

The background of the cover is a photograph of a large, multi-story brick building with a prominent clock tower. The clock tower has a green patina and a clock face. The building is made of red and grey bricks. The sky is clear blue. A large white diagonal shape cuts across the left side of the image, containing the text. A green triangle is in the bottom left corner.

Thorner's Homes

2022

# REPORT & FINANCIAL STATEMENTS

YEAR ENDED  
31 DECEMBER 2022

Charitable Incorporated Organisation - Charity No. 1189291  
Regulator of Social Housing No. 5111

# CONTENTS

## Page

<b>03</b>	Reference and Administration Details
<b>04</b>	Report of the Trustees
<b>14</b>	Board Trustees' responsibilities
<b>15</b>	Report of the independent auditors
<b>19</b>	Statement of financial activities
<b>20</b>	Balance sheet
<b>22</b>	Statement of cash flows
<b>23</b>	Notes forming part of the financial statements

# REFERENCE & ADMINISTRATION DETAILS

## Trustees

Mrs A Bennett

Mr R Brazier

Mr D Butt

Mr M Caton

Mr D Hankins

Mr R Higgins

Mr P F Meacher (Chairman)

Mrs S Vaughan

Cllr D Furnell Appointed on 4th July 2022

## Chief Executive & Clerk to the Trustees

Mrs V Joynes MRICS

## Auditors

Hopper Williams & Bell Limited Chartered Accountants, Highland House, Mayflower Close, Chandlers Ford, Eastleigh, SO53 4AR

## Bankers

Lloyds Bank plc, 92-94 Above Bar Street, Southampton, SO14 7DT

## Solicitors

Paris Smith LLP, 1 London Road, Southampton, SO15 2AE

## Registered Office

86 Thorner's Court, Henstead Road, Southampton, SO15 2GU

## Registered Numbers

Charity Commission 1189291

Regulator of Social Housing 5111

# REPORT OF THE TRUSTEES

The Trustees present their report and financial statements for the year ended the 31 December 2022 which should be read in conjunction with the information on page 3.

## **Structure, Governance and Management**

Thorner's Homes and its linked charity Reardon Samaritan Fund are Charities governed by Schemes sealed by the Charity Commissioner, dated 30 April 2020 which established Thorner's Homes as a Charitable Incorporated Organisation (CIO), and 10 October 1968 with subsequent variations for the Reardon Samaritan Fund.

The Trustees listed on page 3 have held office during the whole period from the 1 January 2022 to the date of this report except as indicated.

When a vacancy occurs for a Trustee, consideration is given to the skills required on the Board at the time and direct contact is made to persons with those skills. A meeting is arranged with the prospective Trustee to advise them of the required commitment, explain the charity's objectives and assess their interest. A guided tour of the various properties is undertaken, a history and background of the Charity is given, a copy of the most recent accounts are provided and they are invited to attend a quarterly meeting as an observer. An induction file containing a copy of the governing instrument together with the policies and procedures of the charity is provided for the Trustees future reference. The charity monitors legislation, and training is on-going as required.

The Board of Trustees meet quarterly, usually during the first week of March, June, September and December. The Annual General Meeting is held in June. From time-to-time sub-committees comprising at least four Trustees are created to make use of Trustees' skills. At present there is a Refurbishment Sub-Committee that comprises of four Trustees with the appropriate skills in, accountancy, surveying, construction and architecture. In addition, the Chairman has regular conversations, communications and meetings with the Chief Executive. Supplier invoices and payments are authorised by the Financial Trustee and payment made online by two authorised signatories. The Trustees meet to review the quarterly accounts, financial budgets, business plans, set weekly maintenance contributions, consider tenders, appoint contractors, set the policies, procedures, consider and plan for the future of the charity and receive reports from professional advisers and the Chief Executive.

The charity has adopted Charity Governance Code for smaller charities.

The Chief Executive takes responsibility for all aspects of the day-to-day management of the charity. The well-being of the residents and staff is monitored by daily contact with the staff team and through meetings. The Chief Executive has authority to order goods or instruct contractors for work up to a value of £2,500. All appointments of staff are made by the Trustees.

Residents are kept informed of any changes that are proposed for the day to day running of the charity which will affect them, by way of circular. When major changes are being considered meetings are held with residents to discuss, consider and take account of their views and where possible incorporate them into any project. If it is necessary visits are made to individual residents if they are unable to attend a meeting.

# REPORT OF THE TRUSTEES

## Public Benefit

The Trustees follow guidance issued by the Charity Commission, the Regulator for Social Housing and the National Almshouse Association. The charity aims to provide quality sheltered almshouse accommodation for ladies, with limited financial means and in need, in a caring safe environment. Applicants do not need to come from Southampton and this enables them to move nearer their families whilst retaining their independence. Staff monitor the residents' well-being and enable them to access services which may be available to improve their quality of life and encourage them to participate in social activities.

## Objects and Activities

Thorner's Homes exists to provide almshouse accommodation for poor widows, and single women aged 55 and over who require such accommodation due to poverty, financial hardship or other charitable need.

To further these objects the charity owns and manages two housing schemes in Southampton in which individual flats are provided for each resident:

*Thorner's Court, Henstead Road, Southampton, SO15 2GW*

This scheme was originally built as bedsits in 1971-1973. Originally remodelled to provide 38 one-bedroom flats with communal facilities during 1999-2000, it will by the middle of 2023 provide 42 modern remodelled one-bedroom flats, with refurbished communal facilities.

*Robert Thorner Court, 133 Regents Park Road, Shirley, Southampton, SO15 4AG*

This scheme was redeveloped in 2010-2014 to provide 60 two-bedroom flats for single occupancy with communal facilities.

The charity has two properties held as investment properties to create further income for the charity, both are normally let on assured shorthold tenancies and two further properties, which were previously used for scheme managers accommodation.

