

REGISTERED COMPANY NUMBER: 12068336 (England and Wales)
REGISTERED CHARITY NUMBER: 1184991

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022
FOR
CUMBRIA COMMUNITY HOMES**

Collards
Chartered Accountants
Statutory Auditors
5-9 Eden Street
Kingston-Upon - Thames
Surrey
KT1 1BQ

CUMBRIA COMMUNITY HOMES

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	Page
Report of the Trustees	1 to 7
Report of the Independent Auditors	8 to 11
Statement of Financial Activities	12
Balance Sheet	13
Cash Flow Statement	14
Notes to the Cash Flow Statement	15
Notes to the Financial Statements	16 to 23
Detailed Statement of Financial Activities	24 to 25

CUMBRIA COMMUNITY HOMES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objective contained within the memorandum and articles of association, is to carry out for the benefit of the community, the business of providing and managing housing, including Social Housing, and providing assistance to help house people and associated facilities, amenities and services for persons in need because of youth, age, ill-health, disability, financial hardship or other disadvantage.

Significant activities

To provide good quality accommodation to vulnerable adults in the community meeting their individual needs.

To provide tenancy related care, support and supervision in a person-centred way enabling the enhancement and development of life skills, personal growth, independence, choice, and control.

To help those who are homeless or at risk of homelessness, individuals who struggle with mental or physical health or with a learning difficulty, those who are in recovery from substance misuse and people who are fleeing domestic violence.

To offer one to one financial support with personal budgets and provide a mentor for helping plan daily activities surrounding their tenancies such as meal planning, domestic duties and we signpost and support individuals with opportunities to socialise within the local community.

Our underpinning ethos is to develop an individual's capacity to live independently in the community and to develop or sustain basic life skills needed to hold down a tenancy or maintain a home.

Values

Trust

To build relationships on trust and keep our promises, to meet the expectations of tenants and be honest if we can't.

Integrity

To practice providing a quality service with integrity and sensitivity.

Non-judgemental

To listen to and meet the needs of everyone in a non-judgemental way.

Teamwork

To constantly look at ways to improve and deliver our service.

Empathy

To put ourselves in other people's shoes.

Positive attitude

To practice with a problem-solving approach.

History

The business was incorporated by Christine Bee on 25th June 2019, and became registered as a charity on 21st August 2019.

CCH has since grown into one of the leading Housing Support provider across the whole of Cumbria and parts of Lancashire, and are currently expanding their services across the North-East, parts of Lincolnshire and West Yorkshire.

CUMBRIA COMMUNITY HOMES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2022

OBJECTIVES AND ACTIVITIES

Referrals

Referrals are received from statutory & non-statutory agencies with supporting documentation

Statutory Agencies:

- Local Authority Housing Options Team
- Social Work Teams (care leavers and social care)
- Community Mental Health Team
- Health Authorities
- Probation Service
- Prison Service

Non-Statutory Agencies:

- Mental Health Charities (MIND etc)
- Substance Misuse Centres
- Homeless Charities (YMCA, Local independent etc)
- Domestic Violence Charities (Woman's Aid etc)

All relevant and up to date information must be given within the initial referral, as to avoid referrals being rejected as not being suitable or being delayed due to missing information. Once the referral form has been received and checked, the refer will be contacted by one of the local Tenancy Sustainment Officer's to arrange meeting the prospective tenant, and to complete our Intensive Housing Management Assessment, which identifies how much support is required.

There are occasions, where tenants support needs are more than CCH can provide, when this happens, all parties will be informed, and an extra care package will be suggested before accommodation can be offered to ensure we are not setting the tenant up to fail.

Public Benefit

The Trustees are aware of Charity Commission guidance on public benefit reporting as set out in Section 17 of the Charities Act 2011. They believe Cumbria Community Homes fulfils a fundamental public benefit by providing and managing housing together with providing assistance to people in need.

STRATEGIC REPORT

Achievement and performance

Strategic Growth

CCH have experienced a rapid growth since their incorporation due to the exceptional service they provide. Currently they have over 350 homes in management plus a number of housing developments that provides 24/7 concierge care for vulnerable adults.

The strategic plan for the next 12 months is to consolidate the current service being provided and ensure that they day to day operations can cope with the rapid growth of tenants, this will include putting in structures and controls across the business.

