

CLEVELAND HOUSING TRUST LIMITED

England & Wales · Charity number 1059437

Details

Other names	CLEVELAND HOUSING AID TRUST LIMITED, CLEVELAND HOUSING TRUST LTD
Status	Registered
Legal form	Charitable company
Company number	03199863
Registered	1996-11-26
Register	View on the Charity Commission register

Contact

Address Cleveland Housing Trust Ltd
Sopwith House
Sopwith Close
Preston Farm Industrial Estate
Stockton-On-Tees
TS18 3TT

Phone 01642605888

Email admin@clevelandhousingtrust.org.uk

Website www.cht ltd.co.uk

Activities

Objects: TO RELIEVE PERSONS WHO ARE IN NECESSITOUS CIRCUMSTANCES OR WHO ARE OTHERWISE IN NEED BY (A) PROVIDING AN ADVICE AND COUNSELLING SERVICE IN MATTERS RELATED TO HOUSING AND ASSOCIATED SOCIAL AND ECONOMIC PROBLEMS AND (B) BY PROVIDING OR ASSISTING IN THE PROVISION OF TEMPORARY OR PERMANENT ACCOMODATION FOR SUCH PERSONS.

Activities: Property Rental for people in necessitous circumstances, commissioning the construction of new properties. Providing support and advice about housing matters.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Accommodation/housing
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** IN PRACTISE WITH THE GEOGRAPHICAL BOUNDARIES OF THE RECENTLY ABOLISHED COUNTY OF CLEVELAND.
- Hartlepool
- Redcar And Cleveland
- Stockton-on-tees

Finances

Period end	Income	Expenditure	Assets	Employees
2024-10-31	£582,936	£345,981	£9,775,577	1
2023-10-31	£507,427	£265,485	£9,538,622	1
2022-10-31	£4,388,123	£277,180	£9,296,760	1
2021-10-31	£702,307	£346,174	£5,185,817	4
2020-10-31	£694,029	£88,585	£4,829,684	4

Trustees

Name	Role	Appointed
Glenda Burn		2022-12-20
Harold Eddy		2014-05-09

CLEVELAND HOUSING TRUST LIMITED

England & Wales - Charity number 1059437

Accounts

COMPANY REGISTRATION NUMBER: 03199863

CHARITY REGISTRATION NUMBER: 1059437

Cleveland Housing Trust Ltd
Company Limited by Guarantee
Financial Statements
31 October 2024

WM FORTUNE AND SON

Chartered accountants & statutory auditor
Collingwood House
Church Square
Hartlepool
TS24 7EN

Cleveland Housing Trust Ltd
Company Limited by Guarantee
Financial Statements
Year ended 31 October 2024

	Page
Trustees' annual report (incorporating the director's report)	1
Independent auditor's report to the members	5
Statement of financial activities (including income and expenditure account)	9
Statement of financial position	10
Statement of cash flows	11
Notes to the financial statements	12

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 October 2024

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 October 2024.

Chair's report

The objectives of the Trust are set out below.

Although the company is constantly increasing its revenue stream by bringing new properties into occupation it has been able to keep down individual rents to the benefit of its tenants.

During the year the company completed a social housing development in Guisborough and started renting out the properties.

Reference and administrative details

Registered charity name Cleveland Housing Trust Ltd

Charity registration number 1059437

Company registration number 03199863

Principal office and registered office Sopwith House
Sopwith Close
Preston Farm
Stockton on Tees
TS18 3TT

The trustees

H H Eddy
Mrs G Burn

limited

Auditor Wm Fortune and Son
Chartered accountants & statutory auditor
Collingwood House
Church Square
Hartlepool
TS24 7EN

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 October 2024

Structure, governance and management

The Trust is a Registered Charitable Company, limited by guarantee, incorporated on 16th May 1996.

- 1) Trustees are selected by the board on the basis of suitability and experience.
- 2) Trustees are instructed in the aim and objectives of the Charity and informed of their legal and statutory obligations.
- 3) The management of the company is the responsibility of the Trustees, who are required to meet at regular intervals (at least once a year) and more often if required. Day to day management is carried out by staff who are employed by the charity.

Objectives and activities

The principal objectives are:

- 1) The provision of advice and assistance, principally relating to housing matters, to those in need of such services.
- 2) The development of strategies for the provision of accommodation at fair rents for persons in the Charity's area of operation.
- 3) The exploration of new initiatives for the furtherance of the objectives, including specifically shared ownership and affordable housing initiatives.
- 4) The operation of new construction initiatives and land acquisition to expand the company's portfolio.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

The company's financial position is very sound. During the previous year income a surplus of £241,942 was recorded. This was added to reserves. In the current year a surplus of over £236,955 was recorded which will be added to reserves. During the year it finalised the development on a new social housing site in Guisborough which was financed from own resources. The properties are now being rented out and a waiting list has already formed. Equity on the properties is over £3 million on balance sheet values which increases when market value is taken into account. The trustees have acquired land for development and are looking for other suitable sites to develop for social housing. The cash reserves stand at over £5 million following the sales of Belle View Court two years ago and the money will be used to finance new social housing developments.

Relationships with the company's bankers are good, with support being given to proposed developments when a robust business plan is submitted. Currently there are no borrowings. Equally company management is very experienced with a proven track record in social housing.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 October 2024

Financial review

The company has a reserve policy which requires liquid funds sufficient to fund four to five months expenditure in the circumstances of the company. The policy is maintained by reserves at the balance sheet date.

Regular surpluses have been achieved in recent years boosted by low interest rates and renegotiation of bank borrowing. The company policy subject to the paragraph above is to maintain rents at an affordable level. Two years ago the company sold Belle View Court raising over £5 million pounds which has been invested temporarily. It continues to look for development opportunities for social housing.

All the funds are unrestricted, including the initial reserve of £431,819 which represent the accumulated surpluses of the precursor charity, Cleveland Housing Aid Trust prior to incorporation.

Plans for future periods

The strategy ensures the public benefits of the Charity, namely meeting a local need for affordable social housing, are promoted and encouraged while not compromising in any way the business model on which the activities are based.

There is a constant demand for properties, evident in the dual climate of the good reputation of the company and the need for social housing.

