

Company number: 2940712

Charity Number: 1040713

Community Housing and Therapy

Report and financial statements

For the year ended 31 March 2023

Community Housing and Therapy

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For the year ended 31 March 2023

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Community Housing and Therapy

Reference and administrative information

For the year ended 31 March 2023

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 (resigned September 2022)
Lynsey Rowe
Michael Watson (Chair, appointed September 2022)
Sebastian Oram
Laura Chesham
Stephen Riley (Deputy Chair)
Laura Eeles (Treasurer)
Dr Sue Mizen

Principal staff	Peter Cockersell MSc DPsych FRSA	Chief Executive
	Abd-al Kane Abdullah	Chief Operating Officer
	Fitsum Teklu (ACCA)	Chief Financial Officer

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 2023.

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 the 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:

- *Worked with 96 clients during the course of the year*
- *Admitted 37 new clients into our therapeutic services*
- *Changed our CQC registration to 'treatment of disease, disorder and injury' in 'rehabilitative services'*
- *Achieved and sustained over 90% occupancy in the last four months*
- *Delivered a workshop on 'inclusive communities' at the Community of Communities Annual Forum*
- *Had our Diploma formally accredited by Ofqual as a Level 7 qualification in mental health*
- *Launched the inaugural Elly Jansen Award for original research and articles on Therapeutic Communities*
- *Helped half of those who moved on went to lower-support or independent accommodation.*

Community Housing and Therapy

Trustees' annual report

For the year ended 31 March 2023

- *Had 31% of residents engaged in work, education or training*

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

To develop our core therapeutic services

This year CHT was able to rebuild high occupancy levels, and focus much more on staff and resident support: we finalised the accreditation of our 'Diploma in Relational Practice in Mental Health' as an Ofqual-recognised Level 7 qualification; we finished a revision of all our policies and procedures; we refreshed and revised our clinical tools and outcome measures; and we reinvigorated and improved our induction processes. The result has been, at a time when many organisations are struggling to recruit at all, we have had been able to recruit and retain very good staff, and now have a full complement. We also increased significantly our use of honorary psychotherapists and had art and movement therapists available as well as talking therapies.

In addition, we collected and published an effective impact report, and continued to focus more management time on generating and following up referrals, and we have managed to achieve and sustain over 90% occupancy for the second half of the year, and on into the new financial year.

As a result of this, CHT posted a surplus of £195K for 2022-2023.

During this period CHT worked with 96 clients during the reporting period; 27 people moved out, and 50% of these stepped down to lower support accommodation. We had 31% of our residents engaged in paid or voluntary work or training/education.

To develop our international network

CHT continued to play an active role in the development and running of the International Network of Democratic Therapeutic Communities (INDTC) and presented at an international conference in Florence, Italy hosted by INDTC.

To maintain high quality staff

We are pleased to say that we continued to have good staff retention and that where we have needed to recruit we have had candidates of a high calibre. We have managed to recruit and retain many excellent staff over the year, though we also bade fond farewells to several very long-standing members of staff who have individually made decisions to move into new directions.

We expanded the use of trainee therapists to all the services and through this we were able to provide access to art and movement therapy groups to a wider range of our residents.

Financial review

Total income for the year amounted to £3.4m. This was 21% higher than the previous year, and we reported a surplus of £195K after depreciation and interest.

Trustees' annual report

For the year ended 31 March 2023

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.

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 recovered as a result of increased occupancy, and cashflow remained relatively strong.
- Referrals
 - Sustainable levels of referrals of new clients are critical. CHT aims to mitigate this risk by:
 - Providing a treatment/rehabilitation model 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.

Community Housing and Therapy

Trustees' annual report

For the year ended 31 March 2023

- Having occupancy and referrals as standing items on the agenda at all meetings of senior and frontline management
- Occupancy was depressed for the first part of 2022, but recovered significantly in the second quarter and was over 90% for the final two quarters, and remains at over 90% in the new financial year

The charity has a risk strategy comprising:

- Regular, weekly oversight of occupancy and cashflow levels by CEO and CFO.
- 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 risks to CHT in 2022-2023 were the increased cost of living, and the increase in interest rates.

