

ENHAM

A company limited by guarantee

Annual Report and Financial Statements

For the year ended 31 March 2009

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OFFICERS AND PROFESSIONAL ADVISERS

PATRON

Her Royal Highness the Duchess of Gloucester GCVO

PRESIDENT

The Rt. Hon. The Lord Owen CH

VICE-PRESIDENTS

The Countess of Chichester
Dame Mary Fagan, Lord Lieutenant of Hampshire
Jacqueline, Lady Killearn
The Worshipful the Mayor of Test Valley
Mrs Mary Ward-Booth
Mrs Dianne Mabey
Dr Herta von Stiegel

Major David Sebag-Montefiore
Mr Mark Maclay DL
Lieutenant Commander Peter St Quintin RN
Mr John Woodcock OBE
Mr Jeremy Bennett OBE
The Bishop of Basingstoke

MEMBERS OF THE BOARD OF TRUSTEES

CHAIRMAN

Roderick Chamberlain

HONORARY TREASURER

Bernard Horn

OTHERS

Paul Charlesworth
Glynis Hunt
John Marriott
Anthony Pooley
John Tashiro

Elizabeth Driver (appointed 10 November 08)
Mark Maclay (resigned 10 November 08)
Julian Miller
Roger Squire

All members of the Board of Trustees are also Directors appointed in accordance with the Companies Act.

EXECUTIVE BOARD

Chief Executive
Finance Director
External Affairs Director
Operations Director
Learning and Employment Director
Head of Human Resources
Development and Commercial Director
Head of Research and Development
Head of Industries

Mike Smith OBE
Graham Deverill
Melinda Carey-Hock (appointed 1 April 2008)
Louise Gordon
Linda Mathews (appointed 15 September 2008)
Viv Laurie
Peter Cotterill (resigned 16 May 2008)
Mark Deal (appointed 1 June 2008)
Paul Hambling (appointed 1 June 2008)

OTHER GROUP EXECUTIVES

Company Secretary

Richard Ashdown

ENHAM FORUM ON DISABILITY

Sir Bert Massie CBE
Dr Kevin Fitzpatrick
Dr Mark Deal

Mr Phil Friend OBE
Ms Judith Jesky

OFFICERS AND PROFESSIONAL ADVISERS

REGISTERED OFFICE

Enham Place
Enham Alamein
Andover
SP11 6JS

BANKERS

National Westminster Bank Plc
22 Chantry Way
Andover
SP10 1LX

SOLICITORS

Blake Lapthorn Linnell LLP
New Court
1 Barnes Wallis Road
Segensworth
Fareham
PO15 5UA

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Savannah House
3 Ocean Way
Ocean Village
Southampton
SO14 3TJ

TRUSTEES' REPORT

LEGAL STATUS

Enham is a charity, a Registered Provider and a company limited by guarantee. It is regulated by the Charity Commission, the Tenant Services Authority, the Homes and Communities Agency, and Companies House.

About Enham

Who we are and what we do

Enham exists to serve the needs of disabled and disadvantaged people and to promote equality of opportunity for people with disabilities and disadvantages. The charity provides client-focussed services for over 2,000 people in 10 counties, mainly in the south of England but also in selected locations elsewhere in the UK. The Charity works to support disabled and disadvantaged people achieve a better life by providing choice, hope and empowerment to those who seek it.

Enham's business support centre is at Enham Alamein, near Andover, Hampshire where the charity provides Affordable Housing, Residential Care, Supported Living, Vocational Training and Employment for disabled people over 16 years of age.

Enham also operates from other locations, specifically in Portsmouth, Southampton, Eastleigh, Farnborough and Alton, where Pathways to Work, Workstep, Enham Self-Employment, Entry2Employment for 16 to 18 year olds, ESF Outreach projects, and Skills for Life are delivered. Since the year end we have opened a new Direct Payments Support operation for disabled and disadvantaged people in Leicester.

The specific areas of activity are:

- Four Supported Businesses located at Enham Alamein and Eastleigh employing 50 disabled and disadvantaged people and involving Packaging and Assembly, commercial horticulture, storage, administration, and furniture manufacture.
- Two Community Cafes in Portsmouth and a Charity Shop in Enham Alamein.
- Step2Employment residential training for disabled people on courses in Computer Aided Design, Horticulture and Information Technology maintenance.
- Work preparation courses, an average of six weeks duration to provide work experience and to support disabled people into work.
- Three modern Registered Care Homes for 62 disabled people aged 18 to 85 years.
- Supported Living Accommodation for 107 people at Enham Alamein and 35 in the Test Valley and Winchester areas.
- Two hundred housing units at Enham Alamein and Andover.
- Workstep places for 232 people together with providing employers with support and advice to employers of disabled people.
- Self-employment courses in the South East of England.
- Entry2Employment courses for 16 to 18 year olds in Farnborough, Alton, Borden and Southampton.
- Direct Payments advice to support disabled people to exercise choice and control over their social care provision.
- Service User Seal of Excellence (SUSE) to empower disabled people to evaluate their services.
- Self Directed Support pilot programmes to assist disabled people to manage their own lives by controlling the budgets allocated to meet their needs.
- Job Club to facilitate the process of finding a job.
- Fundraising to provide resources and infrastructure to offer more opportunities to disabled and disadvantaged people to develop their lives.

TRUSTEES' REPORT

Our Vision

Our vision is to have a society where disabled and disadvantaged people are valued as individuals and are enabled to achieve their full potential.

Our Mission

Our mission is to improve equality of opportunity, access to employment, independence, and quality of life for disabled and disadvantaged people by providing a person centred approach to learning programmes, employment opportunities, and a range of housing and care options, all supported by charitable donations and ethical commercial initiatives.

Our Values

We believe in:

- **Inspiration:** leading by example and valuing the individual. Motivating people and encouraging achievement and positive behaviour.
- **Integrity:** having the right standards as reflected in our honesty and respect for each other. The courage to do the right thing and to challenge poor behaviour.
- **Empowerment:** through delegation of authority and effective support where this is needed. The energy and imagination to be innovators.
- **Quality:** a belief that everything we do should be done to the highest quality and reflected in our achievements and our reputation.

These values are reflected in our service delivery and staff behaviours.

These values underpin our relationships with our colleagues, clients, customers, suppliers, supporters and partners and set the standards we attain.

Public Benefit

In deciding Enham's activities and goals, the Trustees have considered Charity Commission guidance on public benefit. The Charity has complied with the duty in Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Commission. The activities and goals are in accordance with the Charity's Articles and are identifiable benefits to disabled and disadvantaged people in the UK.

There is clear benefit in terms of outcomes in employment and independent living for disabled people and quantifiable as demonstrated in Enham's work and results. The benefits are related to the Charity's aims and are concerned with the promotion of equal opportunities for an important and underprivileged sector of our society. Each year the Charity reviews and sets its objectives against its principle areas of activity and it aims to cover the costs of its services through government contracts, commercial acumen and charitable donations. Any surpluses generated are reinvested in the Charity to improve the quality of life and choice of lifestyle for disabled people. Enham is aware that it has responsibility for a potentially vulnerable sector of the public and it takes these responsibilities seriously through its charitable status and collective agenda. Three examples of public benefit are:

TRUSTEES' REPORT

- a. The subsidised supported businesses employing disabled people where the Charity provides a direct subsidy to assist disabled people who would otherwise be unemployed, for example Enham Packaging and Storage.
- b. The Tenant Services Authority element which provides affordable housing at below market rates.
- c. The operation of inner city community cafes providing a focal point for the community, healthy and cheap meals, and employment opportunities for disabled people who otherwise would be unemployed.

The Charity employs a carefully selected, professional, well-trained and diverse workforce to achieve its aims and it is only limited in what it can do when it comes to public benefit by its resources. However, in making the best use of resources, the number and quality of Enham's services are increased and enhanced by the support of many volunteers, and much of the capital spending on new facilities for disabled people is generated through voluntary income.

Our Goals

1. To develop and improve the range and standard of our services driven by the needs of disabled and disadvantaged people and to focus on empowering individuals to run their own lives.
2. To progress our plans for property development to the benefit of the Enham Charity and the village of Enham Alamein.
3. To raise our profile and influence within the regional and national arena so that our work can be recognised for its value and innovation, and replicated where possible.
4. To invest in our people and infrastructure to align our capabilities with our objectives.
5. To create a strong financial base for sustained growth.

Goal One: 'To develop and improve the range and standard of our services driven by need.'

This goal should be ambitious and stretching and be an overarching standard for the whole organisation. Quality should be at the heart of all we do. Our services will be enhanced and modernised when the people using them are fully involved in their planning and delivery and Enham is committed to offering these involvement opportunities.

Objectives 2008-09:

- To deliver high quality services which meet the express needs of clients and which are consistently assessed as above average or excellent by regulators.
- To support our clients to have meaningful involvement at all levels in the governance and management of the Charity.
- To constantly improve the quality of our service provision and the client experience.
- To continue to modernise our services so that they are able to fulfil their stated objective.
- To grow the diversity and geographic spread of our activities, and to grow our income by 5%.
- To expand the range of services offered, and increase the number of clients by 10%.
- To make best use of resources and increase scope and volume of the re-cycling of waste materials.

Achievements and results:

1. This year we have launched a range of new and innovative services. In particular we have:
 - a. Opened a second community café 'Café Landport' in Portsmouth that provides a focus for the community and provides employment and training for people with a wide range of disability.
 - b. Opened a shop unit in The Mall in the central shopping area of Southampton to provide training for Entry2Employment 16 to 18 year olds and to provide an Internet Café to raise awareness of disability.
 - c. Become the sub contractor of choice for the Royal British Legion Industries and The Shaw Trust in the delivery of the Pathways to Work programme in Hampshire, Surrey and Sussex.