After some years of operation the company has become self sufficient in providing its income and building up reserves for future stability.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 business.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 October 2024

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

The trustees' annual report and the strategic report were approved on 16 December 2024 and signed on behalf of the board of trustees by:

H Eddy
Trustee

Charity Secretary

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Independent Auditor's Report to the Members of Cleveland Housing Trust Ltd

Year ended 31 October 2024

Opinion

We have audited the financial statements of Cleveland Housing Trust Ltd (the 'charity') for the year ended 31 October 2024 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of 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 charity's affairs as at 31 October 2024 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 charity 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 the charity'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.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Independent Auditor's Report to the Members of Cleveland Housing Trust Ltd

(continued)

Year ended 31 October 2024

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' 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.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Independent Auditor's Report to the Members of Cleveland Housing Trust Ltd

(continued)

Year ended 31 October 2024

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity 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 is detailed below:

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 become less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities accruing due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Independent Auditor's Report to the Members of Cleveland Housing Trust Ltd

(continued)

Year ended 31 October 2024

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Thomas Atkinson (Senior Statutory Auditor)

For and on behalf of
Wm Fortune and Son
Chartered accountants & statutory auditor

Collingwood House
Church Square
Hartlepool
TS24 7EN

16 December 2024

Cleveland Housing Trust Ltd
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)
Year ended 31 October 2024

		2024		2023
		Unrestricted funds	Total funds	Total funds
	Note	£	£	£
Income and endowments				
Investment income	5	582,936	582,936	507,427
Total income		<u>582,936</u>	<u>582,936</u>	<u>507,427</u>
Expenditure				
Expenditure on raising funds:				
Management costs of properties	6	345,981	345,981	264,261
Expenditure on charitable activities	7,8	—	—	1,224
Total expenditure		<u>345,981</u>	<u>345,981</u>	<u>265,485</u>
Net income and net movement in funds		<u>236,955</u>	<u>236,955</u>	<u>241,942</u>
Reconciliation of funds				
Total funds brought forward		9,538,622	9,538,622	9,296,680
Total funds carried forward		<u>9,775,577</u>	<u>9,775,577</u>	<u>9,538,622</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 12 to 18 form part of these financial statements.

Cleveland Housing Trust Ltd
Company Limited by Guarantee
Statement of Financial Position

31 October 2024

	Note	2024 £	£	2023 £
Fixed assets				
Tangible fixed assets	12		3,970,590	3,817,064
Current assets				
Debtors	13	101,941		162,227
Cash at bank and in hand		<u>5,739,133</u>		<u>5,590,715</u>
		5,841,074		5,752,942
Creditors: amounts falling due within one year	14	<u>36,087</u>		<u>31,384</u>
Net current assets			<u>5,804,987</u>	<u>5,721,558</u>
Total assets less current liabilities			<u>9,775,577</u>	<u>9,538,622</u>
Net assets			<u>9,775,577</u>	<u>9,538,622</u>
Funds of the charity				
Unrestricted funds			<u>9,775,577</u>	<u>9,538,622</u>
Total charity funds	15		<u>9,775,577</u>	<u>9,538,622</u>

These financial statements were approved by the board of trustees and authorised for issue on 16 December 2024, and are signed on behalf of the board by:

H Eddy
Trustee

The notes on pages 12 to 18 form part of these financial statements.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 October 2024

	2024 £	2023 £
Cash flows from operating activities		
Net income	236,955	241,942
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	81,967	61,826
Dividends, interest and rents from investments	(403,292)	(411,049)
Other interest receivable and similar income	(179,644)	(96,378)
Accrued expenses/(income)	2,040	(65,562)
<i>Changes in:</i>		
Trade and other debtors	60,286	791,163
Trade and other creditors	2,663	27,185
Cash generated from operations	(199,025)	549,127
Interest received	179,644	96,378
Net cash (used in)/from operating activities	<u>(19,381)</u>	<u>645,505</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	403,292	411,049
Purchase of tangible assets	(235,493)	(787,582)
Net cash from/(used in) investing activities	<u>167,799</u>	<u>(376,533)</u>
Net increase in cash and cash equivalents	148,418	268,972
Cash and cash equivalents at beginning of year	5,590,715	5,321,823
Cash and cash equivalents at end of year	<u>5,739,133</u>	<u>5,590,795</u>

The notes on pages 12 to 18 form part of these financial statements.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 October 2024

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Sopwith House, Sopwith Close, Preston Farm, Stockton on Tees, TS18 3TT.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 October 2024

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 October 2024

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

- 2% reducing balance
- 10% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 October 2024

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Limited by guarantee

The liability of trustees is limited to £10 in the event that the company is wound up.

5. Investment income

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Social housing rents and charges	403,292	403,292	411,049	411,049
Bank interest	179,644	179,644	96,378	96,378
	<u>582,936</u>	<u>582,936</u>	<u>507,427</u>	<u>507,427</u>

6. Management costs of properties

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Costs of raising donations and legacies - Other type 1	345,981	345,981	264,261	264,261
	<u>345,981</u>	<u>345,981</u>	<u>264,261</u>	<u>264,261</u>

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 October 2024

7. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2024	Unrestricted Funds	Total Funds 2023
	£	£	£	£
Support costs	<u>–</u>	<u>–</u>	<u>1,224</u>	<u>1,224</u>

8. Expenditure on charitable activities by activity type

	Total funds 2024	Total fund 2023
	£	£
Governance costs	<u>–</u>	<u>1,224</u>

9. Net income

Net income is stated after charging/(crediting):

	2024	2023
	£	£
Depreciation of tangible fixed assets	<u>81,967</u>	<u>61,826</u>

10. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2024	2023
	£	£
Wages and salaries	47,747	35,902
Other employee benefits	<u>30,460</u>	<u>39,191</u>
	<u>78,207</u>	<u>75,093</u>

The average head count of employees during the year was 3 (2023: 4).

No employee received employee benefits of more than £60,000 during the year (2023: Nil).

11. Trustee remuneration and expenses

No remuneration was paid to trustees.

During the financial year the trustees were reimbursed travelling expenses at the authorised rate.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 October 2024

12. Tangible fixed assets

	Land and buildings £	Equipment £	Total £
Cost			
At 1 November 2023	4,534,184	188,900	4,723,084
Additions	235,493	–	235,493
At 31 October 2024	<u>4,769,677</u>	<u>188,900</u>	<u>4,958,577</u>
Depreciation			
At 1 November 2023	717,120	188,900	906,020
Charge for the year	81,967	–	81,967
At 31 October 2024	<u>799,087</u>	<u>188,900</u>	<u>987,987</u>
Carrying amount			
At 31 October 2024	<u>3,970,590</u>	<u>–</u>	<u>3,970,590</u>
At 31 October 2023	<u>3,817,064</u>	<u>–</u>	<u>3,817,064</u>

13. Debtors

	2024 £	2023 £
Trade debtors	–	102,549
Amounts owed by group undertakings	101,941	59,678
	<u>101,941</u>	<u>162,227</u>

14. Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	28,370	25,707
Accruals and deferred income	5,040	3,000
Social security and other taxes	1,477	1,477
Property bonds	1,200	1,200
	<u>36,087</u>	<u>31,384</u>