## Achievements and Performance

The charity has continued to provide good quality almshouse accommodation. The Trustees were aware of the perceived disparity between the quality of the accommodation at the two sites, arising because of the differing age of the two developments. For several years, the charity had been working on a major refurbishment project for Thorner's Court, that involves the flats being upgraded to provide modern accommodation with improved heating, bathrooms equipped with level access or low-level walk-in showers, instead of showers over baths and modern kitchens with eye level ovens, all designed to make the accommodation more appropriate for the age group. In addition, a previous staff unit is to be brought into use as resident accommodation. Following receipt of planning for certain aspects of the refurbishment plus three additional flats and a second lift which was approved on 26th May 2020, the Charity commenced work on site on the 7th February 2022 with Mountjoy Limited as the main contractor and the project split into three phases. Phase one, consisting of 17 flats, including the staff unit, was completed on 15th August 2022. Whilst the original contract anticipated the work to take 54 weeks, several issues were discovered during the work, which has led to the contract being extended, despite running phases two and three concurrently. It is expected that the project will be completed by the end of August. Issues discovered included finding asbestos that had been paid to be removed during the 1999-2000 remodelling hidden under screed and electric cables and water pipes where the lift pit was being constructed that were not on any as built drawings.

# REPORT OF THE TRUSTEES

An application for grant funding towards the refurbishment project was made to Homes England and confirmation was received on 22nd September 2022 that the application had been successful and that a conditional grant of £2,139,814 had been awarded. One of the conditions was that a grant agreement should be signed and this occurred on 8th March 2023 and so the grant income will be recognised in the 2023 accounts. The first payment of the grant award of £1,575,001 was received on 3rd April 2023.

As a result of the delays to the refurbishment project, at the 31 December 2022, only 69 of the current 98 flats available were occupied. However, 22 of the vacancies were planned as part of phases two and three of the refurbishment and remodelling. To accommodate residents there were some moves between the two sites, leaving 2 vacancies in phase one at Thorner's Court and 5 at Robert Thorner Court.

During 2022, a new Housing Manager role was put in place, that amongst other duties took over the line management of the Resident Scheme Managers and during the refurbishment period was able to give greater support to them, whilst the Chief Executive was otherwise engaged. The effect of the Housing Manager role has been positive. Through the involvement of the Resident Scheme Managers, Housing Manager and the Chief Executive, the welfare and personal situations of residents is closely monitored. The charity aims to deal promptly with any concerns or worries that they may have and as a result have a very low level of resident's complaints. Any matters brought to the attention of the staff or trustees are considered fully and dealt with in a fair and equitable way, with the resident being fully informed.

## *Thorner's Court*

Since the 31 December 2021, one resident in rehabilitation at a care home stayed there permanently. There were four moves to Robert Thorner Court. There were no new appointments.

## *Robert Thorner Court*

Since 31 December 2021 the charity sadly lost four residents. In addition, three residents moved to care homes. There were four moves from Thorner's Court and there were five new appointments.

Routine and programmed maintenance has continued throughout the year at both sites.

## **Financial review**

The overall loss for the year was £83,426 (2021: £34,654). The deficit has arisen due to the number of flats at Thorner's Court which have been vacant in preparation for and during the refurbishment project. The deficit on Social Housing activity increased from £112,434 last year to £155,242 due to the vacant flats and increasing costs.

The last two decades have seen several attempts to bring social rents up to or down to acceptable levels and during the period 2002 and 2012 registered providers were given the opportunity to address any shortfalls in their weekly maintenance charge. However, it was considered by the then Trustees, that the levels of weekly maintenance charge were reasonable for the client group housed. From April 2016 there was pressure to reduce the level of weekly maintenance contributions from central government and over three years from that date contribution levels were meant to be reduced by 1% each year, thus reducing the overall Housing Benefit bill. This was postponed for almshouses and similar accommodation to April 2017 and then further to 2022, but it had already been implemented by the Charity for two years.



# REPORT OF THE TRUSTEES

The Trustees have considered the possibility that the work at Thorner's Court could justify a review of its weekly maintenance charge upwards. However, the differential between the two sites is not sufficient, given the additional bedroom at Robert Thorner Court, to allow an increase in the weekly maintenance charge at Thorner's Court. In addition to this, as the Charity had applied for a grant from Homes England towards the work at Thorner's Court, it was not considered appropriate to increase the weekly maintenance charge. In January 2023, the Regulator has restricted the rate of increase for weekly maintenance charges from the usual September CPI + 1% to a maximum of 7%. The Trustees have used this maximum to increase the differential between the two bed flats of Robert Thorner's Court and those at Thorner's Court, with the latter only increasing by 5% from April 2023. For most residents this will not have a financial impact as they are in receipt of Housing Benefit. Where they are not, they have the ability to discuss the matter with the Charity where additional support may be available, with the agreement of the Trustees.

The charity has received revenue from its listed investments, bank deposits and investment properties totalling £36,221 (2021 £26,904). During the year the bank deposits returned a higher level of income, as bank interest rates increased and the NAACIF returns continue to be stable and acceptable.

## **Value for Money Standard**

Due to the relatively small size of the charity and the limited resources available the Trustees have always been very cost conscious whilst ensuring that there is sufficient and appropriate expenditure, on staff and facilities, to maintain sufficient and appropriate care and facilities for residents.

The finances of the charity are very closely monitored and controlled with robust systems of authorisation and control over funds. All costs are carefully considered for both the short and longer-term benefit. Consideration is given to capital improvements that enhance the facilities and reduce long term operational costs rather than a continual cycle of routine maintenance. All costs are monitored against prior periods and budgets and any variances are subject to scrutiny.

The charity is committed to delivering effective and efficient services to residents and embraces the Value for Money (VFM) methodology as required by the Regulator of Social Housing (RSH). The charity seeks to ensure that all financial and other resources are used to achieve the greatest benefits for the charity, in working towards the furtherance of the aims of the charity, as described in the governing documents.

The requirements of the RSH are to include standard metrics; the following shows these metrics for the charity. They compare the performance shown by these metrics with the charity's peers has been enabled by Acuity's benchmarking data for smaller providers, those with less than 1000 units, this is for the year ending March 2022.

**Metric 1 - Reinvestment %**

	2022 Charity	2021 Charity	2021/22 Sector
A - Completed properties additions	£nil	£nil	
B - Completed properties closing net book value	£ 8,930,267	£ 7,739,139	
Result (A divided by B)	nil	nil	2.8%

*Commentary*

The charity has not acquired any new properties in 2021 or 2022 as it concentrates on upgrading the quality of the existing portfolio. Opportunities to expand the portfolio are being considered.

