

Company number: 2940712

Charity Number: 1040713

Community Housing and Therapy

Report and financial statements

For the year ended 31 March 2021

Community Housing and Therapy

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Community Housing and Therapy

Reference and administrative information

For the year ended 31 March 2021

Company number 2940712

Charity number 1040713

Registered office and operational address

Unit WG10 Vox Studios
1-45 Durham Street
London SE11 5JH

Trustees The trustees, who are also directors under company law, who served during the year up to the date of this report were as follows:

Rev George Bush
Dean James CBE
Lynsey Rowe
Katrina Liao (Treasurer)
Michael Watson
Lisa Johnson (resigned 19 April 2021)
Sebastian Oram
Laura Chesham (appointed 26 July 2021)
Stephen Riley (appointed 26 July 2021)

Principal staff Peter Cockersell MSc DPsych FRSA Chief Executive

Bankers Lloyds TSB Bank PLC
10 Hanover Square
London
WIS IHJ

Solicitors Wilsons Law
Alexandra House
St Johns Street
Salisbury
SP1 2SB

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditors
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

The trustees present their report and the audited financial statements for the year ended 31 March 2021.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

Community Housing and Therapy's objectives are set out in the objects contained in the charity's memorandum of association. We work for the benefit of the public by treating people experiencing mental ill-health and emotional distress. We provide care, support and psychotherapy within residential accommodation, in which the living environment itself is therapeutic, to enable beneficiaries to make changes in their life in order to engage with society in a way they find more fulfilling.

Our projects welcome people from all backgrounds. The charity operates a thorough and structured needs assessment to determine if a referral will benefit from the service we offer. We are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability.

The trustees review the aims, objectives and activities of the charity each year. This report looks at charity's achievements and outcomes in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Strategic report

Key Achievements:

We:

- *treated 84 Clients during the course of this year*
- *admitted 23 new clients into its therapeutic services*
- *over half of those who moved on went to lower-support or independent accommodation*
- *successfully managed our communities through the pandemic with no onward transmission of the few residents or staff testing positive for covid-infection; we maintained PPE levels, and varied our guidance and practice as required to keep our residents safe at different stages of the pandemic. We had no residents hospitalised due to covid throughout the pandemic.*

Community Housing and Therapy

Trustees' annual report

For the year ended 31 March 2021

- *secured a total of charitable fund for £46k*
- *acquired a new supported living service and training centre in Richmond*
- *supported beneficiaries' continued involvement in the charity's operations*
- *presented a video of our residents and staff discussing 'therapeutic communities through the pandemic' at the virtual 'Windsor Conference' of therapeutic communities*
- *one of our communities participated in an international discussion group with residents and staff of therapeutic communities in three other countries via INDTC*
- *successfully moved our training to online only*

The charity has worked to the following targets (in bold) in the past year:

To develop our core therapeutic services

This year was a difficult year with all of our services impacted by the pandemic. We had to adapt and run a modified therapeutic programme with few or no outside activities; internal activities were also constrained by staff availability as we had at times up to 20% of our staff either sick or isolating.

We managed to find and then maintain the necessary levels of PPE throughout the pandemic despite no statutory assistance for the first three months, and we had no onward infections in our communities despite twice having people discharged covid-positive to the community from hospital. We managed to attract local authority and charitable funding to make up some of the costs of PPE and of additional agency staff where we were unable to meet rota requirements with permanent staff.

Unfortunately we had to close the Crisis service at LGH for the duration of the pandemic because of the limited availability and slow turnaround of testing; this service resumed in February 2021.

CHT's three residential services continued to receive a high number of referrals from established relationships with local authorities and NHS trusts, and average occupancy was high until the middle of the year. Unfortunately Croydon posted a 'provider concerns' notice about LGH in September 2020, and placed an embargo on new referrals; they agreed to lift the embargo in January 2021 following improvements to reporting and changes to staffing that we made, but they did not change their website until March 2021. This seriously affected occupancy levels, compounded by the crisis service being closed. The provider concerns status continues pending a new CQC inspection.

There was also a problem at Mount Lodge with CQC classifying our registration for nursing and personal care as 'dormant' because we do not routinely provide either, but having not yet processed our application for registration under TDDI. This is ongoing as we are still waiting for CQC to process the TDDI applications.