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 October 2024

15. Analysis of charitable funds

Unrestricted funds

	At 1 November 2 023 £	Income £	Expenditure £	At 31 October 2 024 £
Funds	9,538,622	582,936	(345,981)	9,775,577

	At 1 November 2 022 £	Income £	Expenditure £	At 31 October 20 23 £
Funds	9,296,680	507,427	(265,485)	9,538,622

16. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2024 £
Tangible fixed assets	3,970,590	3,970,590
Current assets	5,841,074	5,841,074
Creditors less than 1 year	(36,087)	(36,087)
Net assets	<u>9,775,577</u>	<u>9,775,577</u>

	Unrestricted Funds £	Total Funds 2023 £
Tangible fixed assets	3,817,064	3,817,064
Current assets	5,752,942	5,752,942
Creditors less than 1 year	(31,384)	(31,384)
Net assets	<u>9,538,622</u>	<u>9,538,622</u>

17. Analysis of changes in net debt

	At 1 Nov 2023 £	Cash flows £	At 31 Oct 2024 £
Cash at bank and in hand	5,590,715	148,418	5,739,133

CLEVELAND HOUSING TRUST LIMITED

England & Wales - Charity number 1059437

Accounts

COMPANY REGISTRATION NUMBER: 03199863

CHARITY REGISTRATION NUMBER: 1059437

Cleveland Housing Trust Ltd
Company Limited by Guarantee
Financial Statements
31 October 2023

WM FORTUNE AND SON

Chartered accountants & statutory auditor
Collingwood House
Church Square
Hartlepool
TS24 7EN

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Financial Statements

Year ended 31 October 2023

	Page
Trustees' annual report (incorporating the director's report)	1
Independent auditor's report to the members	5
Statement of financial activities (including income and expenditure account)	9
Statement of financial position	10
Statement of cash flows	11
Notes to the financial statements	12

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 October 2023

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 October 2023.

Chair's report

The objectives of the Trust are set out below.

Although the company is constantly increasing its revenue stream by bringing new properties into occupation it has been able to keep down individual rents to the benefit of its tenants.

During the year the company completed a social housing development in Guisborough and started renting out the properties.

Reference and administrative details

Registered charity name Cleveland Housing Trust Ltd

Charity registration number 1059437

Company registration number 03199863

Principal office and registered office Sopwith House
Sopwith Close
Preston Farm
Stockton on Tees
TS18 3TT

The trustees

Mr J B Parkin
H H Eddy
Mrs G Burn
Mrs B Butcher

limited

Auditor

Wm Fortune and Son
Chartered accountants & statutory auditor
Collingwood House
Church Square
Hartlepool
TS24 7EN

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 October 2023

Structure, governance and management

The Trust is a Registered Charitable Company, limited by guarantee, incorporated on 16th May 1996.

- 1) Trustees are selected by the board on the basis of suitability and experience.
- 2) Trustees are instructed in the aim and objectives of the Charity and informed of their legal and statutory obligations.
- 3) The management of the company is the responsibility of the Trustees, who are required to meet at regular intervals (at least once a year) and more often if required. Day to day management is carried out by staff who are employed by the charity.

Objectives and activities

The principal objectives are:

- 1) The provision of advice and assistance, principally relating to housing matters, to those in need of such services.
- 2) The development of strategies for the provision of accommodation at fair rents for persons in the Charity's area of operation.
- 3) The exploration of new initiatives for the furtherance of the objectives, including specifically shared ownership and affordable housing initiatives.
- 4) The operation of new construction initiatives and land acquisition to expand the company's portfolio.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

The company's financial position is very sound. During the previous year income a surplus of over £4million after taking into account a gain of £3.8 on the sale of Belle View Court. This was added to reserves. In the current year a surplus of over £200,000 was recorded which will be added to reserves. In September 2019 it commenced development on a new social housing site in Guisborough which was financed from own resources. This was completed during the year and is now being rented out. Equity on the properties is over £3 million on balance sheet values which increases when market value is taken into account. The trustees are currently looking for suitable sites to develop for social housing.

Relationships with the company's bankers are good, with support being given to proposed developments when a robust business plan is submitted. Currently there are no borrowings. Equally company management is very experienced with a proven track record in social housing.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 October 2023

Financial review

The company has a reserve policy which requires liquid funds sufficient to fund four to five months expenditure in the circumstances of the company. The policy is adequately maintained by reserves at the balance sheet date.

Regular surpluses have been achieved in recent years boosted by low interest rates and renegotiation of bank borrowing. The company policy subject to the paragraph above is to maintain rents at an affordable level. During the year the company sold Belle View Court raising over £5 million pounds which has been invested temporarily. It continues to look for development opportunities for social housing.

All the funds are unrestricted, including the initial reserve of £431,819 which represent the accumulated surpluses of the precursor charity, Cleveland Housing Aid Trust prior to incorporation.

Plans for future periods

The strategy ensures the public benefits of the Charity, namely meeting a local need for affordable social housing, are promoted and encouraged while not compromising in any way the business model on which the activities are based.

There is a constant demand for properties, evident in the dual climate of the good reputation of the company and the need for social housing.

After some years of operation the company has become self sufficient in providing its income and building up reserves for future stability.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 business.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 October 2023

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

The trustees' annual report and the strategic report were approved on 7 August 2024 and signed on behalf of the board of trustees by:



H Eddy
Trustee

Charity Secretary-

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Independent Auditor's Report to the Members of Cleveland Housing Trust Ltd

Year ended 31 October 2023

Opinion

We have audited the financial statements of Cleveland Housing Trust Ltd (the 'charity') for the year ended 31 October 2023 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of 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 charity's affairs as at 31 October 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 charity 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 the charity'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.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Independent Auditor's Report to the Members of Cleveland Housing Trust Ltd (continued)

Year ended 31 October 2023

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' 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.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Independent Auditor's Report to the Members of Cleveland Housing Trust Ltd (continued)

Year ended 31 October 2023

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity 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 is detailed below:

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 become less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities accruing due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Independent Auditor's Report to the Members of Cleveland Housing Trust Ltd (continued)

Year ended 31 October 2023

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Thomas Atkinson (Senior Statutory Auditor)

For and on behalf of
Wm Fortune and Son
Chartered accountants & statutory auditor

Collingwood House
Church Square
Hartlepool
TS24 7EN

7 August 2024

Cleveland Housing Trust Ltd
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)

Year ended 31 October 2023

		2023		2022
		Unrestricted funds	Total funds	Total funds
	Note	£	£	£
Income and endowments				
Donations and legacies	5	–	–	3,612
Investment income	6	<u>507,427</u>	<u>507,427</u>	<u>559,413</u>
Total income		<u>507,427</u>	<u>507,427</u>	<u>563,025</u>
Expenditure				
Expenditure on raising funds:				
Management costs of properties	7	264,261	264,261	282,637
Expenditure on charitable activities	8,9	<u>1,224</u>	<u>1,224</u>	<u>(5,457)</u>
Total expenditure		<u>265,485</u>	<u>265,485</u>	<u>277,180</u>
 Net gains on investments	 10	 –	 –	 (3,825,098)
 Net income and net movement in funds		 <u>241,942</u>	 <u>241,942</u>	 <u>4,110,943</u>
 Reconciliation of funds				
Total funds brought forward		9,296,680	9,296,680	5,185,817
Total funds carried forward		<u>9,538,622</u>	<u>9,538,622</u>	<u>9,296,760</u>

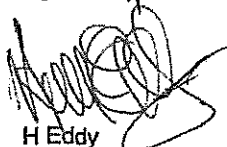
The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 12 to 18 form part of these financial statements.