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- d. Increased our provision of Entry2Employment ('e2e') and opened a new centre in Alton. We are now one of the largest providers of this service in Hampshire.
 - e. Planned a new programme 'Route to Independence' to assist disabled and disadvantaged people to achieve independence in the community.
 - f. Progressed the training programme linked to the formation of social enterprises and opened up work opportunities for disabled and disadvantaged people in eBay sales, community lunches, office cleaning, and catering.
 - g. Gained new high volume work from Fortnum and Mason in the packaging of tea so securing the employment of more disabled and disadvantaged people in an environment where other supported businesses are closing and making disabled and disadvantaged people unemployed.
 - h. Signed up 454 people on the Enham Self Employment programme this year which brings the total to 4,000 people signed up, of which over 1,000 are now operating sustainable businesses for more than 12 months.
 - i. Won a new contract to deliver Direct Payments Services in the city of Leicester and commenced service delivery.
 - j. Progressed the work of the Enham Forum on Disability chaired by Sir Bert Massie to among other things develop client involvement at all levels in the organisation.
2. We have commenced a process of modernising our services with the primary aim of better understanding our clients' needs and how to fulfil them. We have concentrated on the twin themes of options for living and for work and, in particular we have:
 - a. Provided more opportunities for disabled and disadvantaged people to enter work placements to have experience of different types of work with local employers.
 - b. Introduced more innovation in terms of the delivery of our courses, for example, e2e delivered from a shop unit in the Marlands Shopping Mall in Southampton
 - c. Promoted good practice and fulfilled needs by developing new community based brokerage services that offer disabled and disadvantaged people more choice and control over their lives, for example, Self Directed Support and the use of personal budgets.
 - d. Invited to second staff to Hampshire County Council to assist them to develop the services that disabled and disadvantaged people want and need.
 - e. Offered more options for employment ranging from self employment opportunities to social enterprises.
 3. During the year we have improved the quality of our services in the following areas:
 - a. Improved the Care Quality Commission ratings in all three Residential Care Homes to 'Excellent'.
 - b. Achieved the first Care Action Team Kite Mark in Hampshire for the e2e programme.
 - c. Achieved ISO 9001:2000 in Mount Industries, Enham Packaging and Assembly, and the Alamein Work Preparation Unit.
 - d. Achieved continuous improvement in our Health & Safety returns.
 - e. Received a 'Satisfactory' rating from OFSTED for the Workstep Programme.
 - f. Renewed our Investors In People accreditation, for the third time.
 - g. An Enham self employment client was a National Bronze award winner in the National Barclays Trading Places Awards for 2008
 - h. Improved the Enham Alamein Supported Living Quality Assessment Framework ratings to achieve 4 x As; 7 x Bs; and one C.
 - i. Provided pastoral support through the appointment of a part-time Chaplain for the charity, sharing his time with the local parishes.

For the future, we will:

- Further focus our strategy to more accurately define our unique selling points together with defining the limit of our services, our centres of excellence, our geographic spread and areas of new business.
- Build our future on the needs of disabled and disadvantaged people and promote equal opportunities for people with disabilities and disadvantages.
- Embed the Route to Independence programme in our infrastructure so that it is staffed and resourced to achieve its objectives.
- Bring together the strands of our client involvement into a single strategy to define the work over the next two years. This will include management and Trustee training for those clients who wish to participate as well as training for staff, managers and Trustees.
- Ensure our services offer the best involvement opportunities for our clients to develop and progress.

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- Increase our Self Directed Support service to more closely fulfil the needs of disabled and disadvantaged people and widen the opportunities for our Payroll service.
- Bid for the replacement Workstep contract, now renamed Work Choices, whereby financial support is provided for employers to employ a disabled or disadvantaged person.
- Increase the number and range of employment service contracts and contractors for example, the contract with Chichester College for self employment programmes for the disabled and disadvantaged for the South East Region.
- Review our Residential Care Home service to ensure it is relevant to the wishes of disabled and disadvantaged people and in line with the policy of commissioners together with the strategy and aims of the charity.
- Investigate and promote the role for Enham in the rehabilitation and training of disabled Service personnel.
- Introduce more social enterprise opportunities so that more clients can involve themselves in employment and receive payment.
- Investigate the reopening of the Enham Home Care Service in the light of new opportunities for this work.
- Work to expand into new areas for Direct Payments Support and Supported Living.

Goal Two: 'To progress our plans for property development to the benefit of disabled and disadvantaged people, the Enham charity and Enham Alamein.'

This goal is needed so that quality services that meet the needs of disabled and disadvantaged people in the modern world can be delivered from the right infrastructure and right resource environment. We need modern and environmentally friendly buildings from which to operate and fulfil needs. We want disabled and disadvantaged people to decide what they require from their accommodation and we want to work towards providing these requirements. We also wish to preserve our heritage in the village of Enham Alamein so that it is an environment in which the experience of living, working and visiting is second to none; hence, an exemplar environment. In addition, we need more resources to continue to do more and do it better to the benefit of our present and future clients.

Objectives:

- To replace or refurbish many of Enham's old buildings so that they are fit for purpose in meeting in an environmentally friendly manner, the future living, working and social needs of clients
- To offer better opportunities for disabled and disadvantaged people to operate social enterprises and achieve independence.
- To improve the social facilities for clients living at Enham.
- To create a heritage in the village of Enham Alamein that the charity can be proud of in terms of quality of life.
- To build our resources to add more public benefit.

Achievement and results:

During the year we have:

1. Consulted with our clients to determine their needs for accommodation and learning.
2. Worked with our planning partner to produce a property development plan that achieves our objectives.
3. Undertaken public consultancy with the community to a standard that Test Valley Borough Council hold up to be a model example.
4. Undertaken a series of meetings with stakeholders to investigate their wishes and concerns for the future.

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Next year we will:

- Submit the planning permission for the property development proposals for Enham Alamein.
- Employ a property executive to negotiate our planning submission and manage our real estate.
- Progress the proposal to build a six flat unit in the centre of Andover so that more clients have the opportunity for independent living.
- Develop a new 10 flat residential accommodation unit for disabled students attending Step2Employment courses at Enham Alamein.
- Continue with the Enham Alamein village enhancement programme and work closely with the Parish Council to achieve our joint objectives.
- Continue to remain ahead of the target date of 2011 for the achievement of Decent Homes Standard.
- Work with our partner Totton College to provide supported accommodation for disabled and disadvantaged students to enter mainstream education.

Goal Three: 'To raise our profile and influence within the regional and national arena.'

This goal is needed so that central government, local government, prospective clients, sector partners and customers.

Objectives:

- To engage with local and central government and other relevant opinion formers to inform, influence and improve disabled people's life chances and social inclusion.
- To support the influence of disabled and disadvantaged people within their own communities.
- To change negative attitudes to disability by engaging with the public, in particular employers, to challenge current attitudes about disabled people's abilities, skills and aspirations.

During the year we have:

1. Built a strong identity and a powerful recognisable brand in order to realise our vision.
2. Developed our marketing material with new brand guidelines to more clearly enunciate our profile.
3. Developed the Enham Trustee Advisory Forum on Disability chaired by Sir Bert Massie so that Enham's strategy is more closely linked to the needs of disabled and disadvantaged people.
4. Received visits by The Minister for Disabled People, senior officials at the Department for Work and Pensions, and Councillors and managers at local government to influence their thinking on disability issues.
5. Had a senior manager re-appointed to the Disability Employment Advisory Committee (DEAC) offering strategic advice to Ministers and Officials within the DWP.
6. Undertaken a programme of community involvement initiatives ranging from associations such as Rotary Clubs and community lunches to 'Fit For Fun' exercise undertaken with the local community.
7. Undertaken a climb of Mount Kilimanjaro, which was a joint disability/non-disability challenge with 12 Enham people. This resulted in a film for television and national distribution and a dramatic progression in a number of disabled peoples' lives.

Next year we will:

1. Grow awareness through greater involvement in mass participation events, such as the London Marathon and the Enham Ten County Challenge Walk with a community fundraising pack to enthuse and inspire participants and their supporters.
2. Enrol new volunteers and helpers particularly through face to face activities, events and direct to public activities.

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3. Invest in our marketing and communications department so that we raise Enham's influence and profile in the local and national arena.
4. Develop our marketing and promotional material so that it has greater effect and influence on recipients.

Goal Four: 'To invest in our people and infrastructure'

This goal is needed so that we value our staff and are able to recruit and retain key staff thereby improving our quality of service and reducing our use of temporary and agency staff.

Objectives:

- To have the right people and the right systems to support them in order to deliver quality services and effect our policy to meet the needs of disabled and disadvantaged people.
- To offer our staff and volunteers top quality training in both professional matters and career development.
- To offer conditions of service in line with achieving Enham's objectives and fulfilling clients' needs.
- To ensure that our infrastructure continues to provide a scalable and flexible platform to enable growth and deliver what our clients and staff need.

During the year we have:

1. Renewed our Investor In People award for the third time.
2. Undertaken 1190 training places for staff.
3. Supported staff attending external short courses, including Advanced Excel, Medication, and Recruitment and Selection
4. Over 90% of our staff in the Registered Care Homes now holds NVQs and the mandatory requirement is only 50%.
5. Composed and distributed the staff magazine 'The Enham Independent' to get everyone involved and informed of our progress.
6. Conducted a comprehensive Staff Satisfaction Survey.
7. Introduced a new Personal Development Review related to improving performance, culture, behaviours and attitudes.

Next year we will:

1. Introduce a consistent remuneration policy throughout the organisation.
2. Design and start to implement a rigorous, professional system of performance management.
3. Develop the Leadership College for staff development using internal resources to improve the capability of the organisation by improving its leadership potential.
4. Address the initiative to identify Reserved Posts for disabled and disadvantaged people.
5. Introduce a programme to identify key personnel for fast track careers.
6. Introduce an Employee Recognition strategy to acknowledge the contribution of our staff and put greater emphasis on personal development.
7. Employ a dedicated training officer to more closely fulfil the training requirements of our staff.
8. Review our management structure with the aim of developing its ability and potential.
9. Investigate the feasibility of becoming an accredited training centre and delivering our own qualifications that are nationally recognised.
10. Introduce a Health and Well-being policy.

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Goal Five: 'To create a strong financial base for sustained growth'

This goal is needed so that we maintain a commitment to internal investment with a view to developing the long-term strength of the charity at a time of major cost pressures on Enham's commissioners.

Objectives:

- To have a strong financial base that enables us to deliver high quality services which meet the express needs of our clients.
- To achieve full cost recovery (and where possible full cost recovery, plus surplus) from our commissioners and ensure operating costs are kept under tight control.
- To have the financial backing to grow the diversity and geographic spread of our activities.
- To be able to reinvest in our infrastructure, and simultaneously expand the range of services offered and increase the number of clients.

During the year we have:

1. Created multi year financial plans incorporating expected changes to the funding mechanisms
2. Restructured the business development and research team to maximise opportunities to further develop our service provision and increase our income.
3. Increased our Information Technology capability by employing professional advisors to ensure our business requirements are firmly in line with our IT capabilities
4. Used external agencies to improve our purchasing effectiveness.
5. Created a number of efficiency savings, for example, better management of staff return from sickness and usage of agency staff.
6. Increased our ability to achieve full cost recovery plus of our service provision.
7. Invested in our property portfolio to ensure it is properly maintained and meets Decent Home Standards.
8. Invested in our volunteer programme, with the number of fully engaged volunteers now at 92, up 50% year on year.
9. Invested in the capacity of our fundraising department to deliver future growth.
10. We have maximised the financial return from our short term investments by actively seeking the best returns while also ensuring that the capital was not at risk

Next year we will:

1. Continue our strong emphasis on generating voluntary income with a third year of investment in our fundraising activity.
2. Upgrade our performance monitoring through key performance indicators that concentrate on financial management and investment.
3. Continue to reduce overhead costs and place investment in capacity building to benefit clients.
4. Examine our reliance on local and national government funding and the current move towards fewer government contracts involving large providers, many from the private sector, and identify other sources of income generation not related to government
5. Ensure we are fit for purpose in meeting the emerging Self Directed Support market in order that we are able to secure a share of the new business.
6. Ensure that our IT remains fit for purpose and that system failures and back up procedures are thoroughly examined and recommendations are acted upon so that we can rely upon continuity of service.
7. Continue to develop our longer term financial strategy.