In response to the increased demand for such services within these areas, the team has also grown rapidly and CCH currently employ 50 people across housing management, tenancy officers, maintenance, admin and business development, plus relying on a growing network of consultants, freelancers and contractors where needed.

CUMBRIA COMMUNITY HOMES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2022

STRATEGIC REPORT

Achievement and performance

Services

We will provide support to tenants of our accommodation, going beyond what would be provided by an ordinary Landlord.

Advice and guidance about what and what not to do in a property.

Spending regular time with a tenant to help them work through their support needs following an agreed support plan which identifies specific needs that the tenant requires help with.

Advice and guidance on use of kitchen facilities and appliances and in maintaining kitchen hygiene.

Assisting with the security of the property because of a tenant's needs.

An on-call 24/7 for every tenant.

In other projects, a 24 hour manned security and support service will be provided.

Assisting with maintaining health, safety and well-being in the Property.

Regular tenant meetings will provide an opportunity for concerns about health and safety to be raised.

Regular welfare checks where there is a risk to tenant's safety because of issues such as self-harm, harassment from others.

Weekly staff meetings to include discussion of health and safety matters.

Assisting with arranging minor repairs to domestic equipment and appliances. We have a competent maintenance team who assist tenants with their own minor repairs.

Providing life skills training in relation to waste disposal and cleanliness.

Our staff will be involved in enabling, reminding, and helping tenants to develop domestic and practical skills.

Life skills workshops will be provided including gardening, general kitchen experience to help and assist the tenant to develop life-skills.

Helping tenants to engage with individuals, professionals and other bodies with an interest in their welfare, providing advice, assistance and advocacy dealing with statutory and non-statutory agencies, other third parties and relatives.

We will help tenants to deal with telephone calls, correspondence and arranging meetings and can accompany tenants to meetings outside of the accommodation.

Staff will help tenants to remain in contact with their relatives (where requested to do so by the tenant) and keep relatives informed as to developments and progress and welfare.

Additional support will be provided to those tenants who require it to help build relationships with their family and friends, which will have been damaged in many cases.

In some projects, we will arrange for adaptations to enable individuals to cope with a disability.

Advising or assisting with personal budgeting and debt counselling providing any money-management advice, assistance and advocacy to the tenant and regular intervention to assist them in developing their money skills.

Helping to maintain relationships and solve disputes with others, including other tenants.

CUMBRIA COMMUNITY HOMES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2022

STRATEGIC REPORT

Achievement and performance

Regular one-to-one support sessions will provide an opportunity for appropriate resolution and discussion of actual or potential conflicts.

Dealing with benefit claims and other official correspondence relevant to sustaining accommodation; filling out forms, writing to benefit authorities, making phone calls on behalf of the tenant, sign-posting complex benefit issues to other professionals and providing or sourcing representation in relation to disputes and appeals.

Assisting with shopping, errands, and leisure activities.

We will arrange social events which help people feel less lonely and encourage them by to participate in supervised group activities.

Help with finding, choosing, and moving on into other accommodation.

Tenants will be supported to assess the risks and consider control measures when engaging with the community into which they are to resettle. Tenants will be supported to engage with accommodation and training providers and to apply for accommodation etc. Other support that enables you to cope with the practicalities of everyday life.

The staff will help the tenant in gaining access to education, training, meaningful employment etc.

Our impact

We continue to source good quality homes and give our support to those who need it most.

We also provide job opportunities to many local people of which are fulfilling and rewarding, in all areas that we operate

Due diligence

Due diligence for social housing starts with identifying potential areas where a shortage of supported accommodation exists, and these shortages can often be found in local authority Housing and Homeless Strategies. Discussions are then held with the Housing Options and Benefits Departments of the local authorities to establish if there is a need for specialist supported accommodation in that area and to ensure that any rent models can be agreed by the benefits department where specific groups of vulnerable people qualify for the Exempt Supported Accommodation Rate regarding Housing Benefit. Where rent models won't be in full payment and any shortage of referrals are identified, due consideration must be given whether Cumbria Community Homes should operate in that area.

Specific areas need to be identified where it is crucial that local services/amenities are available to the tenants - for example proximity to shops and local transport if mobility is an issue, local activities for those suffering mental health issues, being located close to a school for families who are being re-housed, certain groups may need to be housed away from schools, where it has been identified that a risk may be present etc.

