

**Norwich Housing Society Limited**

**Company Number: IP11676R**  
**Registered Social Landlord number: L1405**

**Audited Financial Statements**

**For the year ended 31 October 2021**

# Norwich Housing Society Limited

Year ended 31 October 2021

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## Norwich Housing Society Limited

Year ended 31 October 2021

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The Board of Management submit their annual Report and Financial Statements for the year ended 31 October 2021.

### Reference and Administrative Details

Homes and Communities Agency  
Registration Number:

L1405

Company Registration Number:

IP11676R

Board of Management:

C Sangster - Chairman  
J Boon - Vice Chairman  
J Kidd  
M Land  
W Taylor  
G Tewson  
C Haystead (to 16 March 2021)  
G Sargent  
G Davis  
A Liddle (to 19 October 2021)

Registered Office:

13 Bracondale  
Norwich  
Norfolk  
NR1 2AL

Chief Executive:

M Allen (to 31 March 2021)  
T Pinder (from 15 March 2021 to 30 November 2021)  
P Kingston (from 15 November 2021)

Interim Chief Executive:

Property Services Manager:

A Broom

Bankers:

HSBC	Lloyds Plc
18 London Street	3 <sup>rd</sup> Floor
Norwich	25 Gresham Street
NR2 1LG	London
	EC2V 7HN

The Charity Bank Limited  
182 High Street  
Tonbridge  
Kent  
TN9 1BE

Solicitors:

Spire Solicitors LLP  
38 Prince of Wales Road  
Norwich  
NR1 1HZ

Auditor:

Lovewell Blake LLP  
Bankside 300  
Peachman Way  
Broadland Business Park  
Norwich  
NR7 0LB

# **Norwich Housing Society Limited**

**Year ended 31 October 2021**

## **Report of the Chairman**

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### **Board:**

Covid was still dominating our lives at the beginning of 2021 but thanks to the availability of virtual platforms, and a mix of home and office working, the Board and Staff were able to fulfil their roles and our services were maintained. At the AGM in March Mike Allen, our CEO for seven years, retired having given us six months' notice and Tim Pinder joined us to fulfil this role. Tim's time with us was brief as he left to take up a new post at the end of November nearer his Cheshire home. We swiftly found an Interim CEO to bridge the gap and have now appointed John Newstead who has wide ranging Housing Association experience, lives in Norwich and has many and varied contacts throughout the city and county which should assist him, and the Societies, in his work. John will join us in March but intends to attend meetings as and when he can in the interim.

The Board members all continue to give their services to the Societies freely and with good grace. Thanks to their many and varied skills they can assist and monitor the work of both Societies efficiently for which I am grateful, as this makes my role as Chairman so much easier. At the AGM in March 2022, having served the Societies for the maximum term of nine years comes to an end, but I am pleased to say that, subject to being elected by his colleagues at the meeting after the AGM, Jon Boon will assume this role. He has served me well as Vice Chairman for the eight years I have served as Chairman. We are constantly seeking new members to join the Board to maintain the range of skills and experience we need to assist in the work we do.

### **Sub-Committees:**

The four sub-committees, Finance, Property, Operations and Governance remain unchanged this year, chaired by Board members who are well qualified for the task, supported by a small number of their counterparts with the necessary skills to discern what actions the Board needs to take. The chairmen of each committee report to the Board on any matters which need ratifying, having actioned those aspects which have, or will be, undertaken during the weeks between board meetings. The Risk Matrix has been appraised and the number of categories reduced to make it more pertinent, its value being understood more fully in the pandemic and after issues with our IT service provision. Reviewing the Risk Matrix twice a year is important as it is a working document not 'just a tick box exercise'. The remunerations sub-committee continues to meet once a year to review the staff salaries. It is important to note here that the Board Chairman does not chair any of the above meetings but is free to attend any or all of them as seems expedient. Board Leadership Meetings, attended by the Chairman, Vice-Chairman and Chairman of Finance, are convened once a quarter to assist with the smooth running of the Board and to identify key issues which may require more or less emphasis during the following three months.

In November all five Chairmen came together to select a new CEO candidate, due to Tim Pinder's resignation. After much discussion three candidates were selected to be interviewed by the Chairman, Vice Chairman, and the Chairmen of Operations and Governance. Before each interview the candidates went to the office to meet various members of staff before walking with the Office Manager to the Common Room at a nearby scheme.

Compliance with the National Housing Federation's Code of Governance 2020 has been reviewed and an action plan has been produced which is being closely monitored by the Finance and Governance Committee.



