding due to service expansion and extra Covid 19 support. Additionally, it has been directed to hold its Supporting People restricted reserves at balances reported in the prior period financial statements, with the deficit incurred in year transferred to general reserves.

Unrestricted revenue reserves of £878,377. Designated Funds relate to unrestricted income which is allocated to fund strategic activity agreed by the Board in future accounting periods. In 2023-24, the Board intend to set out plans for movement of designated funds to support a planned deficit and developmental costs of organisational and service development, digital transformation and repairs or maintenance fund.

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The Committee of Management continue to keep the level of reserves under review.

Plans for Future Periods

The Charity will continue with the activities outlined above in the forthcoming years, subject to satisfactory funding arrangements being available.

The Committee of Management commenced a strategic review of its services during the year and the Charity continues to be available to expand its services, again subject to satisfactory funding arrangements being available.

The financial impact of National Minimum Wage uplifts and social care staff recruitment and retention costs means we are budgeting for a deficit in 2023-24. Good financial management give the Trustees confidence that we have adequate reserves to meet the deficit and day to day running costs of the organisation.

Structure, Governance and Management

Governing Document

The Charity is a registered Society under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, limited by shares, incorporated on 26 June 1992 and registered as a charity for HMRC purposes. The Charity was established under model rules which created its objects and powers. The Charity is regulated by the FCA (Financial Conduct Authority).

Committee of Management

The Committee members of the Charity, also known as members of the Committee of Management manage the business of the Charity.

All members of the Committee of Management give their time voluntarily and received no benefits from the Charity.

Method of appointment for election of members of the Committee of Management

Following nominations received for membership, the Committee of Management assess suitability of candidates.

If successful, the candidate for membership is co-opted to the Committee and formally elected at the subsequent Annual General Meeting.

At each Annual General Meeting one third, or the nearest number thereto, shall retire from membership of the Committee of Management. Those eligible to retire will be those persons who have been longest in office, as laid down in the registered rules of the company.

Policies adopted for the induction and training of Committee Members

It is company policy to provide an induction programme for newly appointed committee members, to acquaint them with the organisation's policy and practice, its aims and activities, management and governance and also what is expected of them under company law.

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Risk Management

The Committee of Management has conducted a review of the major risks to which the Charity is exposed. A risk register has been established and is updated at least annually.

Key management pay arrangements

The Committee of Management consider the payscales of all employees in the context of the budgeting process.

Senior Management payscale rates follow published structured scale rates. Increases are awarded on the basis of performance, but also in the context of confirmed inflationary enhancement of core income streams.

Charity Structure

Threshold has a Committee of Management of up to 15 members who meet quarterly and are responsible for the strategic direction and policy of the Charity. At present the Committee has nine members from a variety of professional backgrounds relevant to the work of the Charity. The Secretary also sits on the Committee but has no voting rights.

A scheme of delegation is in place and day to day responsibility for the provision of services rests with the Chief Executive. The Chief Executive is responsible for ensuring that the Charity delivers the services specified and that key performance indicators are met. The Services Managers have responsibility for the day to day operational management of the Charity, individual supervision of the staff team and also ensuring that the team continues to develop their skills and working practices in line with good practice.

Working partners

We acknowledge the support we receive from the DoH and the Northern Ireland Housing Executive, the Trusts and to the contacts we have within our local housing associations, including Choice, Radius and Ark.

Responsibilities of the Committee of Management

Company law requires the Committee of Management to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Committee of Management confirm they follow best practice and:

- select suitable accounting policies and then apply them consistently;
- follow applicable accounting standards;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis, unless it is not appropriate to assume that the company will continue on that basis.

The Committee of Management is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with relevant statute. The Committee of Management is

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Members of the Committee of Management

also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members of the Committee of Management, who served during the year and up to the date of this report are set out on page 3.

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution to reappoint Miscampbell & Co. will be proposed at the AGM.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP) (FRS 102), the Financial Reporting Standard (102) applicable in the UK and Republic of Ireland (FRS 102) and the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 to 2006.

Approved by the Committee of Management on 14 March 2024 and signed on its behalf by:

P Mc Garry

Dr P Mc Garry
(Chair)