Despite these obstacles, and low occupancy in the latter part of the year, CHT posted a surplus of around £73k for 2020-2021.

Also despite these obstacles, CHT treated 84 clients during the reporting period, 14 moved out, 7 beneficiaries stepping down to lower support accommodation.

Community Housing and Therapy

Trustees' annual report

For the year ended 31 March 2021

We managed to transpose our entire diploma training to online instead of in-person courses, which required the modification of all the courses; and we also continued to deliver training externally to one local authority, online rather than in-person. However, the pandemic has meant that our external training provision, and therefore income, in this financial year were significantly down on the previous year.

On 24th April 2020 CHT acquired a 10-bedroom house in Richmond, partly donated by its owner Elly Jansen OBE, and partly purchased with an increased loan from Charity Bank. This will provide CHT with another small supported living community for adults (18+) and a training centre: because of the pandemic, opening the new service was delayed but the first residents moved in in April 2021; the training centre has begun to be used from September 2021.

To develop our international network

INDTC held a successful virtual international conference attracting attendees from as far as Japan and Argentina, Canada and India, which was co-facilitated by CHT.

We also held, in partnership with INDTC, a successful event in which the residents and staff of four communities, including our LGH community, in four different countries met and swapped ideas and experiences.

To maintain high quality staff

We are pleased to say that we had very high staff retention throughout the pandemic and the staff showed a tremendous commitment in coming in on public transport and working through some very difficult time and conditions. We paid the frontline staff a 'thank you bonus' of £25 per week throughout the pandemic.

We also reviewed the roles of different staff and have begun the process of implementing clarifications of the specific tasks each type of staff is responsible for, and, following a democratic process, we renamed the Recovery Practitioners as Therapeutic Support Workers. We also changed our remuneration bandings to reflect better individual levels of experience and seniority.

Additionally, we successfully piloted the use of closely supervised trainee therapists and this will now be rolled out across the organisation in 2021-2022.

Financial review

Total income for the year amounted to £3.1m. This was 13% above from the previous year, we reported a surplus of £73k after depreciation and interest.

The trustees confirm that to the best of their knowledge, there is no information relevant to the audit of which the auditor is unaware and the trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditor.

Trustees' annual report

For the year ended 31 March 2021

The trustees maintain an extremely close oversight of both costs and cash flow. The trustees meet five times a year and review the finances by means of management accounts, which are presented to the Chair and Treasurer each month.

Principal risks and uncertainties

The risk register, in which potential risks have been identified, is divided into the following categories:

- Clinical standards
- Personnel
- Income streams
- Demand for services
- Infrastructure
- Public relations
- Finance and administration
- Fraud
- Other (including development)

The risks are divided into low, medium and high depending on the likelihood of occurrence and their potential impact on the charity. Each risk is followed by an appropriate action aimed at minimizing the risk. The trustees review the risk register annually.

The following key risks were identified:

- Fee Levels and Cash Flow
 - Cuts in Public Budgets have in the past resulted in a reduction in fees. It is essential to ensure that fee levels achieved are sufficient to meet operational costs.
 - This year we have again managed to increase fee levels negotiated on new spot purchase arrangements and have negotiated a fee uplift on some existing contracts.
 - CHT has a strategy of increasing capacity through the development of new services, spreading overheads and increasing potential surpluses.
 - Our cash in hand increased as a result of increased occupancy, and cashflow remained steady.
- Referrals
 - Sustainable levels of referrals of new clients are critical. CHT aims to mitigate this risk by:
 - Diversifying its service model to include younger clients, placements for whom are in extreme short supply nationally; moving towards a treatment rather than a long-term care model, with registration as a treatment provider rather than a care provider; facilitating more referrals at higher fee levels.
 - Improving marketing to widen its portfolio of referral agencies.
 - Forming strategic alliances with a range of partner agencies to enable CHT to acquire new properties and services.
 - Recruiting to a new Referrals Coordinator role
 - Occupancy was high for the majority of 2020-2021, but with a significant drop in the second half of the year, largely due to the inability to take in new referrals at LGH.

Trustees' annual report

For the year ended 31 March 2021

The charity has a risk strategy comprising:

- Regular, weekly oversight of occupancy and cashflow levels by CEO.
- Fortnightly meetings on referrals and occupancy between Service Managers and the Senior staff
- The establishment of a risk register.
- Annual Review of the risks the charity faces.
- Introduction of systems to mitigate the risks identified and minimize any potential impact on the charity should any risks materialize.