Cleveland Housing Trust Ltd
Company Limited by Guarantee
Statement of Financial Position
31 October 2023

	Note	2023 £	£	2022 £
Fixed assets				
Tangible fixed assets	14		3,817,064	3,091,308
Current assets				
Debtors	15	162,227		953,390
Cash at bank and in hand		<u>5,590,715</u>		<u>5,321,823</u>
		5,752,942		6,275,213
Creditors: amounts falling due within one year	16	<u>31,384</u>		69,761
Net current assets			<u>5,721,558</u>	<u>6,205,452</u>
Total assets less current liabilities			<u>9,538,622</u>	<u>9,296,760</u>
Net assets			<u>9,538,622</u>	<u>9,296,760</u>
Funds of the charity				
Unrestricted funds			<u>9,538,622</u>	<u>9,296,760</u>
Total charity funds	17		<u>9,538,622</u>	<u>9,296,760</u>

These financial statements were approved by the board of trustees and authorised for issue on 7 August 2023, and are signed on behalf of the board by:


H Eddy
Trustee

The notes on pages 12 to 18 form part of these financial statements.

Cleveland Housing Trust Ltd
Company Limited by Guarantee
Statement of Cash Flows
Year ended 31 October 2023

	2023	2022
	£	£
Cash flows from operating activities		
Net income	241,942	4,110,943
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	61,826	62,298
Net gains on investments	-	(3,825,098)
Dividends, interest and rents from investments	(411,049)	(549,136)
Other interest receivable and similar income	(96,378)	(10,277)
Interest payable and similar charges	-	(5,457)
Accrued (income)/expenses	(65,562)	2,850
<i>Changes in:</i>		
Trade and other debtors	791,163	(8,766)
Trade and other creditors	27,185	(2,486)
Cash generated from operations	<u>549,127</u>	<u>(225,129)</u>
Interest paid	-	5,457
Interest received	96,378	10,277
Net cash from/(used in) operating activities	<u>645,505</u>	<u>(209,395)</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	411,049	549,136
Purchase of tangible assets	(787,582)	-
Proceeds from sale of tangible assets	-	1,382,692
Proceeds from sale of other investments	-	3,825,098
Net cash (used in)/from investing activities	<u>(376,533)</u>	<u>5,756,926</u>
Cash flows from financing activities		
Proceeds from borrowings	-	(707,283)
Net cash used in financing activities	<u>-</u>	<u>(707,283)</u>
Net increase in cash and cash equivalents	268,972	4,840,248
Cash and cash equivalents at beginning of year	5,321,823	481,575
Cash and cash equivalents at end of year	<u>5,590,795</u>	<u>5,321,823</u>

The notes on pages 12 to 18 form part of these financial statements.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 October 2023

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Sopwith House, Sopwith Close, Preston Farm, Stockton on Tees, TS18 3TT.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 October 2023

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Cleveland Housing Trust Ltd
Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 October 2023

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

- 2% reducing balance
- 10% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 October 2023

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Limited by guarantee

The liability of trustees is limited to £10 in the event that the company is wound up.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Donations				
Donations	<u>—</u>	<u>—</u>	<u>3,612</u>	<u>3,612</u>

6. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Social housing rents and charges	411,049	411,049	549,136	549,136
Bank interest	96,378	96,378	10,277	10,277
	<u>507,427</u>	<u>507,427</u>	<u>559,413</u>	<u>559,413</u>

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 October 2023

7. Management costs of properties

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Costs of raising donations and legacies - Other type 1	264,261	<u>264,261</u>	282,637	<u>282,637</u>

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Support costs	1,224	<u>1,224</u>	(5,457)	<u>(5,457)</u>

9. Expenditure on charitable activities by activity type

	Support costs £	Total funds 2023 £	Total fund 2022 £
Governance costs	1,224	<u>1,224</u>	<u>(5,457)</u>

10. Net gains on investments

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Gains on sale of property	-	<u>-</u>	3,825,098	<u>3,825,098</u>

11. Net income

Net income is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	<u>61,826</u>	<u>62,298</u>

12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023 £	2022 £
Wages and salaries	35,902	55,295
Other employee benefits	<u>39,191</u>	<u>30,216</u>
	<u>75,093</u>	<u>85,511</u>

The average head count of employees during the year was 4 (2022: Nil).

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 October 2023

13. Trustee remuneration and expenses

No remuneration was paid to trustees.

During the financial year J B Parkin received £46 (2019 £1,276) in expenses.

14. Tangible fixed assets

	Land and buildings £	Equipment £	Total £
Cost			
At 1 November 2022	3,746,602	188,900	3,935,502
Additions	<u>787,582</u>	<u>–</u>	<u>787,582</u>
At 31 October 2023	<u>4,534,184</u>	<u>188,900</u>	<u>4,723,084</u>
Depreciation			
At 1 November 2022	655,294	188,900	844,194
Charge for the year	<u>61,826</u>	<u>–</u>	<u>61,826</u>
At 31 October 2023	<u>717,120</u>	<u>188,900</u>	<u>906,020</u>
Carrying amount			
At 31 October 2023	<u>3,817,064</u>	<u>–</u>	<u>3,817,064</u>
At 31 October 2022	<u>3,091,308</u>	<u>–</u>	<u>3,091,308</u>

15. Debtors

	2023 £	2022 £
Trade debtors	102,549	3,586
Amounts owed by group undertakings	<u>59,678</u>	<u>949,804</u>
	<u>162,227</u>	<u>953,390</u>

16. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	25,707	–
Accruals and deferred income	3,000	68,562
Social security and other taxes	1,477	–
Property bonds	<u>1,200</u>	<u>1,199</u>
	<u>31,384</u>	<u>69,761</u>