Review our investment strategy to ensure that the charity obtains the best return from its short and longer term investments.

TRUSTEES' REPORT

RISK

The assessment of risk is taken seriously at Enham. The Board and senior management maintain and regularly review a risk register to estimate the likelihood of occurrence of a particular risk and the extent of its impact. The risks are ranked in terms of degree and action is taken to minimise risk where possible. Responsibility for managing risk is also with the line managers because we believe it is important to assess the impact of risk at all levels and in all departments. Risk is reviewed on all of our projects and risk is the responsibility of all of our staff.

Enham is also conscious of its responsibility for good financial management and, in particular, its exposure to commitment on contracts within its supported businesses and through its employment services where government contracts can run to millions of pounds. Financial instruments, management accounts, credit risk, liquidity risk and cash flow analysis are reviewed by senior management on a monthly basis, as is adequate provision for bad debt against trade debtors. The profile of Enham's financial liabilities is reviewed by members of the Finance and Development Committee, and the requirements of individual entities are discussed at Board level within those entities. Financial undertakings are monitored closely by the Audit Committee following the actions taken in the Finance and Development Committee.

The most significant issues identified in our risk register are:

- Our ability to recruit and retain the very best people in our area of operations within the challenging funding environment.
- Our reliance on Government policy and funding, especially the move toward fewer contracts with larger providers and reductions in funding from social service commissioners, in particular, Supporting People.
- Our need to maintain a high level of fundraising activity.
- Failure of key software/hardware in our business systems.
- Loss of business in major areas of our activities.

FINANCIAL HIGHLIGHTS

In order to ensure ongoing sustainability and provide the opportunity to develop new services, it is important that Enham is financially sound and effectively managed. Our financial performance remains strong: the group turnover was £10,256,050 (2008: £9,715,852) and the surplus generated £390,750 (2008: £347,054). The company turnover increased by £544,428 during the year. We are pleased to note the positive contribution of £282,973 which the associate companies, Route2 Mobility, Enham Finance and Agilis Insurance are making to the group results.

The investment policy for investment assets, excluding property, is to generate an annual real return of at least 4%. A diversified portfolio of investments is managed by Barclays Wealth, and the annual real rate of return achieved during the year was a reduction of 21.4 %. Funds are also invested with the Charities Aid Foundation (CAF) and the average rate of return achieved by CAF was a reduction of 28.2 %. The performance of the equity investments was disappointing; the negative returns were however in line with the movement in the equity markets which have, following the end of the financial year recovered part of their value. The Charity continues to believe that over the longer term these investments will achieve the real return objective.

Short-term cash investments were deposited with the National Westminster Bank, the Birmingham and Midshires Building Society, Alliance and Leicester Bank and the Bank of Scotland at an average rate during the year of 5.8%.

Enham has a number of longer-term investments managed through its subsidiary Enham Trading Ltd. These shareholdings are closely aligned to the objectives of Enham and are expected to commence producing a return during the next financial year.

TRUSTEES' REPORT

The Trustees do not consider the expense of a full and independent valuation of Enham's properties to be justified. However, in the opinion of the Trustees the value of these properties, calculated on an existing use cash flow basis, would be greater than the historic cost.

ASSOCIATE COMPANIES

Route2Mobility, Enham Finance and Agilis Insurance

Enham, through its trading subsidiary Enham Trading Ltd, has over one third shareholdings in the above three commercial organisations. The investments were made with the purpose of creating a financial return in the future through the provision of quality and targeted services to disabled people.

The activities of the organisations are as follows:

Enham Finance

The principal activity of Enham Finance has been to provide finance to disabled people who were unable to access finance through the Motability powered wheelchair and scooter scheme. The company ceased taking new business on 1 January 2007.

Agilis Insurance

The principal activity of Agilis Insurance has been to provide insurance for disabled people, primarily in support of the above Motability scheme. Agilis Insurance is authorised to conduct the business of offering a general insurance service by the Financial Services Authority. The company has traded profitably during the year.

Route2Mobility

The principal activity of Route2Mobility Limited (r2m) is to deliver the Motability scheme which provides disabled people with electric wheel chairs and scooters funded through redirected disability payments from the Department for Work and Pensions . During the year r2m has continuing to develop its dealer network improve access and reduce prices for disabled people buying or leasing electric wheel chairs and scooters.. It has also made good progress in reducing the level of contract early terminations, a major factor in determining profitability. The increased activity and reduced overheads have resulted in the business reporting a profit before tax for the year.

We are disappointed that Motability have decided not to renew the contract with r2m and to relocate the activity within Motabilty Operations. The current contract will terminate at the end of June 2010 after which there will be a further period of three years during which the outstanding loans will be collected.

The accounting convention is that profits earned on the loans are spread over the life of the loans. r2m will therefore be releasing previously earned profits over the three year period which will generate a positive return for the charity.

Enham has retained one directorship together with an observer on the boards of the above three companies. The boards meet on a monthly basis to plan and review the operational and financial performance of the companies.

TRUSTEES' REPORT

SUBSIDIARY COMPANIES

Enham Trading Ltd (ET), formerly known as Enabling Partnership (Trading) Ltd

ET a wholly owned subsidiary of Enham currently has the sole activity of holding the charity's investments in the above three trading companies. The company currently has the sole activity of being an investment company. The current profitability of the trading companies does not warrant a payment of dividends on the ordinary share holdings, however we are confident, following the changes identified above, that the companies will in the future provide a financial return to ET and consequently to Enham.

Cedar Services Ltd

The company exists to provide property development services to Enham. Any surpluses generated by the company are passed to the charity through gift aid.

Enham Binders Ltd

Enham Binders Ltd has not traded during the year.

RESERVES

The reserves of the charity are regularly reviewed by the Trustees whose policy is that free reserves should be adequate to cover at least three months of normal activity. These reserves include a designated reserve of £1,200,000 specifically created to cover contingencies. The Trustees are satisfied that the current level of free reserves, including the contingency reserve meet this requirement based upon the current cost base. Funds donated for specific projects are always held as Restricted Funds.

Other designated reserves have been established to ensure that Enham can continue to meet its objectives on behalf of disabled people.

TREASURY MANAGEMENT

Treasury activities are controlled and monitored by senior management in conjunction with the Honorary Treasurer who is a Trustee. They are carried out in accordance with the policies approved by the Board. The purpose of the treasury management function is to ensure that adequate cost-effective funding is available at all times and that exposure to financial risk is minimised. The key risk is one of funding as the majority of Enham's income is received from Government. Treasury management activity is subject to review by internal auditors on a regular basis.

Cash flow requirements are monitored through Enham's ongoing forecasting process. Our policy is to minimise cash held and repay debt as soon as possible, while ensuring there is sufficient access to funding to cover operational activities. Detailed cash flow forecasts are produced which feed into a programme of short-term investment.

PAYMENT POLICY

Enham's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction and to ensure suppliers are made aware of the terms of payment and abide by these terms. The policy is to pay suppliers within 30 days.

TRUSTEES' REPORT

THE BOARD AND ITS COMMITTEES

The Board comprises ten members, led by the Chairman, Roderick Chamberlain. It determines Enham's strategic direction and reviews its operating and financial position. There is a formal schedule of matters reserved specifically to the Board, which ensures that it takes all the major strategy, investment and policy decisions affecting Enham. The Board has an established governance framework, which encourages all members to bring an independent judgement to bear on issues of strategy, performance, resources, property, commercial, external relations, succession, and audit. The Board meets at least four times each year. For practical reasons the Board delegates the scrutiny and discussion of regular business issues to six Committees, which also all meet at least four times each year. The Committees are Finance and Development (Bernard Horn), Living and Working (Paul Charlesworth), Audit (Julian Miller), Property (Roger Squire), Marketing and Communications (Tony Pooley), and Nominations and Remunerations (Glynis Hunt). Since the year end the Marketing and Communications committee has amalgamated its activities with those of the Finance and Development Committee

The Board conducts a regular review of its effectiveness and that of its individual members of the Board, with a view to improving both individual contributions and group achievement. There is an ongoing training programme for Board members and senior management, which is regular and comprehensive.

Each member of the Board brings his or her experiences and skills to the operations of the Board and its various sub-committees. The board composition is kept under review and when a new appointment is to be made, the charity follows a recognised recruitment process in which consideration is given to the kind of experience, which a potential new member could add to the existing mix.

Trustee appointments are managed by the Board, who may co-opt candidates within a year subject to ratification at the next Annual General Meeting. New Board members undergo an induction programme, which includes information about the organisation, details of meeting procedures, Board member responsibilities, and objectives for the future. External training is arranged as appropriate. They agree with the Chairman the appropriate committees for them to join and other particular areas of Enham's work where they may wish to take a special interest

The Board is supplied with information to enable it to function effectively. Board and Committee papers are distributed at least one week in advance of the relevant meeting. The Board receives independent professional advice when this is required and external training as appropriate.

The Board is responsible for Enham's system of internal control and its effectiveness to achieve the business objectives. This is regularly reviewed to manage and reduce the risk of failure in any particular activity. The Board, through the Audit Committee, reviews the effectiveness of Enham's internal financial controls and risk management.

OUR PEOPLE

Our best resource continues to remain our people. Our people strategy aims to cultivate focussed, well-managed staff that understand their role in the organisation and contribute to its success. We consult with employees in a variety of ways, both formally and informally, and we complete an annual far-reaching staff survey. This covers training and development, our culture and values, pay and benefits, and suggested improvements to enhance conditions of service. We held a series of meetings with staff to discuss the differences between the surveys carried out in 2008 compared with the 2007 survey.

TRUSTEES' REPORT

Following feedback from staff we have further developed our appraisal system to better reflect the needs of the organisation in the development and training of our staff. The application of the appraisal process has proved challenging but successful. We hold regular briefing sessions, both formal and informal, to keep our employees up-to-date with events in the organisation and we publish a series of newsletters to assist in this process.

We endeavour to ensure that our workforce reflects the diversity of the population and clients of the areas in which we work. We have introduced a Designated Posts policy to encourage more disabled people to train for managerial roles and as a way of helping disabled peoples' development in the workplace.

HEALTH & SAFETY

We employ our own Health and Safety manager who assists the organisation to lay down strong foundations for effective Health & Safety systems and processes throughout the organisation. Health & Safety performance measures are included in the key performance indicators of all of our diverse businesses, and Health & Safety compliance across the organisation is consistently good. . Both the Executive Board and the Audit Committee regularly review performance and make adjustments to policy as required.