The most significant risk to CHT in 2020-2021 was the coronavirus pandemic, and then the suspension of referrals into LGH. CHT has robust risk management measures and managed to acquire a good supply and stock of personal protective equipment (PPE) as well as installing a heightened hygiene regime; we have continuously updated our internal guidance in line with Government, public health and NHS guidance and we have had no known cases of onward transmission within our communities. We have had several members of staff and a few residents with confirmed covid-19 but all have recovered; one member of agency staff required hospital treatment but has also recovered. We have over 90% double vaccination in both staff and resident groups now, and all new staff must be double-vaccinated by law. Coronavirus continues to be a risk for both our staff and our residents, and we continue to mitigate the risk through good hygiene practices including additional thorough night cleaning, stocks of PPE, reduced staff travel, testing as much as possible, reducing inter-community interactions, and continuous audit and awareness-raising.

The risk to LGH has now been relieved as we are once again able to take in referrals and the occupancy is increasing; as of February 2021 we have also reopened the crisis/respite beds.

Reserves policy and going concern

We maintain our day-to-day cash balance at around three times monthly outgoings. It is our belief that, with continued close and diligent management, and a focus on diversifying our services, improving our marketing, and diversifying our funding streams, we can operate successfully in what continues to be a difficult environment.

The reserves policy of the trustees is as follows:

- 1) To maintain, as a minimum, reserves sufficient to fund day to day business commitments: £250k.
- 2) To have reserves, on top of the above minimum, sufficient to provide cover in the event of shortfalls arising from normal trading variations: £100k.
- 3) To grow new development reserves to allow further capital or other new projects.

The trustees believe that the level of reserves is £392k at the end of this year.

As a going concern, CHT's services for 2020/21 were budgeted to operate at a breakeven; however we ultimately had a surplus of £73k.

Our strategic objective is to increase our reserves to 25% of our turnover: we anticipate breaking even in 2020-2021. At least 50% of any surplus will be put into our reserves until our strategic objective is met. Our strategic objective is to increase our reserve to £750k.

Plans for the future

Plans for 2021-2022 and further years are:

- To modernise our therapeutic communities so that they offer highly relevant care, treatment and recovery services.
- To fully implement our new quality assurance system.
- To keep all our resident and clinical records in an NHS-level secure electronic system.
- To change the CQC registration of individual services to Treatment of Disease, Disorder and Injury.
- To manage our services to the highest possible standard, both financially and clinically.
- To achieve national accreditation of our Diploma training course.
- To expand the number of supported living and community services in response to demand.
- To establish new partnerships with housing providers and other agencies.
- To raise the profile of CHT through enhanced marketing.
- To take forward the planned growth of the charity through partnerships, improved marketing, redefinition of our work, and a diversification of funding streams, client base, and services offered.
- To expand our charitable fundraising capacity.

The impact of the coronavirus pandemic on CHT has not threatened our viability as an ongoing concern; on the contrary, the impact has been in some ways beneficial.

- There has been an increase in referrals and speed of funding and move-in decisions because of a desire from the NHS to reduce the number of people in hospitals.
- Vulnerable staff were placed on the furlough scheme, and their costs were recovered; they have all returned to work.
- Costs of employing additional agency staff have been covered by grants from various bodies such as the London Response Centre, and have now been taken on by local authorities.
- Costs for additional PPE have also been covered by grants from various bodies such as the London Response Centre and by local authorities.
- Travel and associated costs have reduced because of restrictions in staff movement as risk mitigation during the pandemic.
- We have reduced the amount of office space we need because of reduced staff travel and less in-person meetings, which has reduced our overheads.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on the 15th of June 1994 and registered as a charity on the 9th of September 1994.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

The trustees are planning to change the charity's articles of association in the next financial year to reflect changes in the model of care and to bring them more up to date. Charity Commission support for these changes will be obtained before any changes are made; they will then be notified to Companies House. All trustees give their time voluntarily and receive no benefits from the charity.

Trustees' annual report

For the year ended 31 March 2021

Appointment of trustees

Patrons and Trustees are recruited by personal contact through the business of the charity or through the trustees, or by advertising in appropriate media.