**Metric 2 - New supply delivered**

	2022 Charity	2021 Charity	2021/22 Sector
A - New social housing units acquired	nil	nil	
B - New non-social housing units acquired	nil	nil	
C - Units of social housing owned at end of year	98	98	
D - Units of non-social housing owned at end of year	2	2	
Result - Social housing (A divided by C)	nil	nil	nil
Result - Non-social housing (B divided by D)	nil	nil	nil

*Commentary*

The number of units operated by the charity has not changed during 2021 or 2022. As part of the refurbishment of Thorner's Court the number of social housing units operated will be increased by 4 new units during 2023.

**Metric 3 - Gearing %**

	2022 Charity	2021 Charity	2021/22 Sector
Loans	£nil	£nil	
Less - Cash at bank and in hand	<u>£ (2,483,714)</u>	<u>£ (4,565,042)</u>	
A - Total	<u>£ (2,483,714)</u>	<u>£ (4,565,042)</u>	
B - Completed properties closing net book value	£ 8,930,267	£ 7,739,139	
Result (A divided by B)	(27.8)%	(59.0)%	16.5%

*Commentary*

Like many smaller charities the charity does not currently have any borrowings but has cash funds and therefore has a negative gearing percentage. The gearing percentage has fallen during 2022 as funds have been utilised on the refurbishment project.



**Metric 4 – EBITDA MRI Interest cover %**

	2022 Charity	2021 Charity	2021/22 Sector
Operating Deficit	£ (105,964)	£ (66,182)	
Plus – Depreciation charge	£ 205,726	£ 201,610	
A – Total	<u>£ 99,762</u>	<u>£ 135,428</u>	
B – Interest payable	£nil	£nil	
Result (A divided by B)	Not applicable	Not applicable	248%

*Commentary*

Like many smaller charities, the charity does not currently have any borrowings and therefore there is no interest payable.

**Metric 5 – Headline social housing cost per unit**

	2022 Charity	2021 Charity	2021/22 Sector
Charitable activities expenditure	£ 812,896	£ 757,491	
Less – Depreciation charge	£ (205,726)	£ (201,610)	
Less – Bad debts	£ 580	£ (1,248)	
A – Total	<u>£ 607,750</u>	<u>£ 554,633</u>	
B – Total social housing units owned	98	98	
Result (A divided by B)	£ 6,202	£ 5,660	£ 4,774

*Commentary*

The charity's headline social housing cost per unit is more than the sector comparison due to economies of scale and has increased since 2021 by 12% due to additional staffing and costs associated with the refurbishment project.

**Metric 6 – Operating margin %**

	2022 Charity	2021 Charity	2021/22 Sector
Operating Deficit	£ (105,964)	£ (66,182)	
Plus – Loss on disposal of housing properties	£nil	£ nil	
A – Operating deficit from social housing	<u>£ (105,964)</u>	<u>£ (66,182)</u>	
B – Social housing turnover	£ 657,654	£ 645,057	
C – Total turnover	£ 707,625	£ 694,261	
Social housing result (A divided by B)	(16.1) %	(10.3) %	17.0%
Total result (A divided by C)	(15.0) %	(9.5) %	16.5%

*Commentary*

The charity has reported an increased deficit compared to last year and therefore still has negative operating margin percentages due to the number of flats at Thorner's Court that have been vacant for the full year in preparation for the refurbishment project.

**Metric 7 – Return on capital employed**

	2022 Charity	2021 Charity	2021/22 Sector
A – Operating Deficit	£ (105,964)	£ (66,182)	
B – Total assets less current liabilities	£ 13,266,840	£ 13,350,266	
Result (A divided by B)	(0.8) %	(0.5) %	2.4%

*Commentary*

The operating deficit has resulted in a negative return on capital employed.

# REPORT OF THE TRUSTEES

## Investment Policy

The Trustees' investment policy is to hold quoted investments for the endowment funds while maintaining liquid funds to enable the charity to pursue future opportunities, which includes strategic purchases of investment property and the investment in existing stock requiring refurbishment.

## Fundraising Statement

Although the charity does not undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts receivable are presented in our accounts as "voluntary income" and includes legacies and grants.

All solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day-to-day management of all income generation is delegated to the Chief Executive who is accountable to the Trustees.

The charity has received no complaints in relation to fundraising activities. Staff terms of employment require all, to behave reasonably always and not to approach individuals for funds. The charity does not consider it necessary to design specific procedures to monitor such activities.

## Free reserves

The trustees consider that the reserves requirements are in line with the Charity Commission Guidelines. The policy reflects their wish to commit safely as much as possible to our objectives whilst retaining financial stability and the potential to respond to new opportunities.

At 31 December 2022 the total funds of the charity were £13,266,840, analysed as follows:

	2022	2021
	£	£
Reserves tied up in buildings	10,272,328	8,217,246
Reserves restricted to donor nominated purposes	170,386	171,619
Reserves required to meet ongoing commitments	2,783,908	4,921,183
Revaluation reserves	40,218	40,218
	<hr/>	<hr/>
	13,266,840	13,350,266
	<hr/>	<hr/>

# REPORT OF THE TRUSTEES

The Trustees have adopted the recommendations of the Charity Commissioners in respect of prudent reserves for future repairs and at 31 December 2022 these were as follows:

	2022 £	2022 £	2021 £	2021 £
Other reserves as stated above		<b>2,783,908</b>		4,921,183
Cyclical repairs and maintenance fund	<b>615,673</b>		615,673	
Extraordinary repairs fund	<b>709,931</b>		709,931	
		<b>(1,325,604)</b>		(1,325,604)
The Trustees also consider it prudent that unrestricted reserves should cover one year's operating costs (excluding exceptional repairs) which are estimated at		<b>(500,000)</b>		(500,000)
Free reserves		<b>958,304</b>		3,095,579

## Risk management

The Trustees have a risk management strategy which comprises a review of principal risks and uncertainties that the charity faces, the establishment of policies, systems and procedures to mitigate those risks and the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

Attention has been focused on non-financial risks arising from fire, health and safety of properties and residents. These are managed by having robust policies and procedures in place.

A key element in management of financial risk is the statutory restrictions on income, ensuring regular costs are met from that income and sufficient reserves are available to meet further capital expenditure including replacement of major components.

