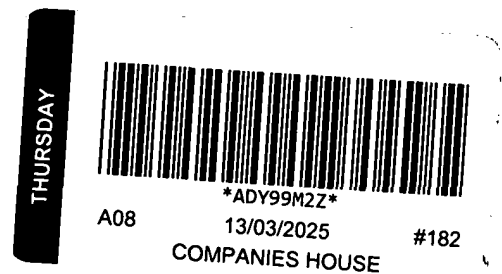


REGISTERED COMPANY NUMBER: 12068336 (England and Wales)
REGISTERED CHARITY NUMBER: 1184991

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023
FOR
CUMBRIA COMMUNITY HOMES**



CUMBRIA COMMUNITY HOMES

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CUMBRIA COMMUNITY HOMES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2023

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 2023. 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

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

We 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.

We 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.

We 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

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

Integrity

We practice providing a quality service with integrity and sensitivity.

Non-judgemental

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

Teamwork

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

Empathy

We put ourselves in other people's shoes.

Positive attitude

We practice with a problem-solving approach.

History

The business was incorporated 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 providers across Cumbria, parts of Lancashire, the North-East, Lincolnshire and West Yorkshire.

CUMBRIA COMMUNITY HOMES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2023

STRATEGIC REPORT

Achievement and performance

Strategic Growth

Currently CCH have over 300 homes in management. The strategic plan for the next 12 months is to consolidate the current service being provided and ensure that the day to day operations run smoothly. We continue to review the structures and controls across the business.

CCH currently employ 38 people across the business including housing management, tenancy officers, maintenance, admin, compliance and finance and where necessary rely on a network of suppliers for ad-hoc services.

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.

Review of activities

The service provided by the company to its tenants was very much business as usual. Tenancy officers spend regular time with each of their tenants to help them work through their support needs following an agreed support plan which identifies specific needs that the tenant requires help with. In addition an on-call 24/7 is available for out of hours support.

The cost of maintaining the properties has increased as the cost of living, materials and labour have all increased during this time but strict policies of obtaining quotes and estimates have helped reduce third party supplier costs.

The introduction of more stringent internal operational processes and procedures has helped to improve the smooth daily operations of running the company.

Relationships with councils, in part the Housing Benefit teams, have ensured claims are being processed and paid in a timely manner which has a positive effect on the cash flow of the business.

CUMBRIA COMMUNITY HOMES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2023

STRATEGIC REPORT

Financial review

Financial position

2022/2023 was a challenging year from a financial point of view for the Charity. The statement of financial activities shows a deficit of expenditure over income of £294,008.

As a result of various issues arising throughout the year, the Chief Executive resigned in December 2023. At that time the trustees were added as signatories on the company's bank account and a mandatory dual authorisation was put in place for all payments. The trustees are now in the course of restructuring the management of the business.

Debtors were contacted from November 2023 onwards and payment plans put in place where necessary which have all been adhered to and all fully paid. There are two bank loans that continue to be paid back monthly and on time, and there is an agreed monthly payment plan which pays off all outstanding debts to HMRC by June 2026, however the trustees anticipate this will be fully settled prior to that date.

A tribunal hearing concerning disputed rent for a property in Lawson Street, Barrow-in-Furness, took place in November 2023 and reached a favourable outcome for the Company. Rent owed to the company was paid in April 2024. The funds received were used to pay off the rent arrears to our landlords who are now all up to date and receiving payments of rent as and when they fall due.

The exceptional items detailed in the accounts below have been recognised as charitable expenditure and are included in the deficit figures. A large proportion of these related expenses were payments made on behalf of Cumbria Community Person Centred Approach Limited (CCPCA). CCPCA used to run alongside CCH and offer tenants additional care packages outside of the normal tenancy support offered by Cumbria Community Homes (CCH). This is no longer the case and any association between the two companies were terminated in December 2023.

There were also loans made to employees which were written off as irrecoverable when they left the Company.

Due to the strict financial controls put in place by the Finance Director since December 2023, the Company is now in a much stronger financial position and recovering its fund deficit.

The accounting period ending June 2024 will show that the Charity is running within its means.

Our current financial objective is to work with our accountants and auditors to upgrade financial systems and internal controls.