Where the board identifies a skill gap it recruits trustees to fill it. Potential trustees are suggested to the Board, an interviewing panel is arranged and information such as annual report, annual accounts and publicity leaflets are sent. After a positive interview potential trustees are invited to visit one of the residential projects and to attend a Board meeting after which trustees decide whether or not to appoint. The new trustee is then invited to join the Board. Following this there is an induction and then further information on the activities of the charity will be available through Board meetings, further visits and meetings with staff and through attendance at conferences which the charity organizes from time to time.

We recruited two new Trustees in July 2021 and we hope to recruit an identified new Psychiatrist to the Board in 2022.

Related parties and relationships with other organisations

Fairhall Court and George Dooley House are supported living services run in partnership with Central and Cecil Housing Trust (CCHT). These services provide supported housing for up to sixteen clients. CHT is responsible for providing support and therapeutic services, and CCHT maintain responsibility for the housing management.

Onkar House is leased from a private owner, and housing management is done by Thinkcare Housing Ltd; CHT provides the support and manages the day-to-day activities and maintenance of the property.

We are working with pro-bono consultants on the accreditation of our Diploma in Relational Practice in Mental Health.

We are in conversation with other organisations, notably Housing Associations and Charitable Trusts, about other potential partnership working that might benefit CHT.

Fundraising compliance

CHT does not engage in public fundraising and does not use professional fundraisers or commercial participators. CHT nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and CHT received no complaints relating to its fundraising practice.

Remuneration policy for key management personnel

CHT aims to benchmark all salaries against equivalent size organisations in the charity sector. Pay is reviewed annually; increments for individual staff are within pre-set pay bands and according to performance and skill criteria. CHT is compliant with new national pension legislation, and living wage agreements.

Trustees' annual report

For the year ended 31 March 2021

Statement of responsibilities of the trustees

The trustees (who are also directors of Community Housing and Therapy for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £10 each to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2021 was 7 (2020:8). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditors

Sayer Vincent LLP were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

Community Housing and Therapy

Trustees' annual report

For the year ended 31 March 2021

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 27 September 2021 and signed on their behalf by

Katrina Liao

Treasurer

Independent auditors' report

To the members of

Community Housing and Therapy

Independent auditor's report to the members of Community Housing and Therapy

Opinion

We have audited the financial statements of Community Housing and Therapy (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Community Housing and Therapy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditors' report

To the members of

Community Housing and Therapy

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Independent auditors' report

To the members of

Community Housing and Therapy

- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Noelia Serrano (Senior statutory auditor)

4 October 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Community Housing and Therapy

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Income from:							
Donations and legacies	2	7,844	35,613	43,457	4,000	4,094	8,094
Charitable activities							
Care		2,970,428	–	2,970,428	2,748,682	–	2,748,682
Training		1,507	–	1,507	15,825	–	15,825
Other Income		133,564	–	133,564	11,247	–	11,247
Total income		3,113,343	35,613	3,148,956	2,779,754	4,094	2,783,848
Expenditure on:							
Raising funds		10,380	35,613	45,993	19,413	4,094	23,507
Charitable activities							
Care		3,022,158	–	3,022,158	2,828,015	–	2,828,015
Training		7,414	–	7,414	17,700	–	17,700
Total expenditure	3	3,039,952	35,613	3,075,565	2,865,128	4,094	2,869,222
Net income/ (expenditure) for the year		73,391	–	73,391	(85,374)	–	(85,374)
Transfers between funds		–	–	–	–	–	–
Net movement in funds		73,391	–	73,391	(85,374)	–	(85,374)
Reconciliation of funds:							
Total funds brought forward		2,143,857	220,348	2,364,205	2,229,231	220,348	2,449,579
Total funds carried forward		2,217,248	220,348	2,437,596	2,143,857	220,348	2,364,205