DIRECTORS

The directors who have served during the year and up to the date of signing the financial statements are set out on page 2.

POST BALANCE SHEET EVENTS

There are no post balance sheet events that require disclosure in the financial statements.

GOING CONCERN

After full examination of all the major areas of risk and financial exposure, the Trustees are satisfied that no material or significant exposures exist other than as reflected in these financial statements and that Enham has adequate resources to continue its operations for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing these accounts.

STATEMENT OF TRUSTEES' REPOSIBILITES

The Board of Trustees is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company law, Tenant Services Authority and Charities legislation requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985, schedule 1 to the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000. The Trustees are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TRUSTEES' REPORT

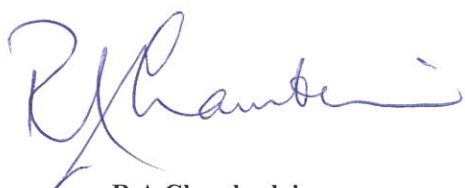
PROVISION OF INFORMATION TO AUDITORS

The Trustees at the date of approval of this report confirm that in the case of each of the persons who are Trustees, the following apply:

- So far as the Trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- The Trustee has taken all steps that he or she ought to have taken as a Trustee in order to make him or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

PricewaterhouseCoopers LLP have expressed their willingness to continue as auditors of the Company and a resolution to confirm their re-appointment will be proposed at the forthcoming Annual General Meeting.



R A Chamberlain

Chairman, Board of Trustees

28th September 2009

TRUSTEES' STATEMENT ON INTERNAL CONTROL

The Board acknowledges that it is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Following publication of Housing Corporation Circular RS-07/07 the Board confirms there is an ongoing process of identifying, evaluating and managing the significant risks faced by the Company, that has been in place for the year under review and up to the date of the annual report and accounts, and that this process is regularly reviewed by the Board in accordance with the Circular.

The Board has reviewed the effectiveness of the system of internal control. In particular, it has reviewed and updated the process for identifying and evaluating the significant risks affecting the business and the policies and procedures by which these risks are managed.

Management are responsible for the identification and evaluation of significant risks applicable to their areas of the business together with the design and operation of suitable internal controls. These risks are assessed on a continual basis and may be associated with a variety of internal or external sources including control breakdowns, disruption in information systems, competition, natural catastrophe and regulatory requirements.

A self-assessment and hierarchical control system has been established which provides for a documented and auditable trail of accountability. These procedures are relevant across all operations and provide for successive assurances to be given at increasingly higher levels of management and finally to the Board.

Management report to the Board on their review of the risks of the organisation and how these are being managed. The Board carry out a review of the key risks inherent in the business and the system of control necessary to manage such risks. The Audit Committee reviews the procedures which ensure that the risks are being minimised, ensuring that the level of assurance required by the Board is obtained. The Audit Committee presents its findings to the Board on at least an annual basis or more frequently if necessary.

The Chief Executive and Executive Management Group also report to the Board on significant changes in the business and the external environment, which affect significant risks. The Finance Director provides the Board with regular financial information and together with the other members of the Executive Board, other key performance indicators. Where areas for improvement in the system are identified, the Board considers recommendations from the Audit Committee.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENHAM

We have audited the financial statements of Enham for the year ended 31 March 2009 which comprise the Consolidated and Company Income and Expenditure Accounts, Consolidated and Company Statements of Financial Activities, Consolidated and Company Statements of Total Recognised Surpluses and Deficits, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the board and auditors

The responsibilities of the Trustees who are also the directors of Enham for the purposes of company law for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the charitable company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2006. We also report to you whether in our opinion the information given in the Trustees Report is consistent with the financial statements.

In addition we report to you if, in our opinion, a satisfactory system of control over transactions has not been maintained, if the charitable 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 other transactions with the Charity is not disclosed.

We read the Trustee's Report and the Statement of Internal Control. We review whether the Statement of Internal Control has been prepared in accordance with Housing Corporation Circular 'R2 – 07/07 internal controls assurance'. We are not required to consider whether the Trustee's statement on internal control fairly presents the company's system of internal control, or to form an opinion on the effectiveness of the Company's system of internal control. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

Basis of opinion

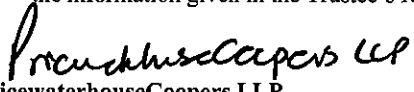
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 group and charitable 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent charitable company's affairs as at 31 March 2009 and of the group and company's incoming resources and application of resources, including the group's income and expenditure and cash flows, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, Schedule 1 to the Housing Act 1996 and The Accounting Requirements for Registered Social Landlords General Determination 2006; and
- the information given in the Trustee's Report is consistent with the financial statements.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Southampton

28 September 2009

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**For the year ended 31 March 2009**

	Note	2009 £	2008 £
TURNOVER	2	10,256,050	9,715,852
Other Income			
Fundraising	4	564,537	269,015
Operating expenditure	2	(11,178,745)	(9,880,129)
OPERATING (DEFICIT)/SURPLUS		<u>(358,158)</u>	<u>104,738</u>
Interest receivable and similar income	7	447,852	266,125
Interest payable and similar charges	8	(95)	(145)
Share of profit/(loss) in associated companies		282,973	(25,078)
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	9	372,572	345,640
Taxation	10	(4,902)	-
Equity minority interests		23,080	1,414
SURPLUS FOR THE YEAR	19	<u>390,750</u>	<u>347,054</u>

The turnover and surplus for the current and prior year relate to continuing activities.

COMPANY INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2009

	Note	2009 £	2008 £
TURNOVER	2	9,919,343	9,374,915
Other Income			
Fundraising	4	425,907	288,383
Operating expenditure		<u>(10,765,311)</u>	<u>(9,656,524)</u>
OPERATING (DEFICIT)/SURPLUS		<u>(420,061)</u>	<u>6,774</u>
Interest receivable and similar income	7	424,540	340,170
Interest payable and similar charges	8	<u>(95)</u>	<u>(145)</u>
SURPLUS FOR THE YEAR	19	<u>4,384</u>	<u>346,799</u>

The turnover and surplus for the current and prior year relate to continuing activities.

**CONSOLIDATED AND COMPANY STATEMENTS OF TOTAL RECOGNISED
SURPLUSES AND DEFICITS**

For the year ended 31 March 2009

GROUP	Note	2009	2008
		£	£
SURPLUS FOR THE YEAR	19	390,750	347,054
Unrealised (loss) on investments	19	<u>(692,508)</u>	<u>(429,972)</u>
TOTAL RECOGNISED (DEFICIT) SINCE LAST ANNUAL REPORT		<u><u>(301,758)</u></u>	<u><u>(82,918)</u></u>
 COMPANY			
	Note	2009	2008
		£	£
SURPLUS FOR THE YEAR	19	4,384	346,799
Unrealised (loss) on investments	19	<u>(689,806)</u>	<u>(429,972)</u>
TOTAL RECOGNISED (DEFICIT) SINCE LAST ANNUAL REPORT		<u><u>(685,422)</u></u>	<u><u>(83,173)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2009

	Note	Unrestricted £	Designated £	Restricted £	2009 £	2008 £
INCOMING RESOURCES						
Incoming resources from generated funds						
Activities for generating funds		516,905	-	47,632	564,537	269,015
Grants receivable		349,897	-	-	349,897	357,298
Investment income	7	447,852	-	-	447,852	266,125
Incoming resources from charitable activities		6,455,440	-	-	6,455,440	6,182,428
Other incoming resources						
Incoming resources from accommodation and care services		3,457,587	-	-	3,457,587	3,169,508
Profit on sale of fixed assets		-	-	-	-	6,618
Share of profit in associated companies		282,973	-	-	282,973	-
		<u>11,510,654</u>	<u>-</u>	<u>47,632</u>	<u>11,558,286</u>	<u>10,250,992</u>
RESOURCES EXPENDED						
Costs of generating funds						
Generation of voluntary income		293,717	-	27,601	321,318	173,074
Interest payable and similar charges	8	95	-	-	95	145
Charitable activities						
Cost relating to charitable activities		7,751,663	-	-	7,751,663	7,023,527
Other resources expended						
Trading subsidiary expenditure		141,456	-	-	141,456	148,876
Costs relating to accommodation and care services		2,762,049	-	-	2,762,049	2,419,864
Grants payable in furtherance of the charity's objects		95,000	-	-	95,000	1,200
Loss on sale of fixed assets		6,874	-	-	6,874	-
Share of loss in associated companies		-	-	-	-	25,078
Governance costs		107,259	-	-	107,259	113,588
		<u>11,158,113</u>	<u>-</u>	<u>27,601</u>	<u>11,185,714</u>	<u>9,905,352</u>
NET SURPLUS FOR THE YEAR						
		352,541	-	20,031	372,572	345,640
Transfer between funds	19	(17,105)	(26,280)	43,385	-	-
Unrealised (losses) from investments	19	(692,508)	-	-	(692,508)	(429,972)
Minority interest		23,080	-	-	23,080	1,414
Taxation	10	(4,902)	-	-	(4,902)	-
		<u>(338,894)</u>	<u>(26,280)</u>	<u>63,416</u>	<u>(301,758)</u>	<u>(82,918)</u>
NET MOVEMENTS IN FUNDS						
Total funds brought forward		<u>1,385,124</u>	<u>13,187,544</u>	<u>528,573</u>	<u>15,101,241</u>	<u>15,184,159</u>
Total funds carried forward	19	<u>1,046,230</u>	<u>13,161,264</u>	<u>591,989</u>	<u>14,799,483</u>	<u>15,101,241</u>

The statement of financial activities is prepared to provide additional information in accordance with Charities financial reporting guidance and is additional to, and derived from, the income and expenditure account and related notes.

COMPANY STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2009

	Note	Unrestricted £	Designated £	Restricted £	2009 £	2008 £
INCOMING RESOURCES						
Incoming resources from generated funds						
Activities for generating funds		378,275	-	47,632	425,907	288,383
Grants receivable		349,897	-	-	349,897	357,298
Investment income	7	424,540	-	-	424,540	340,170
Incoming resources from charitable activities		6,455,440	-	-	6,455,440	6,182,428
Other incoming resources						
Profit on sale of fixed assets		-	-	-	-	6,618
Incoming resources from accommodation and care services		3,457,587	-	-	3,457,587	3,169,508
		<u>11,065,739</u>	<u>-</u>	<u>47,632</u>	<u>11,113,371</u>	<u>10,344,405</u>
RESOURCES EXPENDED						
Costs of generating funds						
Generation of voluntary income		293,717	-	27,601	321,318	173,074
Interest payable and similar charges	8	95	-	-	95	145
Charitable activities						
Cost relating to charitable activities		7,913,248	-	-	7,913,248	7,293,449
Other resources expended						
Costs relating to accommodation and care services		2,762,049	-	-	2,762,049	2,419,864
Loss on sale of fixed assets		6,874	-	-	6,874	-
Governance costs		105,403	-	-	105,403	111,074
		<u>11,081,386</u>	<u>-</u>	<u>27,601</u>	<u>11,108,987</u>	<u>9,997,606</u>
NET SURPLUS FOR THE YEAR		(15,647)	-	20,031	4,384	346,799
Transfer between funds	19	(16,758)	(26,280)	43,038	-	-
Unrealised (losses) from investments	19	(689,806)	-	-	(689,806)	(429,972)
NET MOVEMENTS IN FUNDS		<u>(722,211)</u>	<u>(26,280)</u>	<u>63,069</u>	<u>(685,422)</u>	<u>(83,173)</u>
Total funds brought forward		<u>1,907,298</u>	<u>13,187,544</u>	<u>527,677</u>	<u>15,622,519</u>	<u>15,705,692</u>
Total funds carried forward		<u>1,185,087</u>	<u>13,161,264</u>	<u>590,746</u>	<u>14,937,097</u>	<u>15,622,519</u>

The statement of financial activities is prepared to provide additional information in accordance with Charities financial reporting guidance and is additional to and derived from the income and expenditure account and related notes.