Reserves policy

The charity's policy is to build up its reserves for the purposes of the development and sustainability of the charity. The large expansion over this period lead to a deficit of funds as at the end of 30th June 2023 of £384,472 compared to £90,464 the previous year.

The trustees have put in place procedures for the deficit to be reversed. As at the date of the signing of the accounts, the deficit has been reduced by around 70%. As a result of the above, the accounts have been prepared on a going concern basis and the trustees are confident that measures taken will ensure financial stability in future years.

Financial and risk management objectives and policies

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finance of the charity and are satisfied that systems are now in place to mitigate its exposures to these risks.

The Board of Trustees review the annual budget paying particular attention to the balance between income and expenditure and the amount needed to be retained in reserves.

CUMBRIA COMMUNITY HOMES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2023

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.

Recruitment and appointment of new trustees

The current trustees are aware that at present there are only two trustees which is not in accordance with the governing document. They are in the process of looking to appoint new trustees that will help drive the Charity forward and ensure that those who are appointed demonstrate relevant experience from within the sector, for example landlords, ex-council members and individuals with finance and property development experience. New trustees will be appointed under the terms of the Articles of Association by a resolution of the existing trustees, who are also Directors of the Company. All trustees are and will be made aware of their responsibilities before appointment.

Organisational structure

Christine Bee stood down as Chief Executive in December 2023 and the day to day operations of the business are now being managed by Amanda Stevens, for which she receives a fee, and the senior management team.

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 meetings and any risks that are felt to prevent the Charity achieving its objectives are reviewed with the senior management team.

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 P Sheldon (resigned 30.10.24)
Mrs E Stones
Ms A Stevens

Auditors

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

Bankers

Barclays Bank plc
Leicester
LE87 2BB

CUMBRIA COMMUNITY HOMES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2023

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 11th March 2025 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

Disclaimer of opinion

We were engaged to audit the financial statements of Cumbria Community Homes (the 'charitable company') for the year ended 30 June 2023 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).

We do not express an opinion on the accompanying financial statements of the company. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for opinion

Basis for disclaimer of opinion

During the year for which the audit was required, a breakdown in financial management and control within the charity led to a deficiency of financial information required to verify most aspects of the accounts presented to us. Whilst the Trustees addressed the lack of control and systems in operation, action was not taken until after the end of financial year to which this report applies.

Our audit work came across deficiencies in all areas of the accounting system, including the recording of wages and salaries, payments to suppliers and the management and supervision of costs and expenses. In addition, in multiple areas, we were unable to confirm the completeness or accuracy of entries in the financial statements, as sufficient audit evidence was not available to us.

As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded costs or income, and the elements making up the Statement of financial activities, the balance sheet or cash flow statement.

Opinion on other matters prescribed by the Companies Act 2006

Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of our audit:

- The information 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 properly prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified material misstatements in the Trustees' Report.

Arising from the limitation of our work referred to above:

- We have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- We were unable to determine whether adequate accounting records have been kept.

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

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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our responsibility is to conduct an audit of the Charity's financial statements in accordance with International Standards on Auditing (UK) and to issue an Auditor's report.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the 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.

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

Detecting Irregularities

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

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.

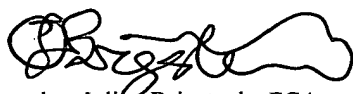
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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

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.

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

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

11th March 2025

CUMBRIA COMMUNITY HOMES

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	Unrestricted fund £	Restricted fund £	30.6.23 Total funds £	30.6.22 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	15,499	-	15,499	35,567
Charitable activities	3				
Housing		<u>4,111,304</u>	<u>-</u>	<u>4,111,304</u>	<u>3,026,198</u>
Total		<u>4,126,803</u>	<u>-</u>	<u>4,126,803</u>	<u>3,061,765</u>
EXPENDITURE ON					
Charitable activities	4				
Charitable activity		-	-	-	1,244,950
Housing		4,393,630	-	4,393,630	1,897,007
Other		<u>27,181</u>	<u>-</u>	<u>27,181</u>	<u>12,159</u>
Total		<u>4,420,811</u>	<u>-</u>	<u>4,420,811</u>	<u>3,154,116</u>
NET INCOME/(EXPENDITURE)		(294,008)	-	(294,008)	(92,351)
RECONCILIATION OF FUNDS					
Total funds brought forward		(90,464)	-	(90,464)	1,887
TOTAL FUNDS CARRIED FORWARD		<u>(384,472)</u>	<u>-</u>	<u>(384,472)</u>	<u>(90,464)</u>