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

Community Housing and Therapy

Balance sheet

Company no. 2940712

As at 31 March 2021

	Note	£	2021 £	£	2020 £
Fixed assets:					
Tangible assets	9		3,999,835		3,145,837
			<u>3,999,835</u>		<u>3,145,837</u>
Current assets:					
Debtors	10	441,832		364,555	
Cash at bank and in hand		445,104		352,417	
		<u>886,936</u>		<u>716,972</u>	
Liabilities:					
Creditors: amounts falling due within one year	11	(494,546)		(371,823)	
				<u></u>	
Net current assets			<u>392,391</u>		<u>345,148</u>
Total assets less current liabilities			<u>4,392,226</u>		<u>3,490,985</u>
Creditors: amounts falling due after one year	12		(1,954,630)		(1,126,780)
			<u></u>		<u></u>
Total net assets			<u><u>2,437,596</u></u>		<u><u>2,364,205</u></u>
The funds of the charity:					
Restricted income funds	15		220,348		220,348
Unrestricted income funds:					
General funds		<u>2,217,248</u>		<u>2,143,857</u>	
Total unrestricted funds			<u>2,217,248</u>		<u>2,143,857</u>
Total charity funds			<u><u>2,437,596</u></u>		<u><u>2,364,205</u></u>

Approved by the trustees on 27 September 2021 and signed on their behalf by

Katrina Liao
Treasurer

Community Housing and Therapy

Statement of cash flows

For the year ended 31 March 2021

	2021 £	£	2020 £	£
Cash flows from operating activities				
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)	73,391		(85,374)	
Depreciation charges	96,691		93,358	
(Increase) in trade debtors	(77,277)		(63,138)	
Increase in trade creditors	<u>101,914</u>		<u>10,962</u>	
Net cash provided by / (used in) operating activities		194,719		(44,193)
Cash flows from investing activities:				
Payments for Furniture and Leasehold improvement	<u>(950,692)</u>		<u>(24,590)</u>	
Net cash (used in) investing activities		(950,692)		(24,590)
Cash flows from financing activities:				
Repayments of borrowing	(1,340)		(28,842)	
Cash in flows from new borrowing	<u>850,000</u>		<u>-</u>	
Net cash provided by / (used in) financing activities		848,660		(28,842)
Change in cash and cash equivalents in the year		92,687		(97,625)
Cash and cash equivalents at the beginning of the year		<u>352,417</u>		<u>450,042</u>
Cash and cash equivalents at the end of the year		<u>445,104</u>		<u>352,417</u>

1 Accounting policies

a) Statutory information

Community Housing and Therapy is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address and principal place of business is Unit WG10 Vox Studios, 1–45 Durham Street, London, SE11 5JH.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)– (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

After assessing the impact of the coronavirus pandemic on CHT so far, the trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Further detail is provided in the trustees' annual report.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Grants and donations are recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of provision of residential accommodation, care and support for people experiencing mental health problems or emotional distress undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1 Accounting policies (continued)

h) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities based on an estimate of the amount of staff time or usage attributable to each activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

i) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

j) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Land	nil
● Freehold buildings	50 years
● Fixtures and fittings	5 years
● Leasehold improvements	5 years

k) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

m) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

o) Pensions

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

2 Donations and legacies

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Vernon N Ely Charitable Settlement	4,000	–	4,000	4,000	–	4,000
The Percy Bilton Charity	–	–	–	–	409	409
Souter Charitable Trust	–	–	–	–	2,000	2,000
Maudsley charity	–	–	–	–	686	686
Fund from LB of Waltham Forest	–	–	–	–	999	999
Edward Gostling Foundation	–	10,000	10,000	–	–	–
Donation from City of London	–	14,062	14,062	–	–	–
Postcode Local Trust	–	11,201	11,201	–	–	–
Other donations	3,844	350	4,194	–	–	–
Total	7,844	35,613	43,457	4,000	4,094	8,094

Community Housing and Therapy

Notes to the financial statements

For the year ended 31 March 2021

3a Analysis of expenditure (current year)