Reserves policy and going concern

At the end of March 2023, the cash balance was £612k. Since then, our day-to-day cash balance has risen to around £750k. 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 level of reserves is £684k at the end of this year. Based on the reserve policy, the trustees believe that the reserve is sufficient to run the business.

As a going concern, CHT's services for 2022/23 were budgeted to operate at a small deficit; however we ultimately had a surplus of £195K due to the increased occupancy, higher average weekly fees and Elly Jansen award donation.

Plans for the future

Plans for 2023-2024 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.

Trustees' annual report

For the year ended 31 March 2023

- To manage our services to the highest possible standard, both financially and clinically.
- 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 provide more paid external training.
- 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 better target and to expand the number of charitable fundraising bids.

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.

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.

The membership of the Board of Trustees has remained stable through 2022-2023 apart from the resignation of our Chair, Dean James CBE. The Board elected Michael Watson as the new Chair, with Steve Riley in the new role of Deputy Chair. The Treasurer remains Laura Eeles.

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

Community Housing and Therapy

Trustees' annual report

For the year ended 31 March 2023

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 was done by Thinkcare Housing Ltd; this has been taken back in-house in 2023-2024. CHT provides the support and manages the day-to-day activities and maintenance of the property.

We worked with Qualifi on the accreditation of our Diploma in Relational Practice in Mental Health, and continue to hold the accreditation through them.

We are in conversation with other organisations, notably Housing Associations and Charitable Trusts, about other potential partnership working that might benefit CHT, and we have strong relationships with Brighton and Hove Council and Look Ahead Housing and Care as training providers.

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.

We reviewed our staff and pay structures during 2022 and are implementing the changes in 2023-2024.

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.

Trustees' annual report

For the year ended 31 March 2023

- 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 on 31 March 2023 was 10 (2022:11). 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.

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 25 September 2023 and signed on their behalf by

Laura Eeles
Treasurer

Independent auditors' 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 2023 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 2023 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)

18 October 2023

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 2023

	Note	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Income from:							
Donations and legacies	2	11,101	113,678	124,779	10,000	5,908	15,908
Charitable activities							
Care		3,286,137	–	3,286,137	2,643,570	–	2,643,570
Training		10,702	–	10,702	3,240	–	3,240
Other Income		15,877	–	15,877	167,171	–	167,171
Total income		3,323,817	113,678	3,437,495	2,823,980	5,908	2,829,889
Expenditure on:							
Raising funds		57,463	–	57,463	14,660	5,908	20,568
Charitable activities							
Care		3,144,270	13,678	3,157,948	2,931,814	–	2,931,814
Training		26,787	–	26,787	9,435	–	9,435
Total expenditure	3	3,228,521	13,678	3,242,199	2,955,909	5,908	2,961,817
Net income/ (expenditure) and net movement in funds for the year		95,296	100,000	195,296	(131,929)		(131,928)
Reconciliation of funds:							
Total funds brought forward		2,085,319	220,348	2,305,667	2,217,248	220,348	2,437,596
Total funds carried forward		2,180,615	320,348	2,500,963	2,085,319	220,348	2,305,667

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 2023

	Note	£	2023 £	£	2022 £
Fixed assets:					
Tangible assets	9		3,786,366		3,898,254
			3,786,366		3,898,254
Current assets:					
Debtors	10	476,660		469,999	
Cash at bank and in hand		612,170		442,466	
		1,088,830		912,465	
Liabilities:					
Creditors: amounts falling due within one year	11	(404,841)		(505,226)	
Net current assets			683,989		407,239
Total assets less current liabilities			4,470,355		4,305,493
Creditors: amounts falling due after one year	12		(1,969,392)		(1,999,826)
Total net assets			2,500,963		2,305,667
The funds of the charity:					
Restricted income funds	14		320,348		220,348
Unrestricted income funds:					
General funds		2,180,615		2,085,319	
Total unrestricted funds			2,180,615		2,085,319
Total charity funds			2,500,963		2,305,667