CONSOLIDATED AND COMPANY BALANCE SHEETS

As at 31 March 2009

	Note	Group		Company	
		2009 £	2008 £	2009 £	2008 £
TANGIBLE FIXED ASSETS					
Housing properties depreciated cost	11	10,773,527	10,884,905	10,773,527	10,884,905
Less: Social housing grant	11	(4,007,256)	(4,007,256)	(4,007,256)	(4,007,256)
		<u>6,766,271</u>	<u>6,877,649</u>	<u>6,766,271</u>	<u>6,877,649</u>
Other fixed assets	11	2,444,472	2,379,122	2,444,472	2,379,122
		<u>9,210,743</u>	<u>9,256,771</u>	<u>9,210,743</u>	<u>9,256,771</u>
Investments	12	6,125,947	6,096,736	5,405,038	5,686,727
		<u>15,336,690</u>	<u>15,353,507</u>	<u>14,615,781</u>	<u>14,943,498</u>
CURRENT ASSETS					
Stocks	13	61,946	67,895	61,946	67,895
Debtors due within one year	14	961,452	917,742	1,862,512	2,038,085
Cash at bank and in hand		36,119	478,832	4,060	243,811
		<u>1,059,517</u>	<u>1,464,469</u>	<u>1,928,517</u>	<u>2,349,791</u>
CREDITORS: amounts falling due within one year	15	(1,087,560)	(1,170,675)	(1,075,723)	(1,125,477)
NET CURRENT ASSETS		<u>(28,043)</u>	<u>293,794</u>	<u>852,794</u>	<u>1,224,314</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>15,308,647</u>	<u>15,647,301</u>	<u>15,468,575</u>	<u>16,167,812</u>
CREDITORS: amounts falling due after more than one year	16	(531,478)	(545,293)	(531,478)	(545,293)
NET ASSETS		<u>14,777,169</u>	<u>15,102,008</u>	<u>14,937,097</u>	<u>15,622,519</u>
CAPITAL AND RESERVES					
Revaluation reserve	19	42,002	734,510	44,704	734,510
Restricted reserves	19	591,989	528,573	590,746	527,677
Designated reserves	19	13,161,264	13,187,544	13,161,264	13,187,544
Revenue reserve	19	1,004,228	650,614	1,140,383	1,172,788
		<u>14,799,483</u>	<u>15,101,241</u>	<u>14,937,097</u>	<u>15,622,519</u>
Minority interest		<u>(22,314)</u>	<u>767</u>	<u>-</u>	<u>-</u>
Total capital employed		<u>14,777,169</u>	<u>15,102,008</u>	<u>14,937,0697</u>	<u>15,622,519</u>

The financial statements on pages 20 to 51 were approved by the Trustees on *28th September* 2009.

Signed on behalf of the Trustees

R A Chamberlain
Chairman, Board of Trustees

CONSOLIDATED CASH FLOW STATEMENT**For the year ended 31 March 2009**

	Note	2009 £	2008 £
Net cash (outflow) / inflow from operating activities	20	<u>(99,653)</u>	<u>353,908</u>
Returns on investments and servicing of finance			
Interest received		421,639	266,125
Interest paid		<u>(95)</u>	<u>(145)</u>
Net cash inflow from returns on investments and servicing of finance		<u>421,544</u>	<u>265,980</u>
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(317,126)	(229,752)
Receipts from sales of tangible fixed assets		782	8,301
Net cash (outflow) from capital expenditure and financial investment		<u>(316,344)</u>	<u>(221,451)</u>
Net cash outflow before use of liquid resources and financing		<u>5,547</u>	<u>398,437</u>
Management of liquid resources			
Sale of current asset investments		591,882	250,000
Purchase of current asset investments		<u>(1,040,142)</u>	<u>(1,027,858)</u>
Net cash (outflow) from management of liquid resources		<u>(448,260)</u>	<u>(777,858)</u>
Financing			
Capital element of hire purchase repayments		<u>-</u>	<u>-</u>
Net cash (outflow)/inflow from financing		<u>-</u>	<u>-</u>
(Decrease) in cash		<u><u>(442,713)</u></u>	<u><u>(379,421)</u></u>

NOTES TO THE ACCOUNTS

For the year ended 31 March 2009

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards, the Companies Act 1985, and in accordance with the "Statements of Recommended Practice (SORP) Accounting by Registered Social Landlords" issued by the National Housing Federation and updated in 2005 as well as the Accounting Requirements for Registered Social Landlords General Determination 2000. In addition Enham has incorporated Statements of Financial Activities to provide additional information in accordance with the charities financial reporting guidance, though the charities SORP has not been implemented in full, as the Registered Social Landlord SORP takes precedence. A summary of the more important accounting policies is set out below.

Basis of accounting

The financial statements are prepared under the historical cost convention, as modified to reflect the revaluation of certain fixed asset investments.

Basis of consolidation

Consolidated financial statements have been prepared for the group which comprises the subsidiary undertakings as detailed in note 12, in accordance with the requirements of FRS 2 "Accounting for subsidiary undertakings".

Turnover

Turnover represents rental income receivable, income from the sale of goods and services, registered carehome fees and grants from local authorities, the Housing Corporation, the European Union and the Employment Service (in respect of supported employment of disabled people).

Revenue Streams:

Fundraising Income

Income is recognised when received.

Employment Services

The revenue is recognised by claims being presented to Department for Work and Pensions (DWP), Jobcentre Plus and Learning and Skills Council (LSC) on a monthly basis.

Charitable Trading

Invoices are raised on the despatch of goods.

Accommodation and Care Income

Local Authority and Clients are invoiced on a weekly or monthly basis depending on the local authority.

Investment Income

Income is recognised on an accrual basis.

Fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and Social Housing Grant. Depreciation is charged on a straight-line basis to write off the cost of the assets to their estimated residual value over the expected useful economic lives of the assets. Useful economic lives are not deemed to be longer than the following in each category:

Freehold properties	3 years - 50 years
Plant and equipment	5 years – 10 years
Motor vehicles	4 years

NOTES TO THE ACCOUNTS

For the year ended 31 March 2009

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Leased assets are depreciated in line with the above policy except that where the term of the relevant contract is less than the economic life of the asset, the depreciation is charged over the shorter period.

No depreciation is provided on freehold land or assets in the course of construction as the Trustees consider that the estimated residual value of the land is greater than cost.

Freehold properties such as the care homes are depreciated over their expected lives and are shown in the accounts at net book value. Other older freehold residential properties which were donated to the charity are shown at net cost and are not depreciated.

Freehold Residential Properties and Social Housing Grant

Freehold residential properties are shown net of any related Social Housing Grant (SHG).

SHG is repayable under certain circumstances, primarily following the sales of property on which a grant has been made. The amount repayable will often be restricted to net proceeds of sale. In these cases, it is subordinated as an unsecured debt where a charge rests on the property. However, no provision is made on the balance sheet for the repayment of SHG on completed contracts as the conditions under which they were made are unlikely to change in the foreseeable future. It is also possible that should circumstances change the grants may be capable of being transferred to other projects and therefore no repayment would be due.

SHG in respect of housing properties in the course of construction or renovation would be shown as a current liability.

Investments

Investment property is shown at open market value for existing use. The investment in the subsidiary is included at cost, less provision for impairment in value; other financial investments are stated at market value.

Supported Employment Procurement and Consultancy Service Grants

Grants for assistance towards the cost of approved capital expenditure in connection with supported employment are treated as deferred income and are transferred to the income and expenditure account over the expected useful economic life of the related assets.

Per Capita grants

Grants of a revenue nature are credited to income in the period to which they relate.

Stocks

Stocks and work-in-progress are stated at the lower of cost and net realisable value.

Taxation and deferred taxation

Current tax, including UK Corporation Tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

NOTES TO THE ACCOUNTS**For the year ended 31 March 2009****1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)****Leased assets**

The acquisition values of assets held under finance leases and hire purchase agreements are included in tangible fixed assets. The capital element of related future commitments is included in creditors. Finance charges are allocated to accounting periods during the term of each lease so as to produce a constant periodic rate of charge.

Cyclical repairs and maintenance

Due to the establishment of regular programmes of repair and maintenance, the designation of a special reserve is not considered necessary. Costs are charged to the income and expenditure account as they are incurred.

Major repairs

Future major repairs expenditure was being provided for on all housing properties developed under the 1988 Housing Act arrangements by transfer to a restricted reserve of funds calculated by reference to section 55(3) of that Act. There is also a designated reserve for future expenditure on properties not covered by the restricted reserve.

Pensions

Enham operates a defined contribution scheme and also participates in the Social Housing Pension Scheme (SHPS) defined benefit scheme, both of which require contributions to be made to separately administered funds. The SHPS is a multi-employer scheme and Enham is unable to separately identify its share of the assets and liabilities of the scheme. Therefore, contributions to the defined benefit scheme together with those to the defined contribution scheme are charged to the income and expenditure account as they became payable in accordance with the scheme rules.

Fund Accounting

General funds are unrestricted funds used for furthering the objects of the charity.

Designated funds are general funds which have been set aside by the Trustees at their discretion for specific purposes as shown in note 19.