	Cost of raising funds £	Charitable activities			Support costs £	2021 Total £	2020 Total £
		Care costs £	Training costs £	Governance costs £			
Staff costs (Note 5)	24,264	1,765,342	–	41,999	468,842	2,300,446	2,077,792
Food and consumables	–	80,580	–	–	591	81,171	88,586
Lights and heat	–	57,508	–	–	2,636	60,144	52,251
Furniture, equipment and maintenance	18,485	94,441	–	–	4,105	117,031	98,018
Accounting and Audit fees	–	–	–	10,800	–	10,800	10,800
Legal and professional	–	–	–	15,334	–	15,334	21,645
Travel and motor	–	15,829	–	–	21,991	37,820	68,524
Printing, postage and stationery	–	9,703	–	–	3,146	12,849	14,350
Rent and rates	–	73,365	–	–	68,001	141,366	162,689
Telephone and insurance	–	61,571	–	–	9,815	71,386	62,896
Loan interest	–	65,657	–	–	–	65,657	47,039
Bad debts	–	6,761	–	–	–	6,761	9,167
Staff training, conference and welfare	–	–	7,414	–	–	7,414	17,700
General	3,244	42,029	–	–	2,662	47,935	19,083
Consultancy	–	–	–	–	2,760	2,760	25,324
Depreciation	–	96,691	–	–	–	96,691	93,358
	45,993	2,369,476	7,414	68,133	584,549	3,075,565	2,869,222
Support costs	–	584,549	–	–	(584,549)	–	–
Governance costs	–	68,133	–	(68,133)	–	–	–
Total expenditure 2021	45,993	3,022,158	7,414	–	–	3,075,565	–
Total expenditure 2020	23,507	2,828,015	17,700	–	–	2,869,222	–

Community Housing and Therapy

Notes to the financial statements

For the year ended 31 March 2021

3b Analysis of expenditure (prior year)

	Cost of raising funds £	Charitable activities				2020 Total £
		Care costs £	Training costs £	Governance costs £	Support costs £	
Staff costs (Note 5)	19,323	1,667,639	–	40,722	350,108	2,077,792
Food and consumables	2,987	80,954	–	–	4,646	88,586
Lights and heat	–	51,380	–	–	871	52,251
Furniture, equipment and maintenance	475	91,981	–	–	5,562	98,018
Accounting and Audit fees	–	–	–	10,800	–	10,800
Legal and professional	–	–	–	21,645	–	21,645
Travel and motor	–	29,330	–	–	39,194	68,524
Printing, postage and stationery	722	8,374	–	–	5,254	14,350
Rent and rates	–	77,366	–	–	85,323	162,689
Telephone and insurance	–	52,226	–	–	10,670	62,896
Loan interest	–	47,039	–	–	–	47,039
Bad debts	–	9,167	–	–	–	9,167
Staff training, conference and welfare	–	–	17,700	–	–	17,700
General	–	14,555	–	–	4,528	19,083
Consultancy	–	–	–	–	25,324	25,324
Depreciation	–	93,358	–	–	–	93,358
	23,507	2,223,368	17,700	73,167	531,480	2,869,222
Support costs	–	477,093	–	54,387	(531,480)	–
Governance costs	–	127,554	–	(127,554)	–	–
Total expenditure 2020	23,507	2,828,015	17,700	–	–	2,869,222

4 Net income / (expenditure) for the year

This is stated after charging:

	2021 £	2020 £
Depreciation	96,691	93,358
Interest payable	65,657	47,039
Operating lease rentals:		
Property	104,613	125,405
Other	6,720	5,725
Auditors' remuneration (excluding VAT):		
Audit	9,800	9,000

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	1,702,296	1,445,440
Social security costs	160,560	137,292
Employer's contribution to defined contribution pension schemes	60,420	52,848
Other staff costs	377,170	442,213
	2,300,446	2,077,792

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2021 No.	2020 No.
£70,000 – £79,999	–	–
£80,000 – £89,999	1	1
£90,000 – £99,999	–	–
£100,000 – £109,999	–	–

The total employee benefits including pension contributions of the key management personnel were £221,892 (2020 £236,774).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling nil (2020: nil).

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2021 No.	2020 No.
Charitable activities	53.0	50.0
Support	4.0	3.0
	57.0	53.0

7 Related party transactions

Intapsych Ltd is a company co-owned by CEO and his partner. This company provided a training on suicidal risk reduction for Lilius Giles House staff. The cost of the transaction was £500 (2020: 1,300).

Trustee – Katrina Liao donated £350 towards the purchase of PPE equipment. There were no other donations from related parties in the year (2020: £nil).

8 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

9 Tangible fixed assets

	Freehold buildings £	Furniture, fittings and equipment £	Leasehold improvements £	Total £
Cost or valuation				
At the start of the year	4,083,965	31,798	59,894	4,175,657
Additions in year	932,518	9,672	8,500	950,690
At the end of the year	5,016,483	41,469	68,394	5,126,346
Depreciation				
At the start of the year	979,304	23,589	26,927	1,029,820
Charge for the year	81,679	2,643	12,369	96,691
At the end of the year	1,060,983	26,232	39,296	1,126,511
Net book value				
At the end of the year	3,955,500	15,237	29,098	3,999,835
At the start of the year	3,104,661	8,209	32,967	3,145,837

All of the above assets are used for charitable purposes.