Once demand and the rent models have been approved, establishing a referral pathway can be made, where all relevant agencies will be contacted.

CUMBRIA COMMUNITY HOMES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2022

STRATEGIC REPORT

Financial review

Financial position

The Trustees report a steady year for the Charity ending June 2022.

2021/2022 has continued to be a challenging year for the sector as a whole but the demand for supported housing within the region remains extremely high due to the increased levels of homelessness, vulnerable adults especially with mental health related issues and domestic violence cases all needing re-housing.

In general maintenance costs were significantly higher than originally anticipated due to the age of the properties managed by the Charity.

Staff has more than doubled throughout the financial year and there has been a recent focus on providing the necessary HR support needed to manage this. However there were no significant staff absences that affected the service offering to the tenants.

The Charity continues to work very closely with the local housing teams to help meet this increased demand and the delivery of care and support during this period remained high. However it has been important for the Charity to not take on a large number of new tenants as it consolidates its position having experienced rapid growth in the first couple of years of operation.

The focus going forward is to continue to put the necessary financial and operation controls and structure in place to support this growth.

Reserves policy

The charity's intention is to build up its reserves for the purposes of the development and sustainability of the charity. As a result of the expansion of the organisation in the 2021/22 year, it has not been able to instigate that policy but procedures are in place to ensure that the policy is adhered to in the current year and in the future. As at 30th June 2022 the reserves were in deficit of £90,464 (2021: surplus of £1,887).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The Trustees have a responsibility to ensure that all aspects of the charity's activities are properly conducted and carried out in full compliance with its Articles of Association.

Recruitment and appointment of new trustees

Trustees are discussed at each quarterly Trustee meeting. Any proposed new Trustees are nominated by the Board of Trustees and are then interviewed and appointed if their skill set and knowledge contribute to the Charity's operations. Trustees receive a full overview of the operational side of the business, usually spending time with various staff members and tenancy officers visiting tenants, attending council meetings where necessary and spending time at the Charity's offices to understand the day-to-day running of the business.

CUMBRIA COMMUNITY HOMES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

Role of Chief Executive

The CEO is accountable to the Board of Trustees and, along with other senior staff, is responsible for the day-to-day management of the Charity. These include hiring of senior staff, attending meetings with Local Authorities and Housing teams, dealing with any HR and payroll issues that are escalated, negotiation with landlords and general growth of the business.

Employee Remuneration

The Charity's remuneration policy sets appropriate pay levels for all personnel and takes into consideration the responsibilities undertaken within each role. Benchmarking is undertaken to ensure the remuneration matches the level of comparable organisations.

The CEO's remuneration is set by the Board of Trustees. Due to the fact that the Charity has only been operating since August 2019 pay levels of senior staff have remained very low and over time this will be addressed to reflect current market rates.

Risk management

The Trustees continue to assess the risk and uncertainties facing the Charity and how these may impact the financial position of the Charity. Risks are identified in the Trustees quarterly meeting and any risks that are felt to prevent the Charity achieving its objectives are reviewed with the senior management team.

The greatest risks relate to any unforeseen changes in Government policies, regular weekly/monthly meetings with the Local Authorities help negate this risk as the Charity are aware of any changes ahead of them being implemented.

Whilst the senior management team has remained very stable there is a relatively high staff turnover within the tenancy officer and maintenance teams. All new members of staff are required to complete a 2 week training period and then a further 2 weeks when they shadow a colleague.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

12068336 (England and Wales)

Registered Charity number

1184991

Registered office

37 Riverside Gardens
Barrow In Furness
Cumbria
LA13 0DD

Trustees

Mr G C Asbury (resigned 24.5.22)

Mr A P Oates (resigned 23.8.21)

Mr P Sheldon

Mrs E Stones

Ms A Stevens

Chief Executive

Christine Bee

CUMBRIA COMMUNITY HOMES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Collards
Chartered Accountants
Statutory Auditors
5-9 Eden Street
Kingston-Upon - Thames
Surrey
KT1 1BQ

Bankers

Barclays Bank plc
Leicester
LE87 2BB

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Cumbria Community Homes for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charitable company will continue in business.