## Compliance with Governance and Financial Viability Standard

During the course of the year the Trustees have reviewed the charities systems and procedures to ensure compliance with our chosen code of practice; Charity Governance Code for smaller charities.

The Trustees regularly review the financial viability of the charity and decisions regarding short term spending and longer-term investment are tested against these. Where appropriate the Trustees have taken advice and obtained reports from external professional advisors, this is an ongoing process. Following these reviews, the Trustees are of the opinion that the charity complies with the Governance and Financial Viability Standard during the course of the year and up to the signing of the accounts.

# REPORT OF THE TRUSTEES

## Plans for future periods

The Charity is planning to improve its service to residents with additional support over a greater period of the day. The Resident Scheme Manager roles are being replaced by three wardens working on a three-week shift pattern, providing coverage between 8am to 8pm and out of hours cover where necessary. With additional support for residents and statutory compliance matters, the wardens will be able to assist with more social activities. In addition to this, the part-time in-house maintenance resource has proved to be invaluable in reducing costs of contractors and as such is planned to be increased.

The aim of the Trustees is to make Thorner's Homes the first choice in Southampton for women looking for almshouses accommodation

## Auditors

The auditor, Hopper Williams & Bell Limited Chartered Accountants will be proposed for reappointment at the meeting of the Trustees.

Approved by the Trustees on 12/06/2023 and signed on its behalf by:



P. F. Meacher  
**Chairman**

# BOARD TRUSTEES' RESPONSIBILITIES

The Trustees of the board are responsible for preparing the board report and the financial statements in accordance with applicable law and regulations.

The board Trustees are also responsible for preparing the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The board Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period.

In preparing these financial statements, the board Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standard 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 board of 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 Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. 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.



# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THORNER'S HOMES

## Opinion

We have audited the financial statements of Thorner's Homes ('the charity') for the year ended 31 December 2022 which comprise of the statement of financial activities, the balance, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources 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 Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

## 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 trustee's 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 12 months from when the financial statements are authorised for issue.

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

## Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THORNER'S HOMES

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **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 Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement [set out on page ...], the trustees 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**

We have been appointed as auditor under section 144 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 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.

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THORNER'S HOMES

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:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity, and the industry in which it operates. These include but are not limited to compliance with the Charities Act 2011, The Accounting Direction for Private Registered Providers of Social Housing, UK Generally Accepted Accounting Practice and the requirements of Regulator of Social Housing.

We obtained an understanding of how the charity is complying with these frameworks through discussions with management.

We enquired with management whether there were any instances of non-compliance with laws and regulations or whether they had knowledge of actual or suspected fraud. These enquiries are corroborated through follow-up audit procedures including but not limited to a review of legal and professional costs, correspondence and a review of board minutes.

We assessed the susceptibility of the charity's financial statements to material misstatement, including the risk of fraud and management override of controls. We designed our audit procedures to respond to this assessment, including the identification and testing of any related party transactions and the testing of journal transactions that arise from management estimates, that are determined to be of significant value or unusual in their nature.

We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the industry in which the charity operates in, and their practical experience through training and participation with audit engagements of a similar nature.

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](http://www.frc.org.uk/auditorsresponsibilities).

This description forms part of our auditor's report.

Hopper Williams & Bell Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

## **Use of our report**

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

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THORNER'S HOMES

Hopper Williams & Bell Limited

Hopper Williams & Bell Limited,  
Statutory Auditor  
Highland House  
Mayflower Close  
Chandler's Ford  
Eastleigh  
Hampshire  
SO53 4AR

20/06/2023

**Thorner's Homes**  
**Statement of financial activities**  
**for the year ended 31 December 2022**

	<b>Note</b>	<b>Unrestricted funds £</b>	<b>Endowment funds £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
<b>Income from:</b>					
Donations and Legacies		<b>13,750</b>	-	<b>13,750</b>	22,300
Charitable activities:					
- Income from social housing lettings	2	<b>657,654</b>	-	<b>657,654</b>	645,057
Investments	3	<b>36,221</b>	-	<b>36,221</b>	26,904
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total income</b>		<b>707,625</b>	-	<b>707,625</b>	694,261
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditure</b>					
Charitable activities	4	<b>812,896</b>	-	<b>812,896</b>	757,491
Investments		<b>693</b>	-	<b>693</b>	2,952
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total expenditure</b>		<b>813,589</b>	-	<b>813,589</b>	760,443
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net expenditure before investment gains / losses</b>		<b>(105,964)</b>	-	<b>(105,964)</b>	(66,182)
Gains / (Losses) on investment assets	9	<b>23,771</b>	<b>(1,233)</b>	<b>22,538</b>	31,528
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net expenditure for the year</b>	5	<b>(82,193)</b>	<b>(1,233)</b>	<b>(83,426)</b>	(34,654)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net movement in funds</b>		<b>(82,193)</b>	<b>(1,233)</b>	<b>(83,426)</b>	(34,654)
<b>Reconciliation of funds:</b>					
<b>Total funds brought forward</b>	14/15	<b>13,178,647</b>	<b>171,619</b>	<b>13,350,266</b>	13,384,920
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds carried forward</b>		<b>13,096,454</b>	<b>170,386</b>	<b>13,266,840</b>	13,350,266
		<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 23 to 35 form part of these financial statements.

**Thorner's Homes**  
**Balance sheet**  
**at 31 December 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	8	<b>10,355,388</b>	8,302,098
Investments	9	<b>531,566</b>	509,028
		<hr/>	<hr/>
<b>Total fixed assets</b>		<b>10,886,954</b>	8,811,126
<b>Current assets</b>			
Debtors	10	<b>34,794</b>	57,417
Cash at bank and in hand		<b>2,483,714</b>	4,565,042
		<hr/>	<hr/>
<b>Total current assets</b>		<b>2,518,508</b>	4,622,459
Creditors: amounts falling due within one year	11	<b>(138,622)</b>	(83,319)
		<hr/>	<hr/>
<b>Net current assets</b>		<b>2,379,886</b>	4,539,140
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		<b>13,266,840</b>	13,350,266
		<hr/>	<hr/>
<b>The funds of the Charity:</b>			
Endowment funds	13	<b>170,386</b>	171,619
		<hr/>	<hr/>
Accumulated profit		<b>1,458,304</b>	3,595,579
Revaluation reserve		<b>40,218</b>	40,218
		<hr/>	<hr/>
General funds	14	<b>1,498,522</b>	3,635,797
Designated funds	14	<b>11,597,932</b>	9,542,850
		<hr/>	<hr/>
<b>Total unrestricted funds</b>		<b>13,096,454</b>	13,178,647
		<hr/>	<hr/>
<b>Total Charity funds</b>	14/15	<b>13,266,840</b>	13,350,266
		<hr/>	<hr/>

The notes on pages 23 to 35 form part of these financial statements.