10 Debtors

	2021 £	2020 £
Trade debtors	196,473	176,742
Other debtors	42,770	66,897
Prepayments	2,177	44,603
Accrued income	200,411	76,313
	441,832	364,555

11 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdraft	50,954	30,145
Trade creditors	50,940	63,781
Other creditors	254,230	156,331
Accruals	138,421	121,567
	494,546	371,823

12 Creditors: amounts falling due after one year

	2021 £	2020 £
Bank loans	1,954,630	1,126,780
	1,954,630	1,126,780
Due between one to two years	57,278	31,373
Due between two to five years	183,611	101,881
Due after five years	1,713,741	993,526
	1,954,630	1,126,780

Interest is payable at 3.25% above the base rate.

The company has one loan from Charity Bank and the loan is secured by a charge on the freehold properties with a net book value of £3,995,500.

13 Pension scheme

The company operates a group defined contribution scheme for all employees, the assets of which are held by Royal London. At 31 March 2021 £8,541.54 was owed to the pension company (2020: £8,278.61). The pension charge for the year was £60,420.1(2020: £52,847.66).

14a Analysis of net assets between funds (current year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	3,779,487	220,348	3,999,835
Net current assets	392,391	–	392,391
Long term liabilities	(1,954,630)	–	(1,954,630)
Net assets at the end of the year	2,217,248	220,348	2,437,596

14b Analysis of net assets between funds (prior year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	2,925,489	220,348	3,145,837
Net current assets	345,148	–	345,148
Long term liabilities	(1,126,780)	–	(1,126,780)
Net assets at the end of the year	2,143,857	220,348	2,364,205

Community Housing and Therapy

Notes to the financial statements

For the year ended 31 March 2021

15a Movements in funds (current year)

	At 1 April 2020 £	Income & gains £	Expenditure & losses £	Transfers between funds	At 31 March 2021 £
General unrestricted funds:	2,143,857	3,113,343	(3,039,952)	–	2,217,248
Restricted funds:					
Bridget Bordewich Bursary Fund	220,348	–	–	–	220,348
Edward Gostling Foundation	–	10,000	(10,000)	–	–
Donation from City of London	–	14,062	(14,062)	–	–
Postcode Local Trust	–	11,201	(11,201)	–	–
Kartina Liao	–	350	(350)	–	–
Total restricted funds	220,348	35,613	(35,613)	–	220,348
Total funds	2,364,205	3,148,956	(3,075,565)	–	2,437,596

15b Movements in funds (prior year)

	At 1 April 2019 £	Income & gains £	Expenditure & losses £	Transfers between funds	At 31 March 2020 £
General unrestricted funds:	2,229,231	2,779,754	(2,865,128)	–	2,143,857
Restricted funds:					
Bridget Bordewich Bursary Fund	220,348	–	–	–	220,348
The Percy Bilton Charity	–	409	(409)	–	–
Souter Charitable Trust	–	2,000	(2,000)	–	–
Maudsley charity	–	686	(686)	–	–
Fund from LB of Waltham Forest	–	999	(999)	–	–
Total restricted funds	220,348	4,094	(4,094)	–	220,348
Total funds	2,449,579	2,783,848	(2,869,222)	–	2,364,205

As the purchase of Liliias Gillies' House will enable Community Housing and Therapy to increase its ability to support people with a diagnosis of bi-polar disorder, the trustees agreed that the Bridget Bordewich Bursary Fund would be used to part fund the purchase of the house. The situation will be reviewed periodically to ensure that the restriction of the funds is observed.

Edward Gostling Foundation– half of the fund was used for garden project in Highams lodge and the other half was spent on additional staffing cost during Covid-19 pandemic.

Donation from City of London – we received donation from City of London in two rounds. The fund received on the first round was for £4,062 and spent on PPE and tables. The second was fully spent on additional staffing cost during the Covid-19 pandemic.

Postcode Local Trust–the grant was used to build garden room in Mount lodge.

Katrina Liao– the grant used to cover part of PPE cost.

16 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2021	2020
	£	£
Within one year	107,145	121,231
Two to five years	168,602	296,564
	275,747	417,795

17 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.