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

In so far as the trustees are aware:

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 1 November 2023 and signed on the board's behalf by:

Mrs E Stones - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF CUMBRIA COMMUNITY HOMES

Opinion

We have audited the financial statements of Cumbria Community Homes (the 'charitable company') for the year ended 30 June 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 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; and
- 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

We draw attention to note 1 in the financial statements, which indicates that the company has made a deficit of expenditure over income in the year. In addition it has significant debts which will need to be collected in the short term to ensure that cash flow is sufficient to manage the business, together with a need to manage liabilities during that short term period. As stated in note 1, these events or conditions indicate that a material uncertainty exists that may cast doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included obtaining information and evidence from management relating to the matters in question and fully evaluating that assessment. Our key observations arising with respect to that evaluation centred around the issues that have been disclosed in note 1 which led to our conclusion concerning the uncertainty.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF CUMBRIA COMMUNITY HOMES

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF CUMBRIA COMMUNITY HOMES

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
CUMBRIA COMMUNITY HOMES**

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Julian Brigstocke FCA
Senior Statutory Auditor

for and on behalf of Collards
Chartered Accountants
Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
5-9 Eden Street
Kingston-Upon - Thames
Surrey
KT1 1BQ

1 November 2023

CUMBRIA COMMUNITY HOMES

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	Unrestricted fund £	Restricted fund £	30.6.22 Total funds £	30.6.21 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	35,567	-	35,567	61,802
Charitable activities					
Housing	3	<u>3,026,198</u>	<u>-</u>	<u>3,026,198</u>	<u>1,238,799</u>
Total		<u>3,061,765</u>	<u>-</u>	<u>3,061,765</u>	<u>1,300,601</u>
EXPENDITURE ON					
Charitable activities					
Charitable activity	4	1,244,950	-	1,244,950	-
Housing		1,897,007	-	1,897,007	1,298,226
Other		<u>12,159</u>	<u>-</u>	<u>12,159</u>	<u>849</u>
Total		<u>3,154,116</u>	<u>-</u>	<u>3,154,116</u>	<u>1,299,075</u>
NET INCOME/(EXPENDITURE)		(92,351)	-	(92,351)	1,526
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,887</u>	<u>-</u>	<u>1,887</u>	<u>361</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>(90,464)</u></u>	<u><u>-</u></u>	<u><u>(90,464)</u></u>	<u><u>1,887</u></u>

The notes form part of these financial statements

CUMBRIA COMMUNITY HOMES

BALANCE SHEET 30 JUNE 2022

	Notes	Unrestricted fund £	Restricted fund £	30.6.22 Total funds £	30.6.21 Total funds £
CURRENT ASSETS					
Debtors	11	542,921	-	542,921	155,621
Cash at bank		<u>3,984</u>	<u>-</u>	<u>3,984</u>	<u>5,091</u>
		546,905	-	546,905	160,712
CREDITORS					
Amounts falling due within one year	12	(604,039)	-	(604,039)	(113,337)
		<u>(57,134)</u>	<u>-</u>	<u>(57,134)</u>	<u>47,375</u>
NET CURRENT ASSETS/(LIABILITIES)					
		(57,134)	-	(57,134)	47,375
CREDITORS					
Amounts falling due after more than one year	13	(33,330)	-	(33,330)	(45,488)
		<u>(90,464)</u>	<u>-</u>	<u>(90,464)</u>	<u>1,887</u>
NET ASSETS/(LIABILITIES)					
		(90,464)	-	(90,464)	1,887
FUNDS	16				
Unrestricted funds				<u>(90,464)</u>	<u>1,887</u>
TOTAL FUNDS				<u>(90,464)</u>	<u>1,887</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2022.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

The financial statements were approved by the Board of Trustees and authorised for issue on 1 November 2023 and were signed on its behalf by:

Mrs E Stones - Trustee

The notes form part of these financial statements

CUMBRIA COMMUNITY HOMES

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	30.6.22 £	30.6.21 £
Cash flows from operating activities			
Cash generated from operations	1	29,668	(20,685)
Interest paid		<u>(12,159)</u>	<u>(849)</u>
Net cash provided by/(used in) operating activities		<u>17,509</u>	<u>(21,534)</u>
Cash flows from financing activities			
Loan repayments in year		<u>(18,616)</u>	<u>-</u>
Net cash (used in)/provided by financing activities		<u>(18,616)</u>	<u>-</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		(1,107)	(21,534)
Cash and cash equivalents at the beginning of the reporting period		<u>5,091</u>	<u>26,625</u>
Cash and cash equivalents at the end of the reporting period		<u><u>3,984</u></u>	<u><u>5,091</u></u>