The notes form part of these financial statements

CUMBRIA COMMUNITY HOMES

BALANCE SHEET 30 JUNE 2023

	Notes	Unrestricted fund £	Restricted fund £	30.6.23 Total funds £	30.6.22 Total funds £
CURRENT ASSETS					
Debtors	12	379,968	-	379,968	542,921
Cash at bank		<u>1,895</u>	<u>-</u>	<u>1,895</u>	<u>3,984</u>
		381,863	-	381,863	546,905
CREDITORS					
Amounts falling due within one year	13	(743,010)	-	(743,010)	(604,039)
		<u>(743,010)</u>	<u>-</u>	<u>(743,010)</u>	<u>(604,039)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(361,147)</u>	<u>-</u>	<u>(361,147)</u>	<u>(57,134)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(361,147)	-	(361,147)	(57,134)
CREDITORS					
Amounts falling due after more than one year	14	(23,325)	-	(23,325)	(33,330)
		<u>(23,325)</u>	<u>-</u>	<u>(23,325)</u>	<u>(33,330)</u>
NET ASSETS/(LIABILITIES)		<u>(384,472)</u>	<u>-</u>	<u>(384,472)</u>	<u>(90,464)</u>
FUNDS	17				
Unrestricted funds				<u>(384,472)</u>	<u>(90,464)</u>
TOTAL FUNDS				<u>(384,472)</u>	<u>(90,464)</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2023.

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

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- 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.

The notes form part of these financial statements

CUMBRIA COMMUNITY HOMES

BALANCE SHEET - continued
30 JUNE 2023

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 11th March 2025 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'E Stones', written over a horizontal line.

Mrs E Stones - Trustee

The notes form part of these financial statements

CUMBRIA COMMUNITY HOMES

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	30.6.23 £	30.6.22 £
Cash flows from operating activities			
Cash generated from operations	1	(71,342)	29,668
Interest paid		<u>(27,181)</u>	<u>(12,159)</u>
Net cash (used in)/provided by operating activities		<u>(98,523)</u>	<u>17,509</u>
 Cash flows from financing activities			
New loans in year		113,284	-
Loan repayments in year		<u>(16,850)</u>	<u>(18,616)</u>
Net cash provided by/(used in) financing activities		<u>96,434</u>	<u>(18,616)</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(2,089)	(1,107)
Cash and cash equivalents at the beginning of the reporting period		<u>3,984</u>	<u>5,091</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>1,895</u></u>	<u><u>3,984</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 2023**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	30.6.23 £	30.6.22 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(294,008)	(92,351)
Adjustments for:		
Interest paid	27,181	12,159
Decrease/(increase) in debtors	162,953	(387,300)
Increase in creditors	<u>32,532</u>	<u>497,160</u>
Net cash (used in)/provided by operations	<u>(71,342)</u>	<u>29,668</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.7.22 £	Cash flow £	At 30.6.23 £
Net cash			
Cash at bank	<u>3,984</u>	<u>(2,089)</u>	<u>1,895</u>
	<u>3,984</u>	<u>(2,089)</u>	<u>1,895</u>
Debt			
Debts falling due within 1 year	(16,854)	(106,441)	(123,293)
Debts falling due after 1 year	<u>(33,330)</u>	<u>10,005</u>	<u>(23,325)</u>
	<u>(50,184)</u>	<u>(96,434)</u>	<u>(146,618)</u>
Total	<u>(46,200)</u>	<u>(98,523)</u>	<u>(144,723)</u>

The notes form part of these financial statements

CUMBRIA COMMUNITY HOMES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 had reported a deficit of £294,008 in the 2022/23 year and £92,351 in the 2021/22 year.

The deficit arose due to charitable expenditure being committed without the necessary funding and made in excess of the funds available to support such charitable expenditure during the year. This is more fully set out in the Trustees Report.

As a result of the issues arising, the CEO has resigned from the Charity.

In the meantime the Trustees have been overseeing the operations of the Charity and have ensured that funds have been only spent in excess of expenditure incurred and that the deficit from the previous two years has been substantially reduced.