The financial statements on pages 19 to 35 were approved by the Board of Trustees, authorised for issue on 12/06/2023 and are signed on its behalf by:-



P F Meacher  
**Chairman**



R Higgins  
**Trustee**

**Thorner's Homes**  
**Statement of cash flows**  
**for the year ended 31 December 2022**

	<b>Note</b>	<b>2022</b> £	<b>2022</b> £	<b>2021</b> £	<b>2021</b> £
<b>Net cash inflow from operations</b>	18		<b>141,467</b>		90,429
<b>Cash inflows from investing activities</b>					
Investment income		<b>36,221</b>		26,904	
Payment for fixed assets		<b>(2,259,016)</b>		(26,066)	
<b>Net cash (used)/generated by investing activities</b>			<b>(2,222,795)</b>		838
<b>Change in cash and cash equivalents in the reporting period</b>			<b>(2,081,328)</b>		91,267
<b>Cash and equivalents at the beginning of the reporting period</b>			<b>4,565,042</b>		4,473,775
<b>Cash and cash equivalents at the end of the reporting period</b>			<b>2,483,714</b>		4,565,042

The notes on pages 23 to 35 form part of these financial statements.

**Thorner's Homes**  
**Notes forming part of the financial statements**  
**for the year ended 31 December 2022**

## **1 Accounting Policies**

The Charity is constituted as a Charitable Incorporated Organisation (CIO) and is registered in England and Wales. The registered office is 86 Thorner's Court, Henstead Road, Southampton, SO15 2GU.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

### ***Basis of preparation***

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and in compliance with the Accounting Direction for Private Registered Providers of Social Housing from April 2019.

Thorner's Homes meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The accounts include the results of both Thorner's Homes and the Permanent Endowment Fund of The Dunford Legacy and Reardon Samaritan Funds, which are combined for reporting purposes under the linking direction issued by the Charity Commission on 9 May 2019.

### ***Preparation of the accounts on a going concern basis***

The charity has substantial reserves that are available to cover the planned refurbishment programme at Thorner's Court.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The accounts have therefore been prepared on a going concern basis

### ***Judgements in applying accounting policies and key sources of estimation uncertainty***

In preparing these financial statements the Trustees have not made any significant judgements in applying the policies, but have considered the following forms of estimation uncertainty:

Investment properties

- The fair value of properties at the balance sheet date

Fixed assets

- Residual value of assets; and the
- Economic lives of assets
- Value of assets disposed of

Debtors

- Debtors are assessed to identify net recoverable amounts.

## ***Income***

Income is recognised in the period in which the Charity is entitled to receipt when receipt is probable and when the amount can be measured with reasonable certainty. Income is deferred only when the Charity has to fulfil conditions before becoming entitled to it.

The principal sources of income are rents receivable and social charge income which is recognised in the period to which they relate.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

## ***Social Housing Grant***

Social Housing Grants have been recognised as income under the performance model.

## ***Fixed Assets and Depreciation***

### ***Housing properties***

Housing properties have been split between their land and structure costs and a specific set of major components which require periodic replacement. Replacement of such components is capitalised, and depreciated over the useful economic lives of the components (excluding land) at the following rates:

Main fabric	-	100 years
Roof (Conventional)	-	50 years
Roof (Flat)	-	20 years
Mechanical & electrical	-	20 years
Bathrooms	-	20 years
Kitchens	-	20 years
Windows and external doors	-	20 years

Plant & Equipment are depreciated over their expected useful economic life of 5 – 20 years.

Assets in course of development are not depreciated until the point in time that they are brought into use.

## ***Investments***

Investments held as fixed assets are stated at market value.

## ***Fund Accounting***

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purpose.

Designated funds are unrestricted funds which have been earmarked by the trustees for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the Charity for a specific purpose.

The Charity has permanent endowment funds for which the Trustees have to invest the capital in perpetuity.

## ***Cyclical repairs and maintenance fund***

The Trustees have adopted the recommendations of The Almshouses Association in respect of cyclical maintenance funds. Accordingly, the recommended fund level is reviewed annually and a transfer made from accumulated surplus to maintain the cyclical maintenance reserve at the required amount if required.

### ***Extraordinary repairs fund***

The Trustees have adopted the recommendations of The Almshouses Association in respect of the extraordinary repairs fund. The fund level is maintained in accordance with these recommendations.

### ***Debtors***

Trade and other debtors are recognised at the settlement amount.

### ***Cash at bank and in hand***

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar accounts.

### ***Financial instruments***

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

### ***Creditors and provisions***

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

## **2 Charitable activities income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Income from social housing lettings		
Management charges receivable	<b>428,844</b>	427,128
Service charge income	<b>228,810</b>	217,929
	<b>657,654</b>	645,057
Expenditure on social housing activity	<b>812,896</b>	757,491
Operating deficit from social housing activities	<b>(155,242)</b>	(112,434)
Void losses	<b>247,679</b>	217,962
<b>Accommodation in management</b>		
Housing for older people at social rent level.	<b>98</b>	98
Scheme Manager accommodation	<b>2</b>	2
Total owned	<b>100</b>	100

### 3 Investment income

	2022 £	2021 £
Rental income from investment properties	24,840	22,428
Income from listed investments	3,034	2,861
Bank interest receivable	8,347	1,615
	<hr/>	<hr/>
	36,221	26,904
	<hr/>	<hr/>

### 4 Charitable activities expenditure

	2022 £	2021 £
<b>Housing expenditure</b>		
Staff costs	104,358	91,524
Activities undertaken directly	526,910	487,656
Support costs	181,628	178,311
	<hr/>	<hr/>
	812,896	757,491
	<hr/>	<hr/>