The notes form part of these financial statements

CUMBRIA COMMUNITY HOMES

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022**

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	30.6.22 £	30.6.21 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(92,351)	1,526
Adjustments for:		
Interest paid	12,159	849
Increase in long term creditors	-	37,488
Increase in bank overdraft	-	6,312
Increase in other loans	-	11,000
Increase in debtors	(387,300)	(155,245)
Increase in creditors	<u>497,160</u>	<u>77,385</u>
Net cash provided by/(used in) operations	<u><u>29,668</u></u>	<u><u>(20,685)</u></u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.7.21 £	Cash flow £	At 30.6.22 £
Net cash			
Cash at bank	<u>5,091</u>	<u>(1,107)</u>	<u>3,984</u>
	<u>5,091</u>	<u>(1,107)</u>	<u>3,984</u>
Debt			
Debts falling due within 1 year	(23,312)	6,458	(16,854)
Debts falling due after 1 year	<u>(45,488)</u>	<u>12,158</u>	<u>(33,330)</u>
	<u>(68,800)</u>	<u>18,616</u>	<u>(50,184)</u>
Total	<u><u>(63,709)</u></u>	<u><u>17,509</u></u>	<u><u>(46,200)</u></u>

The notes form part of these financial statements

CUMBRIA COMMUNITY HOMES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The Charity has reported a deficit in the accounts for the year and currently has a surplus of liabilities over assets in the balance sheet.

The Charity, which normally runs on a break even basis, has been adversely affected by the non payment of rent in relation to a particular property that it manages. The receipt of that rent is subject to a Tribunal due to be held in November 2023. The Trustees are confident that the contracted rent will be received which will significantly relieve cash flow pressures.

The deficit reported has come about as a result of rapid expansion and the need to invest in staffing and property costs to meet this expansion. The Trustees are confident that steps have been put in place to ensure that the organisation is now running on a break even basis and will be able to pay off its past debts.

Consequently the Trustees have prepared the accounts on a going concern basis.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants received are credited to profit and loss account in the financial period in which they are received.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

CUMBRIA COMMUNITY HOMES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 JUNE 2022

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND LEGACIES

	30.6.22	30.6.21
	£	£
Donations	19,898	3,534
Grants	<u>15,669</u>	<u>58,268</u>
	<u>35,567</u>	<u>61,802</u>

Grants received, included in the above, are as follows:

	30.6.22	30.6.21
	£	£
Other grants	<u>15,669</u>	<u>58,268</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	30.6.22	30.6.21
		£	£
Rent contributions	Housing	<u>3,026,198</u>	<u>1,238,799</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 5)	Totals
	£	£	£
Charitable activity	946,393	298,557	1,244,950
Housing	<u>1,897,007</u>	<u>-</u>	<u>1,897,007</u>
	<u>2,843,400</u>	<u>298,557</u>	<u>3,141,957</u>

5. SUPPORT COSTS

	Management	Finance	Governance costs	Totals
	£	£	£	£
Charitable activity	<u>284,060</u>	<u>5,497</u>	<u>9,000</u>	<u>298,557</u>

CUMBRIA COMMUNITY HOMES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022**

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	30.6.22	30.6.21
	£	£
Hire of plant and machinery	-	367
Other operating leases	3,363	12,544
Rent	<u>-</u>	<u>569,191</u>

7. AUDITORS' REMUNERATION

	30.6.22	30.6.21
	£	£
Fees payable to the charity's auditors and their associates for the audit of the charity's financial statements	<u>9,000</u>	<u>6,000</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2022 nor for the year ended 30 June 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 June 2022 (2021:£3,692).

9. STAFF COSTS

	30.6.22	30.6.21
	£	£
Wages and salaries	689,073	330,663
Social security costs	45,780	17,575
Other pension costs	<u>8,029</u>	<u>1,950</u>
	<u>742,882</u>	<u>350,188</u>

The average monthly number of employees during the year was as follows:

	30.6.22	30.6.21
	<u>28</u>	<u>15</u>
Staff		

No employees received emoluments in excess of £60,000.