Monies received that are subject to specific conditions imposed by the donor are treated as restricted funds. Such income and the related expenditure are separately identified in the Statement of Financial Activities and restricted funds are recorded on the balance sheet. Further details of the individual items within restricted funds are shown in note 19.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2009

2. TURNOVER, OPERATING EXPENDITURE AND SURPLUS/ (DEFICIT) ON ORDINARY ACTIVITIES

GROUP

	Turnover £	Operating expenditure £	2009 Surplus/ (deficit) on ordinary activities £	2008 Surplus/ (deficit) on ordinary activities £
Social Housing activities				
Residential accommodation	3,554,037	(2,852,767)	701,270	742,508
Other income and expenditure	52,030	(14,797)	37,233	63,422
Non-social housing activities				
Charitable activities including employment and learning	6,483,559	(7,675,109)	(1,191,550)	(654,875)
Trading companies' activities	-	(141,456)	(141,456)	(148,876)
	<u>10,089,626</u>	<u>(10,684,129)</u>	<u>(594,503)</u>	<u>2,179</u>
Appeal income (net of costs) (note 4)			243,219	95,941
(Deficit)/surplus on sale of fixed assets (note 9)			(6,874)	6,618
Interest receivable and similar income (note 7)			447,852	266,125
Interest payable (note 8)			(95)	(145)
Share of profit/(loss) in associate companies			282,973	(25,078)
Total as per statement of financial activities			<u>372,572</u>	<u>345,640</u>

NOTES TO THE ACCOUNTS

For the year ended 31 March 2009

2. TURNOVER, OPERATING EXPENDITURE AND SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES
(continued)

COMPANY

	Turnover £	Operating expenditure £	2009 Surplus/ (deficit) on ordinary activities £	2008 Surplus/ (deficit) on ordinary activities £
Social Housing activities				
Residential accommodation	3,554,037	(2,852,767)	701,270	742,508
Other income and expenditure	52,030	(14,797)	37,233	63,422
Non-social housing activities				
Charitable activities including employment and learning	6,483,559	(7,739,838)	(1,256,279)	(921,083)
	<u>10,089,626</u>	<u>(10,607,402)</u>	<u>(517,776)</u>	<u>(115,153)</u>
Appeal income (net of costs) (note 4)			104,589	115,309
(Deficit)/surplus on sale of fixed assets (note 9)			(6,874)	6,618
Interest receivable and similar income (note 7)			424,540	340,170
Interest payable (note 8)			(95)	(145)
			<u>545,508</u>	<u>461,952</u>
Total as per Statement of Financial Activities			<u>4,384</u>	<u>346,799</u>

NOTES TO THE ACCOUNTS

For the year ended 31 March 2009

2. TURNOVER, OPERATING EXPENDITURE AND SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES (continued)

GROUP AND COMPANY	General needs housing £	Supported housing £	Care home £	2009 Total £	2008 Total £
Income from residential lettings					
Rents	775,261	121,438	314,205	1,210,904	1,185,549
Identifiable service charges	28,021	691,499	1,654,828	2,374,348	2,162,017
	<u>803,282</u>	<u>812,937</u>	<u>1,969,033</u>	<u>3,585,252</u>	<u>3,347,566</u>
Less: Rent losses from voids	(2,853)	(3,311)	(25,051)	(31,215)	(28,699)
Total income from lettings	<u>800,429</u>	<u>809,626</u>	<u>1,943,982</u>	<u>3,554,037</u>	<u>3,318,867</u>
Expenditure on residential lettings					
Services	(152,653)	(21,834)	(942,403)	(1,116,890)	(979,494)
Management	(161,290)	(464,726)	(745,806)	(1,371,822)	(1,246,909)
Routine maintenance	(162,367)	(12,621)	(68,349)	(243,337)	(238,118)
Major repairs expenditure	(109,865)	(2,419)	(8,434)	(120,718)	(111,838)
Total expenditure on lettings	<u>(586,175)</u>	<u>(501,600)</u>	<u>(1,764,992)</u>	<u>(2,852,767)</u>	<u>(2,576,359)</u>
Operating surplus on residential letting activities	<u>214,254</u>	<u>308,026</u>	<u>178,990</u>	<u>701,270</u>	<u>742,508</u>

At the end of the year, the following units of accommodation were owned and managed by Enham:

	2009 No.	2008 No.
Housing accommodation	186	186
Supported housing accommodation (bed spaces)	104	104
Registered care home (bed spaces)	56	56
	<u>346</u>	<u>346</u>

NOTES TO THE ACCOUNTS

For the year ended 31 March 2009

3. OPERATING DEFICIT – NON-HOUSING CHARITABLE ACTIVITIES**GROUP**

	2009 £	2008 £
Turnover	6,157,145	6,129,902
Operating expenditure	<u>(7,675,109)</u>	<u>(7,132,014)</u>
	(1,517,964)	(1,002,112)
Supported employment grants	<u>326,414</u>	<u>347,237</u>
	<u>(1,191,550)</u>	<u>(654,875)</u>

Turnover represents net sales and services generated by employment and learning activities together with income arising from other group charitable activities

COMPANY

	2009 £	2008 £
Turnover	6,157,145	6,129,902
Operating expenditure	<u>(7,739,839)</u>	<u>(7,398,222)</u>
	(1,582,694)	(1,268,320)
Supported employment grants	<u>326,414</u>	<u>347,237</u>
	<u>(1,256,280)</u>	<u>(921,083)</u>

Turnover represents net sales and services generated by employment and learning activities together with income arising from other group charitable activities.

4. FUNDRAISING**GROUP**

	2009 £	2008 £
Income		
Donations, covenants and legacies	516,905	196,990
Donations for specific projects	<u>47,632</u>	<u>72,025</u>
	<u>564,537</u>	<u>269,015</u>
Expenditure		
Fundraising and publicity	(27,601)	(15,709)
Management and administration	<u>(293,717)</u>	<u>(157,365)</u>
	<u>(321,318)</u>	<u>(173,074)</u>
Net fundraising income	<u>243,219</u>	<u>95,941</u>

NOTES TO THE ACCOUNTS

For the year ended 31 March 2009

COMPANY	2009	2008
	£	£
Income		
Donations, covenants and legacies	378,275	216,358
Donations for specific projects	47,632	72,025
	<u>425,907</u>	<u>288,383</u>
Expenditure		
Fundraising and publicity	(27,601)	(15,709)
Management and administration	(293,717)	(157,365)
	<u>(321,318)</u>	<u>(173,074)</u>
Net fundraising income	<u>104,589</u>	<u>115,309</u>

5. DIRECTORS' EMOLUMENTS

Under the Accounting Requirements for Registered Social Landlords General Determination 2000, Trustees, the Chief Executive and senior executives whose total emoluments exceed £40,000 per year are to be treated as 'directors' for the purpose of this note.

The Trustees received no remuneration during the year (2008: £nil).

Total emoluments paid to or receivable by the other directors and senior executives were as follows:

GROUP	2009	2008
	£	£
Salary and benefits in kind	587,553	471,995
Pension contributions paid – defined benefit scheme	63,538	49,765
	<u>651,091</u>	<u>521,760</u>

No of Employees emoluments exceeded £60,000	£'000	No.	No.
	60 - 70	3	2
	100-110	1	1
		<u>1</u>	<u>1</u>

The emoluments (excluding pension contributions), payable to or receivable by the highest paid director who is the Chief Executive, total £108,159 in 2009. (2008: £104,277).

The Chief Executive is a normal member of the defined benefit pension scheme and receives no enhanced benefits.

	2009	2008
	£	£
Total expenses reimbursed to the directors not chargeable to United Kingdom income tax	<u>18,274</u>	<u>11,468</u>

NOTES TO THE ACCOUNTS

For the year ended 31 March 2009

6. EMPLOYEE INFORMATION

GROUP AND COMPANY

The average number of persons (including the Chief Executive) employed by the Company and Group during the year was:

	Disabled No.	Others No.	2009 Total No.	2008 Total No.
Employment and learning and other charitable activities	57	107	164	155
Housing and care	2	75	77	74
Fundraising and administration	3	32	35	35
	<u>62</u>	<u>214</u>	<u>276</u>	<u>264</u>
Average number of employees expressed as full time equivalents			<u>244</u>	<u>234</u>

Staff costs for these employees were:

	2009 £	2008 £
Wages and salaries	5,300,775	4,976,081
Social security costs	424,869	380,447
Other pension costs	265,695	254,264
	<u>5,991,339</u>	<u>5,610,792</u>

7. INTEREST RECEIVABLE AND SIMILAR INCOME

GROUP

	2009 £	2008 £
Interest receivable from bank and other deposits and Charities Aid foundation investments	293,102	193,399
Preference share dividends in associated companies	78,840	-
Dividends receivable	75,910	72,726
	<u>424,540</u>	<u>266,125</u>

NOTES TO THE ACCOUNTS

For the year ended 31 March 2009

7. INTEREST RECEIVABLE AND SIMILAR INCOME (continued)

COMPANY	2009	2008
	£	£
Interest receivable from bank and other deposits & Charities Aid foundation investments	289,920	186,637
Dividends receivable	75,910	72,726
Interest receivable on amounts due from subsidiary undertakings	58,710	80,807
	<u>424,532</u>	<u>340,170</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

GROUP AND COMPANY	2009	2008
	£	£
On bank loans and overdrafts	95	145
	<u>95</u>	<u>145</u>

9. SURPLUS ON ORDINARY ACTIVITIES

GROUP

The surplus on ordinary activities is stated after charging/ (crediting):

	2009	2008
	£	£
Auditors' remuneration:		
- audit services	39,000	48,762
- non audit services	2,000	1,973
Operating lease rentals payable:		
- Other	158,727	129,682
Depreciation of:		
- owned fixed assets per note 11	355,498	362,664
- leased assets	-	3,298
Deficit/(surplus) on sale of tangible fixed assets	6,874	(6,618)
	<u>6,874</u>	<u>(6,618)</u>

COMPANY

The surplus on ordinary activities is stated after charging/ (crediting):

	2009	2008
	£	£
Auditors' remuneration:		
- audit services	30,000	38,000
Operating lease rentals payable:		
- land and buildings	157,627	126,682
Depreciation of owned fixed assets	355,498	362,664
Depreciation of leased assets	1,398	3,298
Deficit/(surplus) on sale of tangible fixed assets	6,874	(6,618)
	<u>6,874</u>	<u>(6,618)</u>

NOTES TO THE ACCOUNTS

For the year ended 31 March 2009

10. TAXATION

As a registered charity, Enham is not subject to United Kingdom corporation tax on the surplus resulting from charitable activities.