## Norwich Housing Society Limited

### Report of the Chairman (continued)

For the year ended 31 October 2021

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#### Value for Money:

This is an essential approach for any organisation and has never been more important for these two Societies than it is now, as we must work within the constraints of our current income, while endeavouring to fulfil our desire to provide good quality housing for the over 60s of limited means within the Norwich area. The need for affordable housing has never been greater, but the availability of such housing seems to be lacking, which adds encouragement to these Societies to maximise what they can provide while seeking new ways to achieve this. Our senior scheme manager has identified 'The Beat Team' which is a team of police officers in each area who are available to discuss any anti-social behavioural issues, or concerns our tenants may have, while informing them what falls into this category and how they will be respond if called upon for help. The effect of the pandemic and the financial ramifications of that have impacted on the charities for many months from, buying PPE equipment to accessing building supplies, probably at higher prices and skilled personnel to achieve the work to name but a few examples of this.

The positive side, however, is our ability to gain loans at a cheaper fixed rate of interest than before, which will help us to address a rental adjustment we are currently making to bring us in line with the Government formula for Social Housing and General Needs properties for some of our tenants, which we alerted the regulator to in August. This has resulted in a reduction in rents for some tenants. Periodic meetings are being planned with the regulator to assist us in addressing all aspects of this matter and the rents are now set in line with the Government formula.

During this year we have upgraded our IT system which is vital for us as we work to increase our profile and encourage our tenants to engage with this as a means of communication for services and information, while also helping us to move towards a cash free office. We continue to monitor the quality of our contractors' performance regularly; seek tenders when beginning a major development or refurbishment programme, questioning whether we could be better served by other firms.

Staffing is another area where this is relevant because we need to provide the correct level of staffing to maintain the work of these Societies while ensuring that the areas of responsibility are clear to the post holder to maintain the effectiveness of the team. The Office Manager, who acts as PA to the CEO, continues to provide invaluable service due to her ability to adapt to new requests while maintaining an overview of all matters in the office. Her work since Tim Pinder's departure, assisting the Interim CEO and working with the staff to adjust their approach when required, has enabled continuity of service in this time of change and added demands. A paperless office is our goal for convenience, security of information and as way of fulfilling our aims in our environmental policy. Our accountant continues to work well despite the lack of other financial expertise in the leadership after Mike retired. We have addressed this in the short term by deploying someone to assist her until the skills of the new CEO and the structure of the Finance Department can be adjusted appropriately.

The open plan office structure continues to work well albeit with the Property Services Manager and his assistant moving into the smaller meeting room in order to give everyone a safe space in which to work while in the office. Throughout the year we have encouraged staff to be vaccinated, take lateral flow tests and work from home, when necessary, in order to keep themselves and their colleagues safe. The Board continues to give of their services without remuneration, apart from occasional expenses for attending conferences or meetings with other service providers, which is financially beneficial to both Societies.

## Norwich Housing Society Limited

### Report of the Chairman (continued)

For the year ended 31 October 2021

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#### Tenants:

Tenants are the *raison d'être* for the existence of the Societies and must therefore be at the centre of our choices and decisions. We continue to provide a friendly response to telephone calls, which is even more important to so many people who have felt isolated or fearful over the impact of this virus. In January 2022 we held our first tenant meetings once more at each scheme maintaining encouraging social distancing, wearing masks and using well-ventilated common rooms. Our Scheme Managers continue to give sterling service and thanks to their help and awareness of their tenants' needs, and propensities, the schemes continue to function well. 'The Elder', our quarterly publication, offers another means of staying in touch with tenants, shareholders and the wider public, sadly leaving copies in various waiting rooms etc., has been curtailed due to continuing health and safety measures.

Over the past ten years that I have been involved with the charities I have noted an increased level of expectation from some of our tenants and their families which can at times be challenging and although this is not true of the vast majority of our tenants it can impact on a whole scheme when a tenant fails to be sensitive to the wider community, or their families fail to assist us with either increasing their level of personal care or reviewing entirely the appropriateness of their placement. We endeavour to resolve as many areas of concern as we can, and work with tenants before debt or their personal circumstance become a real issue, the ever-changing levels of community service provision, benefits and financial support, can make it complicated for even the most organised households. Overall, we have a very good mix of tenants who welcome us whenever we meet with them, and when coffee mornings, quiz nights, fish-and-chip suppers and many other social occasions return the natural companionship of living within these small communities will return. Just having the Common Rooms open again is helping many to feel better, even those who do not use them regularly.