CUMBRIA COMMUNITY HOMES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022**

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	61,802	-	61,802
Charitable activities			
Housing	<u>1,238,799</u>	<u>-</u>	<u>1,238,799</u>
Total	<u>1,300,601</u>	<u>-</u>	<u>1,300,601</u>
EXPENDITURE ON			
Charitable activities			
Housing	1,298,226	-	1,298,226
Other	<u>849</u>	<u>-</u>	<u>849</u>
Total	<u>1,299,075</u>	<u>-</u>	<u>1,299,075</u>
NET INCOME	1,526	-	1,526
RECONCILIATION OF FUNDS			
Total funds brought forward	361	-	361
TOTAL FUNDS CARRIED FORWARD	<u><u>1,887</u></u>	<u><u>-</u></u>	<u><u>1,887</u></u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.22 £	30.6.21 £
Trade debtors	450,080	153,710
Other debtors	<u>92,841</u>	<u>1,911</u>
	<u><u>542,921</u></u>	<u><u>155,621</u></u>

At 30th June 2022 the charity had a trade debtor of £263,510 recognised for a property at Lawson Street where housing and support is offered. This is currently subject to a tribunal hearing in November 2023 and is expected to be received in full.

CUMBRIA COMMUNITY HOMES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.22	30.6.21
	£	£
Bank loans and overdrafts (see note 14)	10,004	6,312
Other loans (see note 14)	6,850	17,000
Trade creditors	418,512	12,530
Social security and other taxes	132,676	65,369
Other creditors	10,339	3,006
Accrued expenses	<u>25,658</u>	<u>9,120</u>
	<u>604,039</u>	<u>113,337</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.6.22	30.6.21
	£	£
Bank loans (see note 14)	33,330	43,688
Other loans (see note 14)	<u>-</u>	<u>1,800</u>
	<u>33,330</u>	<u>45,488</u>

14. LOANS

An analysis of the maturity of loans is given below:

	30.6.22	30.6.21
	£	£
Amounts falling due within one year on demand:		
Bank loans	10,004	6,312
Other loans	<u>6,850</u>	<u>17,000</u>
	<u>16,854</u>	<u>23,312</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>10,010</u>	<u>9,666</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	23,320	30,491
Other loans - 2-5 years	<u>-</u>	<u>1,800</u>
	<u>23,320</u>	<u>32,291</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	-	3,531

CUMBRIA COMMUNITY HOMES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022**

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	30.6.22 £	30.6.21 £
Within one year	2,299,592	832,710
Between one and five years	<u>3,169,309</u>	<u>1,598,160</u>
	<u><u>5,468,901</u></u>	<u><u>2,430,870</u></u>

16. MOVEMENT IN FUNDS

	At 1.7.21 £	Net movement in funds £	At 30.6.22 £
Unrestricted funds			
General fund	1,887	(92,351)	(90,464)
	<u>1,887</u>	<u>(92,351)</u>	<u>(90,464)</u>
TOTAL FUNDS	<u><u>1,887</u></u>	<u><u>(92,351)</u></u>	<u><u>(90,464)</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,061,765	(3,154,116)	(92,351)
	<u>3,061,765</u>	<u>(3,154,116)</u>	<u>(92,351)</u>
TOTAL FUNDS	<u><u>3,061,765</u></u>	<u><u>(3,154,116)</u></u>	<u><u>(92,351)</u></u>

Comparatives for movement in funds

	At 1.7.20 £	Net movement in funds £	At 30.6.21 £
Unrestricted funds			
General fund	361	1,526	1,887
	<u>361</u>	<u>1,526</u>	<u>1,887</u>
TOTAL FUNDS	<u><u>361</u></u>	<u><u>1,526</u></u>	<u><u>1,887</u></u>

CUMBRIA COMMUNITY HOMES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022**

16. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,300,601	(1,299,075)	1,526
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,300,601</u>	<u>(1,299,075)</u>	<u>1,526</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.7.20 £	Net movement in funds £	At 30.6.22 £
Unrestricted funds			
General fund	361	(90,825)	(90,464)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>361</u>	<u>(90,825)</u>	<u>(90,464)</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	4,362,366	(4,453,191)	(90,825)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>4,362,366</u>	<u>(4,453,191)</u>	<u>(90,825)</u>

17. RELATED PARTY DISCLOSURES

During the period, the charitable company entered into the following related party transactions.