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 October 2023

17. Analysis of charitable funds

Unrestricted funds

	At 1 November 2 022	Income £	Expenditure £	Gains and losses £	At 31 October 2 023 £
Funds	<u>9,296,680</u>	<u>507,427</u>	<u>(265,485)</u>	<u>—</u>	<u>9,538,622</u>

	At 1 November 2 021	Income £	Expenditure £	Gains and losses £	At 31 October 20 22 £
Funds	<u>5,185,817</u>	<u>563,025</u>	<u>(277,180)</u>	<u>3,825,098</u>	<u>9,296,760</u>

18. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2023 £
Tangible fixed assets	3,817,064	3,817,064
Current assets	5,752,942	5,752,942
Creditors less than 1 year	(31,384)	(31,384)
Net assets	<u>9,538,622</u>	<u>9,538,622</u>

	Unrestricted Funds £	Total Funds 2022 £
Tangible fixed assets	3,091,308	3,091,308
Current assets	953,390	953,390
Creditors less than 1 year	(69,761)	(69,761)
Creditors greater than 1 year	—	—
Net assets	<u>3,974,937</u>	<u>3,974,937</u>

19. Analysis of changes in net debt

	At 1 Nov 2022 £	Cash flows £	At 31 Oct 2023 £
Cash at bank and in hand	<u>5,321,823</u>	<u>268,892</u>	<u>5,590,715</u>

CLEVELAND HOUSING TRUST LIMITED

England & Wales - Charity number 1059437

Accounts

COMPANY REGISTRATION NUMBER: 3199863

CHARITY REGISTRATION NUMBER: 1059437

Cleveland Housing Trust Ltd
Company Limited by Guarantee
Financial Statements
31 October 2022

WM FORTUNE AND SON

Chartered accountants & statutory auditor
Collingwood House
Church Square
Hartlepool
TS24 7EN

Cleveland Housing Trust Ltd
Company Limited by Guarantee
Financial Statements
Year ended 31 October 2022

	Page
Trustees' annual report (incorporating the director's report)	1
Independent auditor's report to the members	5
Statement of financial activities (including income and expenditure account)	9
Statement of financial position	10
Statement of cash flows	11
Notes to the financial statements	12

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 October 2022

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 October 2022.

Chair's report

The objectives of the Trust are set out below.

Although the company is constantly increasing its revenue stream by bringing new properties into occupation it has been able to keep down individual rents to the benefit of its tenants.

During the year the company completed a social housing development in Guisborough and started renting out the properties.

Reference and administrative details

Registered charity name Cleveland Housing Trust Ltd

Charity registration number 1059437

Company registration number 3199863

Principal office and registered office Sopwith House
Sopwith Close
Preston Farm
Stockton on Tees
TS18 3TT

The trustees

Mr J B Parkin
H H Eddy
Mrs G Burn
Mrs B Butcher

limited

Auditor

Wm Fortune and Son
Chartered accountants & statutory auditor
Collingwood House
Church Square
Hartlepool
TS24 7EN

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 October 2022

Structure, governance and management

The Trust is a Registered Charitable Company, limited by guarantee, incorporated on 16th May 1996.

- 1) Trustees are selected by the board on the basis of suitability and experience.
- 2) Trustees are instructed in the aim and objectives of the Charity and informed of their legal and statutory obligations.
- 3) The management of the company is the responsibility of the Trustees, who are required to meet at regular intervals (at least once a year) and more often if required. Day to day management is carried out by staff who are employed by the charity.

Objectives and activities

The principal objectives are:

- 1) The provision of advice and assistance, principally relating to housing matters, to those in need of such services.
- 2) The development of strategies for the provision of accommodation at fair rents for persons in the Charity's area of operation.
- 3) The exploration of new initiatives for the furtherance of the objectives, including specifically shared ownership and affordable housing initiatives.
- 4) The operation of new construction initiatives and land acquisition to expand the company's portfolio.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

The company's financial position is very sound. During the year income a surplus of over £4million after taking into account a gain of £3.8 on the sale of Belle View Court. This was added to reserves. In September 2019 it commenced development on a new social housing site in Gulsborough which was financed from own resources. This was completed during the year and is now being rented out. Equity on the properties is over £3 million on balance sheet values which increases when market value is taken into account.

Relationships with the company's bankers are good, with support being given to proposed developments when a robust business plan is submitted. Currently there are no borrowings. Equally company management is very experienced with a proven track record in social housing.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 October 2022

Financial review

The company has a reserve policy which requires liquid funds sufficient to fund four to five months expenditure in the circumstances of the company. The policy is adequately maintained by reserves at the balance sheet date.

Regular surpluses have been achieved in recent years boosted by low interest rates and renegotiation of bank borrowing. The company policy subject to the paragraph above is to maintain rents at an affordable level. During the year the company sold Belle View Court raising over £5 million pounds which has been invested temporarily. It continues to look for development opportunities for social housing.

All the funds are unrestricted, including the initial reserve of £431,819 which represent the accumulated surpluses of the precursor charity, Cleveland Housing Aid Trust prior to incorporation.

Plans for future periods

The strategy ensures the public benefits of the Charity, namely meeting a local need for affordable social housing, are promoted and encouraged while not compromising in any way the business model on which the activities are based.

There is a constant demand for properties, evident in the dual climate of the good reputation of the company and the need for social housing.

After some years of operation the company has become self sufficient in providing its income and building up reserves for future stability.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 business.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 October 2022

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

The trustees' annual report and the strategic report were approved on 7 August 2023 and signed on behalf of the board of trustees by:

H Eddy
Trustee


Charity Secretary

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Independent Auditor's Report to the Members of Cleveland Housing Trust Ltd

Year ended 31 October 2022

Opinion

We have audited the financial statements of Cleveland Housing Trust Ltd (the 'charity') for the year ended 31 October 2022 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of 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 charity's affairs as at 31 October 2022 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 charity 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 the charity'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.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Independent Auditor's Report to the Members of Cleveland Housing Trust Ltd *(continued)*

Year ended 31 October 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' 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.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Independent Auditor's Report to the Members of Cleveland Housing Trust Ltd (continued)

Year ended 31 October 2022

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity 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 is detailed below:

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 become less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities accruing due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Independent Auditor's Report to the Members of Cleveland Housing Trust Ltd (continued)

Year ended 31 October 2022

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Thomas Atkinson (Senior Statutory Auditor)

For and on behalf of
Wm Fortune and Son
Chartered accountants & statutory auditor

Collingwood House
Church Square
Hartlepool
TS24 7EN

7 August 2023

Cleveland Housing Trust Ltd
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)
Year ended 31 October 2022

		2022		2021
		Unrestricted	Total funds	Total funds
	Note	funds £	£	£
Income and endowments				
Donations and legacies	5	3,612	3,612	–
Investment income	6	559,413	559,413	702,307
Total income		<u>563,025</u>	<u>563,025</u>	<u>702,307</u>
Expenditure				
Expenditure on raising funds:				
Management costs of properties	7	282,637	282,637	327,179
Expenditure on charitable activities	8,9	(5,457)	(5,457)	18,995
Total expenditure		<u>277,180</u>	<u>277,180</u>	<u>346,174</u>
Net gains on investments	10	(3,825,098)	(3,825,098)	–
Net income and net movement in funds		<u>4,110,943</u>	<u>4,110,943</u>	<u>356,133</u>
Reconciliation of funds				
Total funds brought forward		5,185,817	5,185,817	4,829,684
Total funds carried forward		<u>9,296,760</u>	<u>9,296,760</u>	<u>5,185,817</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 12 to 18 form part of these financial statements.