GROUP

	2009 £	2008 £
Analysis of tax on loss on ordinary activities:		
United Kingdom corporation tax at 21% (2008: 20%)	-	-
	<hr/>	<hr/>
Total current taxation	-	-
Deferred tax:		
Timing differences, origination and reversal	-	-
Unutilised losses	-	-
	<hr/>	<hr/>
Tax credit for the year	-	-
	<hr/> <hr/>	<hr/> <hr/>

Factors affecting tax (credit) for the current year:

The tax assessed for the period is lower (2008: lower) than that resulting from applying the standard rate of corporation tax in the UK of 21%. The differences are explained below:

	2009 £	2008 £
Surplus on ordinary activities before tax	372,572	345,640
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the standard rate of Corporation Tax of 21% (2008: 20%)	78,240	69,128
Effects of:		
Expenses not deductible for tax purposes	847	-
(Decrease)/increase in unutilised tax losses	(3,578)	28,361
Non-taxable income from charitable activities	(70,607)	(97,489)
	<hr/>	<hr/>
Current tax charge for period	4,902	-
	<hr/> <hr/>	<hr/> <hr/>

Factors that may affect the future tax charge:

A deferred tax asset has not been recognised in respect of timing differences relating to certain trade losses carried forward as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £97,556 (2008: £101,134). The asset would be recovered if there are sufficient taxable profits in future periods against which the losses could be offset.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2009

11. TANGIBLE FIXED ASSETS

RESIDENTIAL PROPERTIES

GROUP AND COMPANY

	Freehold housing properties £	Freehold care homes £	Residential Properties £
Cost			
At 1 April 2008	4,411,888	7,761,525	12,173,413
Additions	-	-	-
Disposals	-	-	-
At 31 March 2009	4,411,888	7,761,525	12,173,413
Depreciation			
At 1 April 2008	-	1,288,508	1,288,508
Charge for the year	-	111,378	111,378
At 31 March 2009	-	1,399,886	1,399,886
Depreciated Costs			
At 31 March 2009	4,411,888	6,361,639	10,773,527
At 31 March 2008	4,411,888	6,473,017	10,884,905
Social Housing Grant			
At 1 April 2008 and 31 March 2009	2,256,643	1,750,613	4,007,256
Net book value			
At 31 March 2009	2,155,245	4,611,026	6,766,271
At 31 March 2008	2,155,245	4,722,404	6,877,649

NOTES TO THE ACCOUNTS

For the year ended 31 March 2009

11. TANGIBLE FIXED ASSETS (continued)

OTHER FIXED ASSETS

GROUP AND COMPANY

	Other freehold property £	Plant and Equipment £	Motor vehicles £	Non residential property assets £
Cost				
At 1 April 2008	2,513,663	2,652,963	251,929	5,418,555
Additions	4,255	264,853	48,018	317,126
Disposals and write downs	-	(12,691)	(28,549)	(41,240)
At 31 March 2009	2,517,918	2,905,125	271,398	5,694,441
Depreciation				
At 1 April 2008	979,619	1,830,028	229,786	3,039,433
Charge for the year	57,653	173,850	12,617	244,120
Disposals and write downs	-	(11,080)	(22,504)	(33,584)
At 31 March 2009	1,037,272	1,992,798	219,899	3,249,969
Net book value				
At 31 March 2009	1,480,646	912,327	51,499	2,444,472
At 31 March 2008	1,534,044	822,935	22,143	2,379,122

Assets held under finance leases and capitalised in plant and equipment.

Company and group	2009 £	2008 £
Cost	9,895	9,895
Less: Aggregate Depreciation	(9,895)	(8,497)
Net Book Value	-	1,398

NOTES TO THE ACCOUNTS

For the year ended 31 March 2009

12. INVESTMENTS

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Charities Aid Foundation Balanced Growth Fund	575,968	767,093	575,968	767,093
Charities Aid Foundation fixed term investment	3,000,000	2,000,000	3,000,000	2,000,000
Gerrard Investment	1,193,922	1,619,437	1,193,922	1,619,437
Unlisted shares	32,095	10,337	4,170	10,337
Investment property	195,000	262,000	195,000	262,000
Short term investment with the Bank of Scotland	435,976	1,027,858	435,976	1,027,858
	<u>5,432,961</u>	<u>5,686,725</u>	<u>5,405,036</u>	<u>5,686,725</u>
Shareholdings in subsidiary undertakings	-	-	2	2
Share of associates	692,986	410,011	-	-
	<u>6,125,947</u>	<u>6,096,736</u>	<u>5,405,038</u>	<u>5,686,727</u>

The CAF Growth fund which comprises listed investments is shown at market value.

Investment property of £195,000 (2008: £262,000) comprises a freehold house gifted to Enham with the provision of a lifetime rent free tenancy to the existing occupants. The property was valued on 1st April 2009 by TE Coles, MRICS, of Pearsons, at £340,000 (2008: £400,000) on the basis of vacant possession, the value being reduced by 43% (2008: 35%) to reflect the tenancy.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2009

12. INVESTMENTS (continued)

Enham has the following subsidiary and associate undertakings:

Undertaking	Registered	Entity	Activity	Ordinary shares Enham Proportion holding of share capital		Commercial relationship with other group entities
				Shares	%	
Cedar Services Limited	England & Wales	Company	Building contracting	2	100 %	Profits paid to Enham under gift aid
Enham Trading Limited (formerly known as Enabling Partnership (Trading) Ltd) Note (a)	England & Wales	Company	Trading activities of ENHAM	Limited by guarantee, controlled by ENHAM		Interest paid to Enham on loan.
Route2Mobility Limited Note (b)	England & Wales	Company	Finance provider under Motability Scheme	7,100	40 %	No trading relationship. Dividends paid to Enham Trading Limited.
Enham Finance Limited Note (b)	England & Wales	Company	Finance provider	7,250	36 %	No trading relationship. Dividends paid to Enham Trading Limited.
Agilis Insurance Limited Note (b)	England & Wales	Company	Insurance provider, primarily under Motability Scheme	7,250	36 %	No trading relationship. Dividends paid to Enham Trading Limited.
Enham Binders Limited	England & Wales	Company	Dormant	2	100 %	No trading relationship.
Papworth & Enham Foundation	England & Wales	Company	Charity	Limited by guarantee, controlled by ENHAM		None

Notes

- (a) Where no shares are held, the companies are limited by guarantee with no share capital. The Boards of these companies consider Enham to be the parent undertaking.
- (b) The shares in Route2Mobility Limited, Enham Finance Limited and Agilis Insurance Limited (formerly Enham Direct Limited) are owned by Enham Trading Limited (formerly Enabling Partnership (Trading) Ltd) which is a wholly owned subsidiary of Enham.
- (c) Enham is a Registered Provider: this is the only RP in the group. Enham and Papworth and Enham Foundation are both registered charities, these are the only charities in the group.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2009

13. STOCKS

GROUP AND COMPANY

	2009	2008
	£	£
Raw materials	51,694	59,919
Horticultural stock	5,000	5,000
Consumable stock	5,252	2,976
	<u>61,946</u>	<u>67,895</u>

14. DEBTORS: Due within one year

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Arrears of rent – housing	4,170	13,834	4,170	13,834
Less: provisions for housing bad debts	(4,090)	(4,155)	(4,090)	(4,155)
	<u>80</u>	<u>9,679</u>	<u>80</u>	<u>9,679</u>
Arrears of rent – non-housing	3,955	4,090	3,955	4,090
Less: provisions for non-housing bad debts	(3,955)	(9,220)	(3,955)	(9,220)
	<u>80</u>	<u>4,549</u>	<u>80</u>	<u>4,549</u>
Trade debtors	601,912	703,120	601,912	703,120
Amounts due from subsidiary undertakings	-	-	979,901	1,121,190
Other debtors	183,403	95,040	183,403	94,193
Prepayments and accrued income	176,057	115,033	97,216	115,033
	<u>961,452</u>	<u>917,742</u>	<u>1,862,512</u>	<u>2,038,085</u>

NOTES TO THE ACCOUNTS

For the year ended 31 March 2009

15. CREDITORS: Amounts falling due within one year

	Notes	Group		Company	
		2009 £	2008 £	2009 £	2008 £
Obligations under hire purchase contracts	17	-	626	-	626
Trade creditors		398,711	270,537	398,711	151,008
Taxation and social security		125,365	183,457	116,250	161,575
Other creditors		27,334	29,539	1,535	3,739
Accruals		388,583	513,161	376,464	460,711
Deferred income	18	147,567	173,355	147,567	173,355
Amounts due to subsidiaries		-	-	35,196	174,463
		<u>1,087,560</u>	<u>1,170,675</u>	<u>1,075,723</u>	<u>1,125,477</u>

16. CREDITORS: Amounts falling due after more than one year

GROUP AND COMPANY

	Notes	2009 £	2008 £
Other loans	17	375,224	375,224
Deferred income	18	156,254	170,069
		<u>531,478</u>	<u>545,293</u>

17. BORROWINGS

GROUP AND COMPANY

	2009 £	2008 £
Obligations under lease contracts	-	626
Other loans	375,224	375,224
	<u>375,224</u>	<u>375,850</u>
Repayable as follows:		
Within one year	-	626
After more than five years	375,224	375,224
	<u>375,224</u>	<u>375,850</u>

Obligations under finance leases are secured on the assets to which they relate (see note 11).

Other loans are interest free advances from the Employment Service towards the cost of approved capital expenditure in connection with supported employment. Provided the conditions upon which the advances were made continue to be observed they have no fixed time of repayment.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2009

18. DEFERRED INCOME

GROUP AND COMPANY

	Notes	2009 £	2008 £
Employment Service grants		200,649	206,965
Advance sales		103,172	136,459
		<u>303,821</u>	<u>343,424</u>
Less: repayable within one year	15	<u>(147,567)</u>	<u>(173,355)</u>
Repayable after more than one year	16	<u>156,254</u>	<u>170,069</u>

Employment Service grants are contributions to the cost of approved expenditure on plant, machinery and equipment in connection with supported employment. Provided the conditions upon which the advances are made continue to be observed these advances are non-refundable. They will be credited to the income and expenditure account as follows:

GROUP AND COMPANY

	2009 £	2008 £
Within one year	89,396	89,396
Within one and two years	111,253	117,569
	<u>200,649</u>	<u>206,965</u>

19. RESERVES

Group

	Revaluation reserve £	Restricted reserves £	Designated reserves £	Revenue reserve £	Total £
At 1 April 2008	734,510	528,573	13,187,544	650,614	15,101,241
Net surplus for the year	-	20,031	-	370,719	390,750
Unrealised net loss on revaluation of investments	(692,508)	-	-	-	(692,508)
Net transfers	-	43,385	(26,280)	(17,105)	-
At 31 March 2009	<u>42,002</u>	<u>591,989</u>	<u>13,161,264</u>	<u>1,004,228</u>	<u>14,799,483</u>

The revaluation reserve represents the difference between the market value on 31 March 2009 and the cost of the CAF fixed asset investment funds, and any increase or decrease in value of other investments.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2009

19. RESERVES (continued)

Restricted reserves	Grant funded reserve £	Appeals reserve £	Total £
At 1 April 2008	1,243	527,330	528,573
Grants received	-	20,031	20,031
Transfer from revenue reserve	-	11,549	11,549
Interest allocated	-	31,836	31,836
	<u>1,243</u>	<u>590,746</u>	<u>591,989</u>
At 31 March 2009	<u>1,243</u>	<u>590,746</u>	<u>591,989</u>

The Appeals reserve reflects the balance of all donations made for a specific purpose and not yet expended. The Grant Funded reserve and Appeals reserve represent monies received for specific projects. These amounts are not available for any other purpose but that for which they were donated.