Fees and expenses paid to trustees:

Mr G C Asbury £948 (2021: £1,000)

Mr P Sheldon £Nil (2021 : £1,000)

Mrs E Stones £61,328 (2021 : £33,632)

As at the balance sheet date the charitable company owed £3,675 (2021 : £2,090) to Mrs E Stones.

During the period, the charity entered into transactions with Stones ISH Holdings Limited. Mrs E Stone is a trustee of the charity and is a shareholder and director of this company. The charity received consultancy services in the amount of £56,033 (2021 : £38,950) which was for working with various landlords to grow the portfolio of properties available for the growing number of vulnerable tenant referrals needing social housing. The Charity received services in the amount of £139,897 (2021 : £Nil) for rent for properties owned by Stones ISH Holdings Limited.

CUMBRIA COMMUNITY HOMES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 JUNE 2022

17. RELATED PARTY DISCLOSURES - continued

As at the balance sheet date the charitable company is owed £26,955 (2021 : £1,911) by Mrs Christine Bee, an employee of the charity. This is an employee loan. This loan interest free, unsecured, and due to be repaid within one year.

During the year the charity had transactions with Cumbria Community Person Centred Approach Limited (CCPCA), a company controlled by Mrs Christine Bee, an employee of the charity. During this period, the charity received income of £45,452 (2021 : £Nil) on CCPCA's behalf, paid wages, and related taxes of £108,407 (2021 : £Nil) and received funds of £2,930 (2021 : £Nil) from CCPCA leading to a net debtor due to the charity of £65,885 (2021 : £Nil).

18. GENERAL INFORMATION

Cumbria Community Homes is a company limited by guarantee and incorporated in England and Wales. It's registered office is 37 Riverside Gardens, Barrow-in-Furness, Cumbria, LA13 0DD. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The financial statements are presented in sterling, which is the functional currency of the company.

CUMBRIA COMMUNITY HOMES

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2022**

	30.6.22 £	30.6.21 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	19,898	3,534
Grants	<u>15,669</u>	<u>58,268</u>
	35,567	61,802
Charitable activities		
Rent contributions	<u>3,026,198</u>	<u>1,238,799</u>
Total incoming resources	3,061,765	1,300,601
EXPENDITURE		
Charitable activities		
Wages	689,073	330,663
Social security	45,780	17,575
Pensions	8,029	1,950
Rent	1,906,107	569,191
Maintenance	194,411	133,474
Donations	<u>-</u>	<u>160</u>
	2,843,400	1,053,013
Other		
Bank interest	10,958	-
Bank loan interest	<u>1,201</u>	<u>849</u>
	12,159	849
Support costs		
Management		
Hire of plant and machinery	-	367
Other operating leases	3,363	12,544
Insurance	4,550	3,398
Light and heat	1,786	6,465
Telephone	17,475	7,236
Postage and stationery	6,937	6,098
Advertising	2,679	575
Sundries	5,138	1,641
Cleaning	10,797	6,260
Office rent	19,616	10,950
Travel and subsistence	25,863	38,197
Motor expenses	46,685	16,658
Storage	2,137	957
Computer expenses	41,988	23,325
Accountancy	15,887	3,367
Professional fees	3,567	10,316
Carried forward	208,468	148,354

This page does not form part of the statutory financial statements

CUMBRIA COMMUNITY HOMES

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2022**

	30.6.22 £	30.6.21 £
Management		
Brought forward	208,468	148,354
Consultancy fees	<u>75,592</u>	<u>87,829</u>
	284,060	236,183
Finance		
Bank charges	1,151	1,328
Statutory interest	<u>4,346</u>	<u>1,702</u>
	5,497	3,030
Governance costs		
Auditors' remuneration	<u>9,000</u>	<u>6,000</u>
Total resources expended	<u>3,154,116</u>	<u>1,299,075</u>
Net (expenditure)/income	<u><u>(92,351)</u></u>	<u><u>1,526</u></u>

This page does not form part of the statutory financial statements