Under new management the Trustees have also ensured that proper financial controls have been put in place and that the organisation has operated ensuring that a surplus of funding has been generated. They are confident that such measures will allow the organisation to continue to run its operations at a surplus.

The accounts have therefore been prepared 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 the income and expenditure 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.

CUMBRIA COMMUNITY HOMES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 JUNE 2023

1. ACCOUNTING POLICIES - continued

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.

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

	30.6.23	30.6.22
	£	£
Donations	4,999	19,898
Grants	<u>10,500</u>	<u>15,669</u>
	<u>15,499</u>	<u>35,567</u>

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

	30.6.23	30.6.22
	£	£
Other grants	<u>10,500</u>	<u>15,669</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	30.6.23	30.6.22
		£	£
Rent contributions	Housing	4,051,103	3,026,198
Support charges	Housing	<u>60,201</u>	<u>-</u>
		<u>4,111,304</u>	<u>3,026,198</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 5)	Totals
	£	£	£
Housing	<u>3,384,811</u>	<u>1,008,819</u>	<u>4,393,630</u>

CUMBRIA COMMUNITY HOMES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 JUNE 2023

5. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Housing	<u>442,030</u>	<u>554,789</u>	<u>12,000</u>	<u>1,008,819</u>

6. NET INCOME/(EXPENDITURE)

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

	30.6.23 £	30.6.22 £
Other operating leases	<u>13,124</u>	<u>3,363</u>

7. AUDITORS' REMUNERATION

	30.6.23 £	30.6.22 £
Fees payable to the charity's auditors and their associates for the audit of the charity's financial statements	<u>12,000</u>	<u>9,000</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

Trustees were paid as follows:

	30.6.23 £	30.6.22 £
Amanda Stevens	29,960	4,430
Emma Stones	32,500	-

In addition Emma Stones received £6,112 expenses during the year ended 30 June 2023 (30 June 2022 - nil).

Further details of payments to related parties of the Trustees is shown in note 17 to the accounts.

CUMBRIA COMMUNITY HOMES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023**

9. STAFF COSTS

	30.6.23	30.6.22
	£	£
Wages and salaries	631,808	689,073
Social security costs	49,251	45,780
Other pension costs	<u>10,015</u>	<u>8,029</u>
	<u>691,074</u>	<u>742,882</u>

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

	30.6.23	30.6.22
	<u>31</u>	<u>28</u>
Staff		

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

10. EXCEPTIONAL ITEMS

During the year the Charity has recognised exception items of £550,126 (2022: £Nil). This relates to the following items:

£124,072 Un-categorised expenses paid to employees in the year

£331,781 Funding provided to Cumbria Community Person Centred Approach Limited treated as expenditure in the accounts

£31,421 loan provision to a former employee treated as expenditure in the accounts

£62,852 loan provision to the former CEO treated as expenditure in the accounts

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	35,567	-	35,567
Charitable activities			
Housing	<u>3,026,198</u>	<u>-</u>	<u>3,026,198</u>
Total	<u>3,061,765</u>	<u>-</u>	<u>3,061,765</u>
EXPENDITURE ON			
Charitable activities			
Charitable activity	1,244,950	-	1,244,950
Housing	1,897,007	-	1,897,007
Other	<u>12,159</u>	<u>-</u>	<u>12,159</u>
Total	<u>3,154,116</u>	<u>-</u>	<u>3,154,116</u>
NET INCOME/(EXPENDITURE)	(92,351)	-	(92,351)

CUMBRIA COMMUNITY HOMES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 JUNE 2023

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted fund £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	1,887	-	1,887
TOTAL FUNDS CARRIED FORWARD	<u>(90,464)</u>	<u>-</u>	<u>(90,464)</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.23 £	30.6.22 £
Trade debtors	351,993	450,080
Other debtors	<u>27,975</u>	<u>92,841</u>
	<u>379,968</u>	<u>542,921</u>