Designated reserves	New build Project £	Major repairs reserve £	Capital reserve £	Contingency reserve £	Building reserve £	Total £
At 1 April 2008	1,000,000	483,996	6,961,532	1,200,000	3,542,016	13,187,544
Transfer revenue reserve	-	-	(26,280)	-	-	(26,280)
	<u>1,000,000</u>	<u>483,996</u>	<u>6,935,252</u>	<u>1,200,000</u>	<u>3,542,016</u>	<u>13,161,264</u>
At 31 March 2009	<u>1,000,000</u>	<u>483,996</u>	<u>6,935,252</u>	<u>1,200,000</u>	<u>3,542,016</u>	<u>13,161,264</u>

The new build project reserve represents the expected cost of buying land and constructing new accommodation units in Hampshire for disabled and disadvantaged young people.

The major repairs reserve is being maintained for future repairs to non-RP properties. The fund represents the Trustees' best estimate of possible major, unplanned repairs needed to the non-residential buildings in the portfolio of property.

The capital reserve represents the net book value of the new units of the Care Home and the Resource Centre, which were built as the result of special fund-raising appeals.

The contingency reserve reflects the Trustees' estimate of the maximum financial need of the Charity in the event of any sudden and unforeseen circumstances. An equivalent or higher sum is held within fixed asset and current asset investments.

The building reserve reflects funds earmarked for capital works to buildings. These projects will all be funded from existing reserves.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2009

19. RESERVES (continued)

Company	Revaluation reserve £	Restricted reserves £	Designated reserves £	Revenue Reserve £	Total £
At 1 April 2008	734,510	527,677	13,187,544	1,172,788	15,622,519
Net Surplus for the year	-	20,031	-	(15,647)	4,384
Unrealised net loss on revaluation of investments	(689,806)	-	-	-	(689,806)
Transfers between Funds	-	43,038	(26,280)	(16,758)	-
At 31 March 2009	<u>44,704</u>	<u>590,746</u>	<u>13,161,264</u>	<u>1,140,383</u>	<u>14,937,097</u>

The revaluation reserve represents the difference between the market value on 31 March 2009 and the cost of the CAF fixed asset investment funds, and any increase in value of other investments.

Company	2009 £	2008 £
Restricted reserves		
At 1 April	527,677	462,260
Appeal funds received for specific projects	20,031	41,476
Interest allocated	31,836	23,941
Transfer from revenue reserves	11,202	-
At 31 March	<u>590,746</u>	<u>527,677</u>

The restricted reserve reflects the balance of all donations made for a specific purpose and not yet expended.

Company	New build Project £	Major repairs reserve £	Capital reserve £	Contingency reserve £	Building reserve £	Total £
Designated reserves						
At 1 April 2008	1,000,000	483,996	6,961,532	1,200,000	3,542,016	13,187,544
Transfer revenue reserve	-	-	(26,280)	-	-	(26,280)
At 31 March 2009	<u>1,000,000</u>	<u>483,996</u>	<u>6,935,252</u>	<u>1,200,000</u>	<u>3,542,016</u>	<u>13,161,264</u>

The new build project reserve represents the expected cost of buying land and constructing new accommodation units in Hampshire for disabled and disadvantaged young people.

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NOTES TO THE ACCOUNTS

For the year ended 31 March 2009

20. RECONCILIATION OF OPERATING SURPLUS / (DEFICIT) TO OPERATING CASH FLOWS

	2009 £	2008 £
Operating (deficit)/surplus	(358,158)	104,378
Depreciation and amortisation and impairment	355,498	365,962
Decrease / (increase) in stocks	5,949	(3,775)
(Increase) in debtors	(17,497)	(28,906)
(Decrease) in creditors	(78,504)	(69,632)
(Decrease) in creditors more than 1 year	(13,815)	(7,501)
Loss/ (Profit) on disposal of fixed assets	6,874	(6,618)
Net cash inflow from operating activities	<u>(99,653)</u>	<u>353,908</u>

21. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/ (DEBT)

	2009 £	2008 £
(Reduction) in cash in the year	(442,713)	(379,421)
Cash outflow / (inflow) from increase in debt and lease financing	(39,516)	4,070
Cash outflow from management of current asset investments	448,260	777,858
Change in net funds resulting from cash flows	<u>(33,969)</u>	<u>402,507</u>
Non cash movements	-	-
Net funds at 1 April	<u>3,130,840</u>	<u>2,728,333</u>
Net funds at 31 March	<u>3,096,871</u>	<u>3,130,840</u>

NOTES TO THE ACCOUNTS

For the year ended 31 March 2009

22. ANALYSIS OF CHANGES IN NET FUNDS / (DEBT)

	At 1 April 2008 £	Cash flows £	Non cash movement £	At 31 March 2009 £
Cash at bank and in hand	478,832	(442,713)	-	36,119
Debt due within one year: Leasing agreements	(626)	626	-	-
Debt due after one year: Bank and other loans	(375,224)	-	-	(375,224)
Current asset investments	3,027,858	408,118	-	3,435,976
	<u>3,130,840</u>	<u>(33,969)</u>	<u>-</u>	<u>3,096,871</u>

23. PENSION COMMITMENTS

The group participates in the State Earnings Related Pension Scheme. It also operates a defined contribution scheme and participates in a defined benefit one. The assets of all defined contribution and defined benefit schemes are held separately from those of the company in independently administered funds.

Pension contributions payable for the year were:

GROUP AND COMPANY

	2009 No Employees	2009 £	2008 No Employees	2008 £
Defined contribution scheme	91	32,855	77	32,504
Defined benefit scheme	73	232,840	89	221,760

Pension contributions outstanding at the year-end amounted to £nil (2008: £22,939).

Defined Benefit Scheme

Enham participates in the Social Housing Pension Scheme (SHPS). SHPS is funded and is contracted out of the state scheme. SHPS is a multi-employer defined benefit scheme. Employer participation in the Scheme is subject to adherence to the employer responsibilities and obligations as set out in the "SHPS House Policies and Rules Employer Guide".

NOTES TO THE ACCOUNTS

For the year ended 31 March 2009

23. PENSION COMMITMENTS (continued)

Contributions to SHPS are accounted for as if it were a defined contribution scheme as it not possible to identify the share of underlying assets and liabilities belonging to individual participating employers.

SHPS operated a single benefit structure, final salary with a 1/60th accrual rate, to March 2007. From April 2007 there are three benefit structures available namely:

- Final salary with a 1/60th accrual rate
- Final salary with a 1/70th accrual rate
- Career average revalued earnings with a 1/60th accrual rate.

Enham has elected to operate the career average revalued earnings with a 1/60th accrual rate benefit structure both for active members as at 1 April 2007 and for new entrants from that date.

The Trustee of SHPS (the 'Trustee') commissions an actuarial valuation on the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, in respect of each benefit structure, so that the Scheme can meet its pension obligations as they fall due. From April 2007 the split of the total contribution rate between member and employer is set at individual employer level, subject to the employer paying no less than 50% of the total contribution rate.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period Enham paid contributions at the rate of 11.7%. Member contributions varied between 3.1% and 6.1% depending on their age.

As at the balance sheet date there were 73 (2008: 89) active members of the Scheme employed by Enham. Enham continues to offer membership of the Scheme to certain of its employees.

The last formal valuation of the Scheme was performed as at 30 September 2008 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £1,527 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £663 million, equivalent to a past service funding level of 70%.

The financial assumptions underlying the valuation as at 30th September 2008 were as follows:

	% pa
Valuation Discount rates	
-Pre retirement	7.8
-Non pensioner Post retirement	6.2
-Pensioner Post retirement	5.6
Pensionable Earning growth	4.7
Price inflation	3.2
Pension Increases	
-Pre 88 GMP	0.0
-Post 88 GMP	2.8
-Excess over GMP	3.0

Expenses for death in service insurance, administration and PPF levy are included in the contribution rate.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2009

23. PENSION COMMITMENTS (continued)

The valuation was carried out using the following demographic assumptions

- Mortality pre retirement – PA92 Year of Birth, long cohort projection, minimum improvement 1% per annum.
- Mortality post retirement – 90% S1PA Year of Birth, long cohort projection, minimum improvement 1% per annum.

The long-term joint contribution rates that will apply from April 2010 required from employers and members to meet the cost of future benefit accrual were assessed at:

Benefit structure	Long-term joint contribution rate (% of pensionable salaries)
Final salary with a 1/60 th accrual rate	17.8
Final salary with a 1/70 th accrual rate	15.4
Career average revalued earnings with a 1/60 th accrual rate	14.9

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

Following consideration of the results of the actuarial valuation it was agreed that the shortfall of £663 million would be dealt with by the payment of deficit contributions of 7.5% of pensionable salaries, increasing each year in line with salary growth assumptions, from 1 April 2010 to 30 September 2020, dropping to 3.1% from 1 October 2020 to 30 September 2023. Pensionable salaries at 30 September 2008 are used as the reference point for calculating these deficit contributions. These deficit contributions are in addition to the long term joint contribution rates set out in the table above.

With effect from 1 April 2007 the average employer and employee contribution rate for Enham has been 12.3% and 6.2% of pensionable salaries respectively.

If the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit by 30 September 2023.

The next full actuarial valuation will be carried out as at 30 September 2011.

As a result of pension scheme legislation there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis, i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). Consequently the leaving employer's debt includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total SHPS liabilities, SHPS investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2009

23. PENSION COMMITMENTS (continued)

The amounts of debt can hence be volatile over time.

Enham has been notified by the Pensions Trust on behalf of SHPS of the estimated employer debt which would be payable on withdrawal from the Social Housing Pension Scheme based on the financial position of the Scheme as at 30 September 2008. As of this date the estimated employer debt for Enham was £8,668,000.

24. FINANCIAL COMMITMENTS

There are no capital commitments that have not been provided for in the financial statements.

The annual commitments under non-cancellable operating leases were as follows:

GROUP AND COMPANY	Land and buildings	
	2009	2008
	£	£
Leases expiring:		
Within one year	22,636	-
Between one and two years	-	-
Between two and five years	131,921	135,067
	<u>154,557</u>	<u>135,067</u>

25. LEGISLATIVE PROVISIONS

Enham is a company limited by guarantee, the liability of each member being limited to £1. There are currently 30 members of Enham (2008: 29). The Charity is registered with the Tenant Services Authority as a Registered Provider and with the Charity Commissioners as a charity.

26. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions within Financial Reporting Standard 8 not to disclose transactions with group companies.

Route2Mobility Limited

Route2Mobility Limited pays rent under a licence to occupy agreement. The amount paid to Enham in 2009 was £19,458 (2008: £17,520).

Trustee Expenses

The aggregate amount of expenses for the year was £572 (2008: £668) in which 2 Trustees were reimbursed for travelling on charity business.

During the year the Papworth and Enham Foundation made grants to Enham to the value of £105,000 (2008: £nil).

There were no other related party transactions during the year.