### 5 Analysis of net expenditure for the year

	2022 £	2021 £
<b>Unrestricted Funds</b>		
Net expenditure before investment gains	(105,964)	(66,182)
Gains on investment assets	23,771	28,260
	<hr/>	<hr/>
	(82,193)	(37,922)
	<hr/>	<hr/>
<b>Endowment Funds</b>		
Net expenditure before investment gains	-	-
(Losses)/Gains on investment assets	(1,233)	3,268
	<hr/>	<hr/>
	(1,233)	3,268
	<hr/>	<hr/>
<b>Total Funds</b>	<hr/>	<hr/>
	(83,426)	(34,654)
	<hr/>	<hr/>

There was no income or expenditure relating to Endowment Funds in 2022 or 2021

### 6 Analysis of support costs

	2022 £	2021 £
Staff Costs	127,391	121,945
Audit	12,000	13,890
Other	42,237	42,476
	<hr/>	<hr/>
	181,628	178,311
	<hr/>	<hr/>



## 7 Staff costs

	2022 £	2021 £
Wages and salaries	<b>205,827</b>	190,525
Social security costs	<b>17,889</b>	15,588
Pension	<b>8,033</b>	7,356
	<hr/>	<hr/>
	<b>231,749</b>	213,469
	<hr/>	<hr/>

The average number of employees (including executive management team) during the year was as follows:

	2022 Number	2021 Number
Administration	<b>2</b>	2
Housing, support and care	<b>3</b>	4
	<hr/>	<hr/>
	<b>5</b>	6
	<hr/>	<hr/>

None of the Trustees have been paid any remuneration, expenses or received any other benefits from the Charity or any related entity (2021: £Nil).

One employee received emoluments of more than £60,000. This was in the £70,000 to £80,000 band in 2022 and 2021.

The key management personnel of the Charity is considered to be the Chief Executive Officer. The total employee benefits of key management personnel of the Charity were £78,894 (2021: £75,606).

## 8 Fixed assets

	Completed properties £	Assets in course of development £	Scheme manager properties £	Plant and Equipment £	Total £
<i>Cost</i>					
At 1 January 2022	9,649,949	138,065	446,738	33,421	10,268,173
Additions	1,295,736	961,672	-	1,608	2,259,016
Transfers	89,500	(89,500)	-	-	-
Disposals	(436,606)	-	-	-	(436,606)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	<b>10,598,579</b>	<b>1,010,237</b>	<b>446,738</b>	<b>35,029</b>	<b>12,090,583</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At 1 January 2022	1,910,810	-	41,231	14,034	1,966,075
Charge for the year	194,108	-	8,218	3,400	205,726
On disposals	(436,606)	-	-	-	(436,606)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

At 31 December 2022	<b>1,668,312</b>	-	<b>49,449</b>	<b>17,434</b>	<b>1,735,195</b>
<i>Net book value</i>					
At 31 December 2022	<b>8,930,267</b>	<b>1,010,237</b>	<b>397,289</b>	<b>17,595</b>	<b>10,355,388</b>
At 31 December 2021	7,739,139	138,065	405,507	19,387	8,302,098

Included within completed properties is freehold land held at a cost value of £65,465 (2021: £65,465).  
All properties are freehold properties.

## 9 Investments

	<b>Listed investments £</b>	<b>Investment properties £</b>	<b>Total £</b>
Market value at 1 January 2022	79,028	430,000	509,028
Revaluation (loss)/gain	(2,462)	25,000	22,538
Market value at 31 December 2022	<b>76,566</b>	<b>455,000</b>	<b>531,566</b>

The Trustees have reviewed, using internal expertise, the value of the investment properties and they have been included at fair value.

The listed investments comprise:

	<b>Cost 2022 £</b>	<b>2021 £</b>	<b>Market Value 2022 £</b>	<b>2021 £</b>
<b>General Fund</b>				
43,293 NAACIF Income shares	<b>17,860</b>	17,860	<b>38,232</b>	39,461
<b>Dunsford Legacy Fund</b>				
6,249 NAACIF Income shares	<b>1,798</b>	1,798	<b>5,677</b>	5,860
<b>Reardon Samaritan Fund</b>				
36,980 NAACIF Income shares	<b>9,939</b>	9,939	<b>32,657</b>	33,707
<b>Total investments</b>	<b>29,597</b>	29,597	<b>76,566</b>	79,028

**10 Debtors**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Rent and service charge	<b>6,588</b>	3,230
Provision for doubtful debts	<b>(949)</b>	(1,530)
Prepayments and accrued income	<b>29,155</b>	33,717
Donations receivable	-	22,000
	<hr/>	<hr/>
	<b>34,794</b>	57,417
	<hr/>	<hr/>

**11 Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>18,834</b>	27,092
Rent and service charges received in advance	<b>18,644</b>	17,339
Other creditors	<b>60,658</b>	2,386
Tax and social security	<b>7,912</b>	6,463
Accruals and deferred income	<b>32,574</b>	30,039
	<hr/>	<hr/>
	<b>138,622</b>	83,319
	<hr/>	<hr/>

**12 Financial instruments**

The Charity's financial instruments may be analysed as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Financial assets measured at fair value through the statement of financial activity	<b>76,566</b>	79,028
	<hr/>	<hr/>

Financial assets measured at fair value through the statement of financial activity comprise of listed fixed asset investments.

### 13 Permanent endowment

	Dunsford Legacy Fund £	Reardon Samaritan Fund £	Permanent Endowment Fund £	Total £
At 1 January 2022	5,860	33,707	132,052	171,619
Loss for the year	(183)	(1,050)	-	(1,233)
	-----	-----	-----	-----
At 31 December 2022	<b>5,677</b>	<b>32,657</b>	<b>132,052</b>	<b>170,386</b>
	-----	-----	-----	-----
<b>Represented by:</b>				
Freehold land	-	-	65,465	65,465
Cash at bank and in hand	-	-	66,587	66,587
Investments	5,677	32,657	-	38,334
	-----	-----	-----	-----
	<b>5,677</b>	<b>32,657</b>	<b>132,052</b>	<b>170,386</b>
	-----	-----	-----	-----
<b>Prior Year</b>				
At 1 January 2021	5,376	30,923	132,052	168,351
Gain for the year	484	2,784	-	3,268
	-----	-----	-----	-----
At 31 December 2021	<b>5,860</b>	<b>33,707</b>	<b>132,052</b>	<b>171,619</b>
	-----	-----	-----	-----
<b>Represented by:</b>				
Freehold land	-	-	65,465	65,465
Cash at bank and in hand	-	-	66,587	66,587
Investments	5,860	33,707	-	39,567
	-----	-----	-----	-----
	<b>5,860</b>	<b>33,707</b>	<b>132,052</b>	<b>171,619</b>
	-----	-----	-----	-----