Approved by the trustees on 25 September 2023 and signed on their behalf by

Laura Eeles
Treasurer

Community Housing and Therapy

Statement of Cash Flow

For the year ended 31 March 2023

	2023 £	£	2022 £	£
Cash flows from operating activities				
Net income/(expenditure) for the reporting year (as per the statement of financial activities)	195,296		(131,928)	
Depreciation charges	124,135		119,502	
(Increase) in debtors	(6,661)		(28,167)	
Increase in creditors	<u>(81,987)</u>		<u>8,595</u>	
Net cash provided by/(used in) operating activities		230,783		(31,998)
Cash flows from investing activities:				
Payments for Furniture and Leasehold improvement	<u>(12,247)</u>		<u>(17,920)</u>	
Net cash (used in) investing activities		(12,246)		(17,920)
Cash flows from financing activities:				
Repayments of borrowing	(48,833)		(52,719)	
Cash inflows from new borrowing	<u>–</u>		<u>100,000</u>	
Net cash (used in)/ provided by financing activities		(48,833)		47,281
Change in cash and cash equivalents in the year		169,704		(2,638)
Cash and cash equivalents at the beginning of the year		<u>442,466</u>		<u>445,104</u>
Cash and cash equivalents at the end of the year		<u>612,170</u>		<u>442,466</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 current performance of CHT, 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 based on staff time which are an estimate 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 £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Vernon N Ely Charitable Settlement	10,000	–	10,000	10,000	–	10,000
Croydon relief in need charity	–	–	–	–	3,988	3,988
Co-operative	–	–	–	–	1,920	1,920
Elly Jansen award	–	100,000	100,000	–	1,920	1,920
Morrison's Foundation	–	9,249	9,249	–	–	–
Charles S French Charitable Trust	–	2,000	2,000	–	–	–
PF Charitable Trust	–	1,200	1,200	–	–	–
Donation from Tania's family	1,101	–	1,101	–	–	–
Donation from Regan	–	500	500	–	–	–
Other donations	–	729	729	–	–	–
Total	11,101	113,678	124,779	10,000	7,829	17,829

Community Housing and Therapy

Notes to the financial statements

For the year ended 31 March 2023

3a Analysis of expenditure (current year)

	Cost of raising funds £	Charitable activities				2023 Total £	2022 Total £
		Care costs £	Training costs £	Governance costs £	Support costs £		
Staff costs (Note 5)	18,981	1,775,646	-	45,098	355,182	2,194,907	2,113,947
Food and consumables	-	94,855	-	-	10,000	104,854	84,313
Lights and heat	-	92,523	-	-	2,434	94,957	64,156
Furniture, equipment and maintenance	-	130,535	-	-	10,990	141,525	117,707
Accounting and Audit fees	-	-	-	13,560	-	13,560	12,960
Legal and professional	-	-	-	9,615	-	9,615	10,771
Travel and motor	-	31,203	-	-	39,834	71,037	49,456
Printing, postage and stationery	-	7,181	-	-	1,217	8,398	11,092
Rent and rates	-	85,621	-	-	62,016	147,637	156,739
Telephone and insurance	-	77,508	-	-	9,363	86,871	81,863
Loan interest	-	108,700	-	-	-	108,700	71,257
Bad debts	-	33,780	-	-	-	33,780	14,845
Staff training, conference and welfare	-	-	26,787	-	-	26,787	9,435
Consultancy	38,482	-	-	-	8,702	47,184	17,586
Depreciation	-	124,135	-	-	-	124,135	119,502
General	-	28,251	-	-	-	28,251	26,188
	57,463	2,589,938	26,787	68,272	499,738	3,242,199	2,961,817
Support costs	-	499,738	-	-	(499,738)	-	-
Governance costs	-	68,272	-	(68,272)	-	-	-
Total expenditure 2023	57,463	3,157,948	26,787	-	-	3,242,199	-
Total expenditure 2022	20,568	2,931,815	9,435	-	-	2,961,817	-