Cleveland Housing Trust Ltd

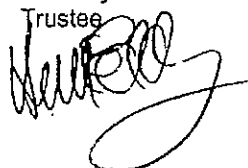
Company Limited by Guarantee

Statement of Financial Position

31 October 2022

	Note	2022 £	£	2021 £
Fixed assets				
Tangible fixed assets	14		3,091,308	4,536,298
Current assets				
Debtors	15	953,390		944,624
Cash at bank and in hand		<u>5,321,823</u>		<u>481,575</u>
		6,275,213		1,426,199
Creditors: amounts falling due within one year	16	<u>69,761</u>		<u>135,041</u>
Net current assets			<u>6,205,452</u>	<u>1,291,158</u>
Total assets less current liabilities			<u>9,296,760</u>	<u>5,827,456</u>
Creditors: amounts falling due after more than one year	17		–	<u>641,639</u>
Net assets			<u>9,296,760</u>	<u>5,185,817</u>
Funds of the charity				
Unrestricted funds			<u>9,296,760</u>	<u>5,185,817</u>
Total charity funds	18		<u>9,296,760</u>	<u>5,185,817</u>

These financial statements were approved by the board of trustees and authorised for issue on 7 August 2023, and are signed on behalf of the board by:

H Eddy
Trustee


The notes on pages 12 to 18 form part of these financial statements.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 October 2022

	2022 £	2021 £
Cash flows from operating activities		
Net income	4,110,943	356,133
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	62,298	92,577
Net gains on investments	(3,825,098)	-
Dividends, interest and rents from investments	(549,136)	(702,307)
Other interest receivable and similar income	(10,277)	-
Interest payable and similar charges	(5,457)	18,995
Accrued expenses	2,850	60,382
<i>Changes in:</i>		
Trade and other debtors	(8,766)	(299,848)
Trade and other creditors	(2,486)	(2,399)
Cash generated from operations	(225,129)	(476,467)
Interest paid	5,457	(18,995)
Interest received	10,277	-
Net cash used in operating activities	(209,395)	(495,462)
Cash flows from investing activities		
Dividends, interest and rents from investments	549,136	702,307
Proceeds from sale of tangible assets	1,382,692	-
Proceeds from sale of other investments	3,825,098	-
Net cash from investing activities	5,756,926	702,307
Cash flows from financing activities		
Proceeds from borrowings	(707,283)	(405,379)
Net cash used in financing activities	(707,283)	(405,379)
Net increase/(decrease) in cash and cash equivalents	4,840,248	(198,534)
Cash and cash equivalents at beginning of year	481,575	680,109
Cash and cash equivalents at end of year	5,321,823	481,575

The notes on pages 12 to 18 form part of these financial statements.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 October 2022

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Sopwith House, Sopwith Close, Preston Farm, Stockton on Tees, TS18 3TT.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 October 2022

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 October 2022

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

- 2% reducing balance
- 10% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial Instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 October 2022

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Limited by guarantee

The liability of trustees is limited to £10 in the event that the company is wound up.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Donations				
Donations	<u>3,612</u>	<u>3,612</u>	<u>-</u>	<u>-</u>

6. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Social housing rents and charges	549,136	549,136	702,307	702,307
Bank interest	<u>10,277</u>	<u>10,277</u>	<u>-</u>	<u>-</u>
	<u>559,413</u>	<u>559,413</u>	<u>702,307</u>	<u>702,307</u>

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 October 2022

7. Management costs of properties

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Costs of raising donations and legacies - Other type 1	282,637	<u>282,637</u>	<u>327,179</u>	<u>327,179</u>

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Support costs	(5,457)	<u>(5,457)</u>	<u>18,995</u>	<u>18,995</u>

9. Expenditure on charitable activities by activity type

	Support costs £	Total funds 2022 £	Total fund 2021 £
Governance costs	(5,457)	<u>(5,457)</u>	<u>18,995</u>

10. Net gains on investments

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Gains on sale of property	3,825,098	<u>3,825,098</u>	<u>-</u>	<u>-</u>

11. Net income

Net income is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	<u>62,298</u>	<u>92,577</u>

12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022 £	2021 £
Wages and salaries	55,295	36,161
Other employee benefits	<u>30,216</u>	<u>27,794</u>
	<u>85,511</u>	<u>63,955</u>

The average head count of employees during the year was Nil (2021: 4).

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 October 2022

13. Trustee remuneration and expenses

No remuneration was paid to trustees.

During the financial year J B Parkln received £46 (2019 £1,276) in expenses.

14. Tangible fixed assets

	Land and buildings £	Equipment £	Total £
Cost			
At 1 November 2021	5,924,925	188,900	6,113,825
Disposals	(2,178,323)	–	(2,178,323)
At 31 October 2022	<u>3,746,602</u>	<u>188,900</u>	<u>3,935,502</u>
Depreciation			
At 1 November 2021	1,388,627	188,900	1,577,527
Charge for the year	62,298	–	62,298
Disposals	(795,631)	–	(795,631)
At 31 October 2022	<u>655,294</u>	<u>188,900</u>	<u>844,194</u>
Carrying amount			
At 31 October 2022	<u>3,091,308</u>	<u>–</u>	<u>3,091,308</u>
At 31 October 2021	<u>4,536,298</u>	<u>–</u>	<u>4,536,298</u>

15. Debtors

	2022 £	2021 £
Trade debtors	3,586	3,586
Amounts owed by group undertakings	<u>949,804</u>	<u>941,038</u>
	<u>953,390</u>	<u>944,624</u>

16. Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans and overdrafts	–	65,644
Accruals and deferred income	68,562	65,712
Property bonds	1,199	3,685
	<u>69,761</u>	<u>135,041</u>

17. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank loans and overdrafts	–	<u>641,639</u>

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 October 2022

18. Analysis of charitable funds

Unrestricted funds

	At 1 November 2 021	Income £	Expenditure £	Gains and losses £	At 31 October 2 022
Funds	<u>5,185,817</u>	<u>563,025</u>	<u>(277,180)</u>	<u>3,825,098</u>	<u>9,296,760</u>