£

The Permanent Endowment Fund represents freehold land plus monies are from the sale of:

- 10 Lawnside Road	42,255
- Land adjoining 9 Henstead Road	2,750
- Capital gains on realised investments	21,582
	-----
	66,587
	-----

The Dunford Legacy relates to a bequest from 1936 for which no will can be found and therefore the funds can never be used (per the Charity Commission). The Reardon Samaritan Fund is a linked charity (no. 1189291) governed by a 1968 scheme requiring the funds to be kept as a Permanent Endowment. The freehold land and any related proceeds from sale must also be treated as a Permanent Endowment.

## 14 Unrestricted funds

	General	Designated funds			Total
	funds	Social housing assets	Cyclical maintenance	Extraordinary repairs	
	£	£	£	£	£
At 1 January 2022	3,635,797	8,217,246	615,673	709,931	13,178,647
Net loss	(82,193)	-	-	-	(82,193)
Transfers	(2,055,082)	2,055,082	-	-	-
	-----	-----	-----	-----	-----
At 31 December 2022	<b>1,498,522</b>	<b>10,272,328</b>	<b>615,673</b>	<b>709,931</b>	<b>13,096,454</b>
	-----	-----	-----	-----	-----
<b>Represented by:</b>					
Tangible assets	17,595	10,272,328	-	-	10,289,923
Investments	493,232	-	-	-	493,232
Debtors	34,663	-	-	-	34,663
Cash at bank and in hand	1,091,523	-	615,673	709,931	2,417,127
Creditors: amounts falling due within one year	(138,491)	-	-	-	(138,491)
	-----	-----	-----	-----	-----
	<b>1,498,522</b>	<b>10,272,328</b>	<b>615,673</b>	<b>709,931</b>	<b>13,096,454</b>
	-----	-----	-----	-----	-----

# Unrestricted funds

(Prior year)	General	Designated funds			Total
	funds	Social housing assets	Cyclical maintenance	Extraordinary repairs	
	£	£	£	£	£
At 1 January 2021	3,613,699	8,277,266	615,673	709,931	13,216,569
Net loss	(37,922)	-	-	-	(37,922)
Transfers	60,020	(60,020)	-	-	-
	-----	-----	-----	-----	-----
At 31 December 2021	<b>3,635,797</b>	<b>8,217,246</b>	<b>615,673</b>	<b>709,931</b>	<b>13,178,647</b>
	-----	-----	-----	-----	-----
<b>Represented by:</b>					
Tangible assets	19,387	8,217,246	-	-	8,236,633
Investments	469,461	-	-	-	469,461
Debtors	57,417	-	-	-	57,417
Cash at bank and in hand	3,172,851	-	615,673	709,931	4,498,455
Creditors: amounts falling due within one year	(83,319)	-	-	-	(83,319)
	-----	-----	-----	-----	-----
	<b>3,635,797</b>	<b>8,217,246</b>	<b>615,673</b>	<b>709,931</b>	<b>13,178,647</b>
	-----	-----	-----	-----	-----



## 15 Other unrestricted funds

The following unrestricted funds are included in the Accumulated Profit on the Balance Sheet and as such form part of General Funds:

### Rogerson & Rose bequests

In 1991 a bequest of £25,000 was made by a local resident. Further amounts of £23,704 and £158,500 were received in 1992 and 2005 respectively. The Will did not specify a purpose for which the bequest was made and accordingly each amount has been included in the income and expenditure account in the year of receipt. The Trustees have agreed that a formal record should be kept of the use of this fund which has been, and will continue to be, used for the benefit of the residents. Notional interest is added to the fund balance on a monthly basis. During 2009, a bequest of £5,000 was received from a former Trustee, and the Trustees added this amount to the fund. Details of movements on the fund for the year ended 31 December 2022 are as follows:

	2022 £	2021 £
At 1 January 2022	173,828	175,519
Notional interest receivable	900	400
Expenditure in the year	(1,483)	(2,091)
	<hr/>	<hr/>
At 31 December 2022	173,245	173,828
	<hr/>	<hr/>

### Brenda Vera Cooper Will Trust

The daughter of a former resident left an amount in a will trust for the benefit of Thorner's Homes. The capital is held by the Trustees of that will trust and Thorner's Homes receives income periodically when the Trustees decide to make a distribution. Thorner's Homes have no influence over the investment policies or distribution policies of the Brenda Vera Cooper will trust.

	2022 £	2021 £
At 1 January 2022	149,043	127,043
Income for the year	13,750	22,000
Expenditure in the year	-	-
	<hr/>	<hr/>
At 31 December 2022	162,793	149,043
	<hr/>	<hr/>

## 16 Housing grant

Included in Charity funds are Housing Grants totalling £6,718,667 (2021: £6,718,667) paid as a form of financial assistance under Section 19 of the Housing and Regeneration Act 2008.

## 17 Reconciliation of net incoming resources to net cash inflow from operations

	2022 £	2021 £
Net movement in funds	(83,426)	(34,654)
Depreciation charges and loss on disposal	205,726	201,610
Gains on investments	(22,538)	(31,528)
Investment income	(36,221)	(26,904)
Decrease /(Increase) in debtors	22,623	(23,947)
Increase in creditors	55,303	5,852
	<hr/>	<hr/>
Net cash provided by operations	141,467	90,429
	<hr/>	<hr/>

## 18 Analysis of changes in net debt

	At 1 January 2022 £	Cash Flows £	At 31 December 2022 £
Cash	4,565,042	(2,081,328)	2,483,714
	<hr/>	<hr/>	<hr/>

## 19 Contingent liabilities

There were no contingent liabilities as at 31 December 2022 or as at 31 December 2021.