At 30th June 2023 the charity had a trade debtor of £94,917 recognised for a property at Lawson Street where housing and support is offered. This was subject to a tribunal hearing in November 2023 in which the Charity was successful. These funds are expected to be received in April 2024 per the court decision. This debtor is comprised of £846,987 of unpaid rent due to the Charity less £720,430.79 of rent due to landlords.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.23 £	30.6.22 £
Bank loans and overdrafts (see note 15)	123,294	10,004
Other loans (see note 15)	-	6,850
Trade creditors	344,854	418,512
Social security and other taxes	142,801	132,676
Other creditors	52,761	10,339
Accrued expenses	<u>79,301</u>	<u>25,658</u>
	<u>743,010</u>	<u>604,039</u>

CUMBRIA COMMUNITY HOMES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023**

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

	30.6.23	30.6.22
	£	£
Bank loans (see note 15)	<u>23,325</u>	<u>33,330</u>

15. LOANS

An analysis of the maturity of loans is given below:

	30.6.23	30.6.22
	£	£
Amounts falling due within one year on demand:		
Bank loans	123,294	10,004
Other loans	<u>-</u>	<u>6,850</u>
	<u>123,294</u>	<u>16,854</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>10,010</u>	<u>10,010</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>13,315</u>	<u>23,320</u>

16. LEASING AGREEMENTS

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

	30.6.23	30.6.22
	£	£
Within one year	2,225,710	2,299,592
Between one and five years	<u>3,082,891</u>	<u>3,169,309</u>
	<u>5,308,601</u>	<u>5,468,901</u>

17. MOVEMENT IN FUNDS

	At 1.7.22	Net movement in funds	At 30.6.23
	£	£	£
Unrestricted funds			
General fund	(90,464)	(294,008)	(384,472)
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	<u>(90,464)</u>	<u>(294,008)</u>	<u>(384,472)</u>

CUMBRIA COMMUNITY HOMES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023**

17. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	4,126,803	(4,420,811)	(294,008)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>4,126,803</u>	<u>(4,420,811)</u>	<u>(294,008)</u>

Comparatives for 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)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,887</u>	<u>(92,351)</u>	<u>(90,464)</u>

Comparative 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)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>3,061,765</u>	<u>(3,154,116)</u>	<u>(92,351)</u>

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

	At 1.7.21 £	Net movement in funds £	At 30.6.23 £
Unrestricted funds			
General fund	1,887	(386,359)	(384,472)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,887</u>	<u>(386,359)</u>	<u>(384,472)</u>

CUMBRIA COMMUNITY HOMES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 JUNE 2023

17. MOVEMENT IN FUNDS - continued

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	7,188,568	(7,574,927)	(386,359)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>7,188,568</u>	<u>(7,574,927)</u>	<u>(386,359)</u>

18. RELATED PARTY DISCLOSURES

During the period, the charitable company entered into the following related party transactions. See separately note 8 in relation to payments made to Trustees.

As at the balance sheet date the charitable company owed £16,000 (2022: £3,675) to Emma Stones, a Trustee in respect of fees owed. This amount is included in the Trade Creditors of the company.

Mrs.Stones has a debit balance on her loan account to the company of £27,975 so owed to the Charity at balance sheet date a total of £11,975. That loan is interest free and all due within one year.

During the year the Charity received services in the amount of £35,825 (2023: £40,850) for rent for properties owned by Stones ISH Holdings Limited.

During the year, a debt owed by Mrs Christine Bee, an employee of the Charity, totalling £62,852 was provided for as exceptional expenditure in the accounts, as a result of her departure from the Charity.

During the year the Charity had transactions with Cumbria Community Person Centred Approach Limited (CCPCA), a company controlled by Mrs Christine Bee, the former CEO of the charity. During this period, the Charity received funds of £98,369 (2022: £45,452) from councils on CCPCA's behalf, and £47,002 (2022: £2,930) in return of funds from CCPCA.

The company funded wages, taxes and other costs of CCPCA totalling £411,266 (2022: £108,407) from CCPCA leading to a net debtor due to the charity of £331,782 (2022: £65,885).

The balance of money transferred to CCPCA has now been written off to exceptional items (see note 10), due to the fact that CCPCA appears to be insolvent and not in a position to return any of the funds.

Included in maintenance costs are payments totalling £22,350 made to the maintenance manager who is a relative of Amanda Stevens. These fees were for maintenance services provided to the Charity's rented properties during the year and are therefore included in the charitable expenses of the company.

CUMBRIA COMMUNITY HOMES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 JUNE 2023

19. 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.