	At 1 November 2 020	Income £	Expenditure £	Gains and losses £	At 31 October 20 21
Funds	<u>4,829,684</u>	<u>702,307</u>	<u>(346,174)</u>	<u>-</u>	<u>5,185,817</u>

19. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2022 £
Tangible fixed assets	3,091,308	3,091,308
Current assets	953,390	953,390
Creditors less than 1 year	(69,761)	(69,761)
Creditors greater than 1 year	-	-
Net assets	<u>3,974,937</u>	<u>3,974,937</u>

	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	4,536,298	4,536,298
Current assets	1,426,199	1,426,199
Creditors less than 1 year	(135,041)	(135,041)
Creditors greater than 1 year	(641,639)	(641,639)
Net assets	<u>5,185,817</u>	<u>5,185,817</u>

20. Analysis of changes in net debt

	At 1 Nov 2021 £	Cash flows £	At 31 Oct 2022 £
Cash at bank and in hand	481,575	4,840,248	5,321,823
Debt due within one year	(65,644)	65,644	-
Debt due after one year	<u>(641,639)</u>	<u>641,639</u>	<u>-</u>
	<u>(225,708)</u>	<u>5,547,531</u>	<u>5,321,823</u>

CLEVELAND HOUSING TRUST LIMITED

England & Wales - Charity number 1059437

Accounts

COMPANY REGISTRATION NUMBER: 3199863

CHARITY REGISTRATION NUMBER: 1059437

Cleveland Housing Trust Ltd
Company Limited by Guarantee
Financial Statements
31 October 2020

WM FORTUNE AND SON

Chartered accountants & statutory auditor

Collingwood House

Church Square

Cleveland Housing Trust Ltd
Company Limited by Guarantee
Financial Statements
Year ended 31 October 2020

	Page
Trustee's annual report (incorporating the director's report)	1
Independent auditor's report to the members	5
Statement of financial activities (including income and expenditure account)	9
Statement of financial position	10
Statement of cash flows	11
Notes to the financial statements	12

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Trustee's Annual Report (Incorporating the Director's Report)

Year ended 31 October 2020

The trustee, who is also the director for the purposes of company law, presents his report and the financial statements of the charity for the year ended 31 October 2020.

Chair's report

The objectives of the Trust are set out below.

Although the company is constantly increasing its revenue stream by bringing new properties into occupation it has been able to keep down individual rents to the benefit of its tenants.

During the year the company started building social housing for rent in Guisborough.

Reference and administrative details

Registered charity name Cleveland Housing Trust Ltd

Charity registration number 1059437

Company registration number 3199863

Principal office and registered office Sopwith House
Sopwith Close
Preston Farm
Stockton on Tees
TS18 3TT

The trustee

Mr J B Parkin

limited

Auditor Wm Fortune and Son
Chartered accountants & statutory auditor
Collingwood House
Church Square
Hartlepool
TS24 7EN

Structure, governance and management

The Trust is a Registered Charitable Company, limited by guarantee, incorporated on 16th May 1996.

1) Trustees are selected by the board on the basis of suitability and experience.

2) Trustees are instructed in the aim and objectives of the Charity and informed of their legal and statutory obligations.

3) The management of the company is the responsibility of the Trustees, who are required to meet at regular intervals (at least once a year) and more often if required. Day to day management is carried out by staff who are employed by the charity.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Trustee's Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 October 2020

Objectives and activities

The principal objectives are:

- 1) The provision of advice and assistance, principally relating to housing matters, to those in need of such services.
- 2) The development of strategies for the provision of accommodation at fair rents for persons in the Charity's area of operation.
- 3) The exploration of new initiatives for the furtherance of the objectives, including specifically shared ownership and affordable housing initiatives.
- 4) The operation of new construction initiatives and land acquisition to expand the company's portfolio.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

The company's financial position is very sound. During the year income a surplus of over £600,000 was achieved which was added to reserves. In September 2019 it commenced development on a new social housing site in Guisborough which is being financed from own resources. Equity on the properties is over £3 million on balance sheet values increasing to more than £10 million when the full market value is taken in to account

Relationships with the company's bankers are good, with support being given to proposed developments when a robust business plan is submitted. Equally company management is very experienced with a proven track record in social housing.

Financial review

The company has a reserve policy which requires liquid funds sufficient to fund four to five months expenditure in the circumstances of the company. The policy is adequately maintained by reserves at the balance sheet date.

Regular surpluses have been achieved in recent years boosted by low interest rates and renegotiation of bank borrowing. The company policy subject to the paragraph above is to maintain rents at an affordable level.

All the funds are unrestricted, including the initial reserve of £431,819 which represent the accumulated surpluses of the precursor charity, Cleveland Housing Aid Trust prior to incorporation.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Trustee's Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 October 2020

Plans for future periods

The strategy ensures the public benefits of the Charity, namely meeting a local need for affordable social housing, are promoted and encouraged while not compromising in any way the business model on which the activities are based.

There is a constant demand for properties, evident in the dual climate of the good reputation of the company and the need for social housing.

After some years of operation the company has become self sufficient in providing its income and building up reserves for future stability.

Trustee's responsibilities statement

The trustee, who is also a director for the purposes of company law, is responsible for preparing the trustee's 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 charity trustee to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 business.

The trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Trustee's Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 October 2020

Auditor

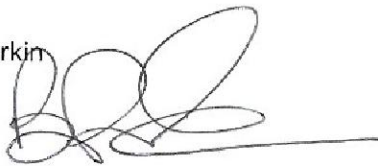
Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

The trustee's annual report and the strategic report were approved on and signed on behalf of the board of trustees by:

Mr J B Parkin
Trustee



Charity Secretary

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Independent Auditor's Report to the Members of Cleveland Housing Trust Ltd

Year ended 31 October 2020

Opinion

We have audited the financial statements of Cleveland Housing Trust Ltd (the 'charity') for the year ended 31 October 2020 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of 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 charity's affairs as at 31 October 2020 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 charity 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Independent Auditor's Report to the Members of Cleveland Housing Trust Ltd

(continued)

Year ended 31 October 2020

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 trustee's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustee's 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustee's 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 trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Independent Auditor's Report to the Members of Cleveland Housing Trust Ltd (continued)

Year ended 31 October 2020

Responsibilities of the trustee

As explained more fully in the trustee's responsibilities statement, the trustee (who is also the director for the purposes of company law) is 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 trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the charity'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 trustee either intends to liquidate the charity or to cease operations, or has 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustee.
- Conclude on the appropriateness of the trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Independent Auditor's Report to the Members of Cleveland Housing Trust Ltd (continued)