## 20 Capital Commitments

	2022 £	2021 £
Authorised but not contracted for	-	4,004,754
Authorised and contracted for	1,961,177	-
	<hr/>	<hr/>

On 8<sup>th</sup> February 2022, the project to refurbish 38 flats and provide 4 new flats at Henstead Road commenced. Phase 1 was completed in August 2022 and the remainder of the project will be completed in 2023. The project is the subject of a grant application from Homes England.

## 21 Operating Lease Commitments

At the year-end date, the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2022 £	2021 £
Within one year	10,656	4,608
Between two and five years	31,656	14,592
	<hr/>	<hr/>
	42,312	19,200
	<hr/>	<hr/>

## **22 Related party transactions**

One of the Trustees, Paul Meacher, is a director of FT Pay Limited and Fiander Tovell Limited. During the financial year, FT Pay Limited provided payroll services totalling £724 (2021: £950) and Fiander Tovell Limited provided VAT advice for the refurbishment project totalling £2,591 (2021: nil). At 31 December 2022, nil was outstanding for both companies (2021: £241 for FT Pay Limited).

One of the Trustees, Daniel Butt, is a director of Now Survey (Southern) Limited. During the financial year, Now Survey (Southern) Limited provided surveyor services totalling nil (2021: £78). At 31 December 2022, nil was outstanding (2021: nil).

## **23 Post balance sheet event**

Subsequent to the year end, the charity was in receipt of a grant from Homes England for £1,575,001 towards the refurbishment project at Henstead Road. This income will be recognised in the financial statements for the year ended 31 December 2023.



# Thorner's Homes

Audit Findings Report  
For the year ended 31 December 2022

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# Contents

Section 1: Management letter points arising from audit work.....1

Section 2: Adjusted misstatements .....2

Section 3: Unadjusted misstatements.....3

Section 4: Going Concern .....4

Section 5: Assignment Director Contact Details.....5

# Audit findings for Thorner's Homes for the year ended 31 December 2022

The Trustees  
Thorner's Homes  
86 Thorner's Court  
Henstead Road  
Southampton  
Hampshire  
SO15 2GU

## Audit findings for Thorner's Homes for the year ended 31 December 2022

Dear Trustees

In accordance with our normal practice we are writing to draw your attention to various matters which arose during the course of our audit of the accounts for the year ended 31 December 2022.

### Audit opinion

There are no expected modifications to the auditors' report on the financial statements.

### Adjusted and unadjusted misstatements

The adjusted misstatements determined during the course of our audit, are summarised in section 2 of our audit findings report. A schedule of unadjusted misstatements over our audit triviality threshold of £10,050 is included in Section 3.

### Letter of representation

A draft of our letter of representation, detailing the representations which we have relied upon for our audit, will be sent separately for your consideration.

### Internal Controls

The control environment at the charity was good and the key financial controls that we would have expected to see were in place.

### Improvements in the accounting and internal control systems

As you are aware from our letter of engagement, our audit procedures were directed towards testing the accounting systems in operation upon which we have based our assessment of the accounts.

Section 1 of this report contains details of matters identified during the course of our audit and our recommendations for improvements. This may not contain all areas for improvement that are present in your system.

In making our recommendations, we have considered the size of the charity and the number of staff you employ. Responses from the Finance Manager are included in the final column.

### Other relevant matters relating to the audit

We have discussed with you the fact that we provide additional services to the charity in addition to acting as auditors. We wish to confirm to you that in our opinion the provision of such services does not affect

our independence as the additional services provided are of a routine compliance nature and the Finance Manager and Trustees take any decisions where judgement is required.

**Other matters required by Auditing Standards to be communicated**

There are no other matters that we are required by auditing standards to communicate to you.

We would like to take this opportunity of expressing our thanks to all of your staff for their assistance during the course of our audit, in particular Vicky Joynes & Nicola Carol-Scott.

Please note that this report has been prepared for Thorner's Homes. It must not be disclosed, quoted or referred to third parties without prior written consent. No responsibility is assumed by us to any other person.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'HWB', is positioned above the printed name.

**HWB**

## Section 1: Management letter points arising from audit work

	Issue (including financial impact)	Implication/Consequence	Risk H/M/L	Recommendation	Management response	Timescale
1	The cost of works done on the refurbishment project was not accrued for activity between the valuation certificate at 14 December and the financial year end. Based on the days worked between the valuation on 14 December and the valuation on 17 January, the value of work that should be accrued is £112,390. The treasurer has assessed the work as being to the value of around £75,000. These amounts are not considered material for adjustment.	The value of the assets disclosed in the accounts is understated	L	It is recommended that valuations are obtained as close to the year end as possible.	It is not practical to obtain an accurate valuation of the work on the project to tie in with our financial year end as the monthly valuation exercise is a detailed procedure involving a number of parties. Accruing for the unvalued work would introduce a debateable element into the fixed asset additions and would distort the net current assets figure as there will was not an equivalent figure last year and will not be next year.	N/a



## Section 2: Adjusted misstatements

There are no adjusted misstatements above audit materiality of £201,000.

## Section 3: Unadjusted misstatements

Schedule of unadjusted misstatements above audit triviality of £10,050

	Description	Nominal	Balance Sheet		Statement of Financial Activities	
			Dr	Cr	Dr	Cr
			£	£	£	£
1	Estimated value of work completed by contractors in December	Assets in course of development Accruals			112,390	112,390
2	Estimated increase in investment property	Investment property Gain on investment assets	55,000			55,000
	Total		55,000	-	112,390	167,390

## Section 4: Going Concern

### Trustees' assessment

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the charity has sufficient resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

### Work performed by HWB

- ❑ Review latest budgets to ascertain whether going concern has been correctly addressed.
- ❑ Enquire into whether there have been any material new commitments, borrowings or guarantees post year end.
- ❑ Enquire into whether there have been disposals or acquisition of material assets or any appropriation or destruction of assets.
- ❑ Consideration of any financial uncertainties regarding the charity's financial sustainability as a result of Covid-19.

### Conclusion

The charity has made a deficit of £83,426 for the year ended 31 December 2022 and the balance of funds at that date is £13,266,840.

The charity is projecting to make a deficit of £205,394 in the year ending 2023. Funds at that date are therefore forecast to be £13,061,446. Based on this, our assessment is that the charity continues to be a going concern and our audit report is not modified in this respect.

## Section 5: Assignment Director Contact Details



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Audit Director

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