Community Housing and Therapy

Notes to the financial statements

For the year ended 31 March 2023

3b Analysis of expenditure (prior year)

	Cost of raising funds £	Charitable activities				2022 Total £	2021 Total £
		Care costs £	Training costs £	Governance costs £	Support costs £		
Staff costs (Note 5)	12,400	1,593,767	-	44,193	463,587	2,113,947	2,300,446
Food and consumables	-	79,314	-	-	4,999	84,313	81,171
Lights and heat	-	62,761	-	-	1,395	64,156	60,144
Furniture, equipment and maintenance	6,870	106,122	-	-	4,715	117,707	117,031
Accounting and Audit fees	-	-	-	12,960	-	12,960	10,800
Legal and professional	-	-	-	10,771	-	10,771	15,334
Travel and motor	-	17,316	-	-	32,140	49,456	37,820
Printing, postage and stationery	-	8,289	-	-	2,803	11,092	12,849
Rent and rates	-	94,911	-	-	61,828	156,739	141,366
Telephone and insurance	-	71,818	-	-	10,045	81,863	71,386
Loan interest	-	71,257	-	-	-	71,257	65,657
Bad debts	-	14,845	-	-	-	14,845	6,761
Staff training, conference and welfare	-	-	9,435	-	-	9,435	7,414
General	1,298	23,228	-	-	1,662	26,188	47,935
Consultancy	-	-	-	-	17,586	17,586	2,760
Depreciation	-	119,502	-	-	-	119,502	96,691
	20,568	2,263,130	9,435	67,924	600,760	2,961,817	3,075,565
Support costs	-	600,760	-	-	(600,760)	-	-
Governance costs	-	67,925	-	(67,925)	-	-	-
Total expenditure 2022	20,568	2,931,815	9,435	-	-	2,961,817	-
Total expenditure 2021	45,993	3,022,158	7,414	-	-	3,075,565	-

4 Net income/(expenditure) for the year

This is stated after charging:

	2023 £	2022 £
Depreciation	124,135	119,502
Interest payable	108,700	71,257
Operating lease rentals:		
Property	102,351	100,913
Other	6,156	7,117
Auditors' remuneration (excluding VAT):		
Audit	11,300	10,300

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

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	1,479,398	1,428,855
Social security costs	155,365	142,948
Employer's contribution to defined contribution pension schemes	58,136	55,406
Other staff costs	502,009	486,737
	2,194,907	2,113,947

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

	2023 No.	2022 No.
£70,000 – £79,999	–	–
£80,000 – £89,999	–	–
£90,000 – £99,999	1	1
£100,000 – £109,999	–	–

The total employee benefits including pension contributions of the key management personnel were £236,419(2022:£231,723).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £183 (2022: £17).

6 Staff numbers

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

	2023 No.	2022 No.
Charitable activities	43	44
Support	5	4
	48	48

7 Related party transactions

There were no donations from related parties which are outside the normal course of business and no restricted donations from related parties (2022: none).

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	5,016,482	41,469	86,314	5,144,266
Additions in year	–	–	12,247	12,247
At the end of the year	5,016,482	41,469	98,561	5,156,513
Depreciation				
At the start of the year	1,161,312	30,325	54,375	1,246,012
Charge for the year	100,330	4,093	19,712	124,135
At the end of the year	1,261,642	34,418	74,087	1,370,147
Net book value				
At the end of the year	3,754,840	7,051	24,474	3,786,366
At the start of the year	3,855,170	11,144	31,939	3,898,254

All of the above assets are used for charitable purposes.