Year ended 31 October 2020

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Thomas Atkinson (Senior Statutory Auditor)

For and on behalf of
Wm Fortune and Son
Chartered accountants & statutory auditor

Collingwood House
Church Square
Hartlepool
TS24 7EN

5 July 2020

Cleveland Housing Trust Ltd
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)

Year ended 31 October 2020

		2020		2019
		Unrestricted funds	Total funds	Total funds
	Note	£	£	£
Income and endowments				
Investment income	5	694,029	694,029	724,298
Total income		<u>694,029</u>	<u>694,029</u>	<u>724,298</u>
Expenditure				
Expenditure on raising funds:				
Management costs of properties	6	63,221	63,275	397,645
Expenditure on charitable activities	7,8	25,364	25,364	31,360
Total expenditure		<u>88,585</u>	<u>88,639</u>	<u>429,005</u>
Net income and net movement in funds		<u>605,444</u>	<u>605,390</u>	<u>295,293</u>
Reconciliation of funds				
Total funds brought forward		4,224,294	4,224,294	3,929,001
Total funds carried forward		<u>4,829,738</u>	<u>4,829,738</u>	<u>4,224,294</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

Cleveland Housing Trust Ltd
Company Limited by Guarantee
Statement of Financial Position

31 October 2020

	Note	2020 £	£	2019 £
Fixed assets				
Tangible fixed assets	12		4,628,875	4,425,266
Current assets				
Debtors	13	644,776		730,938
Cash at bank and in hand		680,109		338,992
		<u>1,324,885</u>		<u>1,069,930</u>
Creditors: amounts falling due within one year	14	<u>73,414</u>		<u>153,599</u>
Net current assets			<u>1,251,471</u>	<u>916,331</u>
Total assets less current liabilities			<u>5,880,346</u>	<u>5,341,597</u>
Creditors: amounts falling due after more than one year	15		<u>1,050,662</u>	<u>1,117,303</u>
Net assets			<u>4,829,684</u>	<u>4,224,294</u>
Funds of the charity			<u>4,829,738</u>	<u>4,224,294</u>
Unrestricted funds				
Total charity funds	16		<u>4,829,738</u>	<u>4,224,294</u>

These financial statements were approved by the board of trustees and authorised for issue on 5 July 2020, and are signed on behalf of the board by:

Mr J B Parkin
Trustee



Cleveland Housing Trust Ltd

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 October 2020

	2020 £	2019 £
Cash flows from operating activities		
Net income	605,390	295,293
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	94,500	95,197
Dividends, interest and rents from investments	(694,029)	(724,298)
Interest payable and similar charges	25,364	31,360
Accrued (income)/expenses	(81,534)	27,581
<i>Changes in:</i>		
Trade and other debtors	86,162	(122,076)
Trade and other creditors	1,349	(15,933)
Cash generated from operations	37,202	(412,876)
Interest paid	(25,364)	(31,360)
Net cash from/(used in) operating activities	11,838	(444,236)
Cash flows from investing activities		
Dividends, interest and rents from investments	694,029	724,298
Purchase of tangible assets	(585,110)	(4,546)
Proceeds from sale of tangible assets	287,000	-
Net cash from investing activities	395,919	719,752
Cash flows from financing activities		
Proceeds from borrowings	(66,641)	(60,644)
Net cash used in financing activities	(66,641)	(60,644)
Net increase in cash and cash equivalents	341,116	214,872
Cash and cash equivalents at beginning of year	338,992	124,120
Cash and cash equivalents at end of year	680,108	338,992

Cleveland Housing Trust Ltd
Company Limited by Guarantee
Notes to the Financial Statements
Year ended 31 October 2020

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Sopwith House, Sopwith Close, Preston Farm, Stockton on Tees, TS18 3TT.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustee for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 October 2020

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 October 2020

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

- 2% reducing balance
- 10% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 October 2020

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Limited by guarantee

The liability of trustees is limited to £10 in the event that the company is wound up.

5. Investment income

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019
	£	£	£	£
Social housing rents and charges	<u>694,029</u>	<u>694,029</u>	<u>724,298</u>	<u>724,298</u>

6. Management costs of properties

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019
	£	£	£	£
Costs of raising donations and legacies - Other type 1	<u>63,221</u>	<u>63,275</u>	<u>397,645</u>	<u>397,645</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019
	£	£	£	£
Support costs	<u>25,364</u>	<u>25,364</u>	<u>31,360</u>	<u>31,360</u>

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 October 2020

8. Expenditure on charitable activities by activity type

	Support costs	Total funds	Total fund
	2020	2020	2019
	£	£	£
Governance costs	<u>25,364</u>	<u>25,364</u>	<u>31,360</u>

9. Net income

Net income is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation of tangible fixed assets	<u>94,500</u>	<u>95,197</u>

10. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2020	2019
	£	£
Wages and salaries	53,788	60,300
Other employee benefits	<u>27,312</u>	<u>31,917</u>
	<u>81,100</u>	<u>92,217</u>

The average head count of employees during the year was 4 (2019: 4). The average number of full-time equivalent employees during the year is analysed as follows:

	2020	2019
	No.	No.
Administration	<u>4</u>	<u>4</u>

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

11. Trustee remuneration and expenses

No remuneration was paid to trustees.

During the financial year J B Parkin received £46 (2019 £1,276) in expenses.

Cleveland Housing Trust Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 October 2020

12. Tangible fixed assets

	Land and buildings £	Equipment £	Total £
Cost			
At 1 November 2019	5,689,815	188,900	5,878,715
Additions	585,110	–	585,110
Disposals	(350,000)	–	(350,000)
At 31 October 2020	<u>5,924,925</u>	<u>188,900</u>	<u>6,113,825</u>
Depreciation			
At 1 November 2019	1,264,550	188,900	1,453,450
Charge for the year	94,500	–	94,500
Disposals	(63,000)	–	(63,000)
At 31 October 2020	<u>1,296,050</u>	<u>188,900</u>	<u>1,484,950</u>
Carrying amount			
At 31 October 2020	<u>4,628,875</u>	<u>–</u>	<u>4,628,875</u>
At 31 October 2019	<u>4,425,265</u>	<u>–</u>	<u>4,425,265</u>

13. Debtors

	2020 £	2019 £
Trade debtors	12,411	12,411
Amounts owed by group undertakings	632,365	669,272
Other debtors	–	49,255
	<u>644,776</u>	<u>730,938</u>

14. Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	62,000	62,000
Accruals and deferred income	5,330	86,864
Property bonds	6,084	4,735
	<u>73,414</u>	<u>153,599</u>

15. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loans and overdrafts	<u>1,050,662</u>	<u>1,117,303</u>