10 Debtors

	2023 £	2022 £
Trade debtors	353,252	361,597
Other debtors	28,355	50,039
Prepayments	3,621	2,562
Accrued income	91,432	55,800
	476,660	469,999

11 Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans and overdraft	34,640	53,039
Trade creditors	58,967	90,945
Other creditors	179,725	217,682
Accruals	131,509	143,561
	404,841	505,226

12 Creditors: amounts falling due after one year

	2023 £	2022 £
Bank loans	1,969,392	1,999,826
	1,969,392	1,999,826
Due between one to two years	36,287	54,207
Due between two to five years	127,769	177,965
Due after five years	1,805,336	1,767,654
	1,969,392	1,999,826

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 £3,754,840.

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 2023 £8,275 was owed to the Royal London (2022: £8,077). The pension charge for the year was £58,136 (2022: £55,406).

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

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	3,466,017	320,348	3,786,366
Net current assets	683,989	–	683,989
Long term liabilities	(1,969,392)	–	(1,969,392)
Net assets at the end of the year	2,180,615	320,348	2,500,963

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

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	3,677,906	220,348	3,898,254
Net current assets	407,239	–	407,239
Long term liabilities	(1,999,826)	–	(1,999,826)
Net assets at the end of the year	2,085,319	220,348	2,305,667

Community Housing and Therapy

Notes to the financial statements

For the year ended 31 March 2023

15a Movements in funds (current year)

	At 1 April 2022 £	Income & gains £	Expenditure & losses £	Transfers between funds	At 31 March 2023 £
General unrestricted funds:	2,085,319	3,323,817	(3,228,521)	–	2,180,615
Restricted funds:					
Bridget Bordewich Bursary Fund	220,348	–	–	–	220,348
Elly Jansen award	–	100,000	–	–	100,000
Morrisons Foundation	–	9,249	(9,249)	–	–
Charles S French Charitable Trust	–	2,000	(2,000)	–	–
PF Charitable Trust	–	1,200	(1,200)	–	–
Donation from Regan	–	500	(500)	–	–
Other donations	–	729	(729)	–	–
Total restricted funds	220,348	113,678	(13,678)	–	320,348
Total funds	2,305,667	3,437,495	(3,242,199)	–	2,500,963

15b Movements in funds (prior year)

	At 31 March 2021 £	Income & gains £	Expenditure & losses £	Transfers between funds	At 31 March 2022 £
General unrestricted funds:	2,217,248	2,823,980	(2,955,909)	–	2,085,319
Restricted funds:					
Bridget Bordewich Bursary Fund	220,348	–	–	–	220,348
Croydon relief in need charity	–	3,988	(3,988)	–	–
Co-operative	–	1,920	(1,920)	–	–
Total restricted funds	220,348	5,908	(5,908)	–	220,348
Total funds	2,437,596	2,829,889	(2,961,817)	–	2,305,667

Bridget Bordewich Bursary Fund

As the purchase of Liliass Gillies' House 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.

Elly Jansen award

CHT holds the fund to apply towards further thinking about the principles of the Therapeutic Communities approach; to establish an award for the best essays or research on aspects of Therapeutic Communities; and make grants to those considered suitable for research into aspects of Therapeutic Communities.

Morrisons Foundation

The donation was to fund equipment to create two sensory spaces (one at Liliass Gillies House and one at Mount Lodge) for residents to support their mental health recovery journey which hopes to reduce residents' unhealthy behavioural responses to stress over time and de-escalate stressful situations through sensory engagement to improve residents mental well being.

Charles S French Charitable Trust

The donation was to fund outdoor exercise equipment at Highams Lodge to support the importance of physical well being as part of a holistic treatment alongside CHT's psychotherapy services.

PF Charitable Trust

The donation contributed to a working care farm trip at Magdalen Farm, Dorset where 12 residents and 4 staff members across our services engaged in activities such as orienteering, camp fire building and animal care surrounded by nature and peacefulness to provide a highly positive therapeutic experience for our residents.

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 2023	2022
	£	£
Within one year	57,354	83,701
Two to five years	104,159	57,593
	161,513	141,295

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.