#### Development:

We are progressing the development at 11 Bluebell Road, Eaton, which Stuart Court Memorial Charity purchased to refurbish the house into two self-contained flats, having accepted the requirement to accommodate bats in one of the eaves, plus replacing the annex with a new build which will provide another two flats. The garden was purchased by Norwich Housing Society to build four one-bedroom bungalows, and a small common room. Both aspects are progressing slowly due to Covid and discerning routes for essential services etc., but we hope to welcome the new tenants in June. The report on all aspects of this development will make interesting reading which hopefully will help us, and others, to avoid some of the pitfalls we have had to face.



## Norwich Housing Society Limited

### Report of the Chairman (continued)

For the year ended 31 October 2021

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#### Feed Back:

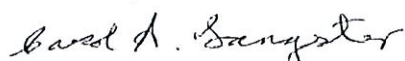
The most pressing issue we are working to address fully is the adjustment of the rents and the ramifications for the tenants affected and those who have moved on. This will be a matter for the Board to respond to over the coming months having ascertained what the expectation of the regulator is as we progress each step. It is good that our rent levels are now based on the Government formula and our work with Norwich City Council about benefits has begun. A bank loan has been agreed in principle to cover this unexpected expense subject to the valuations being completed by an assessor on some of our properties. We will then begin the programme of returning any overpayments, and any interest payments to those affected by the issue.

The results of our triannual Acuity Questionnaires, due again in 2022, have been very high to date but we must always question the effect of what we do, challenge why we are doing it, and consider the way we approach our duties, while remaining diligent in our desire to improve all aspects of service provision while sustaining staffing levels, as there is no room for complacency in these stressful times. The lack of certainty in the rules and regulations governing us as regards development, charitable status and funding, as well as in matters of health provision for our tenants, all impact on the way we work, and the guidance we can give to those who rely on us each day.

The swift change in leadership has also added to the workload of all Board members and staff but thanks to the excellent team spirit the service delivery has not been unduly hindered by this.

#### Conclusion:

I would like to thank the Board Members, Staff and Ancillary workers who help make our tenants' daily lives more comfortable, while making sure both charities continue to provide their invaluable contribution to the over-sixties who seek our help in the Norwich area. Obviously, I am saddened that I must relinquish my role at this time while the regulatory adjustments are being completed but have every confidence that my colleagues will continue to make the required changes efficiently and that the Societies will continue to serve the community for many more years. I have not itemised the day-to-day work of the Societies, as these are all recorded in the minutes of the meetings in question, and are not relevant to the wider community, but rest assured the new CEO and Chairman will always be available to discuss any matter with those who ask, provided it is appropriate so to do. I have enjoyed working for these Societies motivated by the fact that they provide an essential resource to this sector of the population. I am very aware of the amazing contribution of all our Board members, and the quality of the staff we now have who carry out our plans and expectations each day. The most satisfying aspect of all this is the way people take responsibility for their task, while also considering the broader picture which in turn means that we are more innovative and successful in the services we provide. To the shareholders I say thank you for your support as we value your feedback and are happy to hear from you at any time.



Carol A Sangster  
Board Chairman

1 February 2022

**Norwich Housing Society Limited**  
**Report of the Chairman (continued)**  
**For the year ended 31 October 2021**

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**Board of Management members**

The board members who served during the year are shown on page 1.

M Land is a member of Real Consulting (Cost and Project Management) LLP, an advisor to the Society. C Haystead is an officer of Norwich City Council. J Boon provides architectural services to the Society. No potential or actual conflicts of interest have been declared by members during this financial year. All members served during the year and up to the date of this report. Each member of the board owns a £1 share in the Society.

**Nature of the Society, Objectives and Strategies**

The Society exists in order to provide, within the city of Norwich, affordable good quality rented accommodation for those over 60 years of age currently without a self-contained home or living in other circumstances unsuitable to their needs.

The ongoing objective is to acquire by means of development or otherwise, sufficient self-contained residential units so as to accommodate all current and future applicants in genuine need of rehousing; whilst at the same time ensuring the proper maintenance, modernisation and management of all existing properties.

**Financial Review and Position at Year-End including factors affecting that position**

The Society has completed another successful year.

Rent and Service Charge income has increased to £1,657k (2020: £1,582k) after voids.

Operating costs are higher than the previous year amounting to £1,486k (2020: £1,409k).

A surplus of £212,574 (2020: £204,321) has been added to reserves. During the year we invested £153,403 (2020: £393,393) in capital expenditure.

The Society had net current assets of £46,766 at 31 October 2021 (2020: net current liabilities of £79,402). The Society closely monitors its cash flow to ensure there are sufficient funds being generated to fund these commitments.

**Rent policy**

The Society's rent policy is in accordance with the government's Rent Influencing Regime (Rent Restructuring).

**Reserves policy**

It is the policy of the Society to reinvest all surpluses in the maintenance and improvement of its properties and additional development.

**Future developments including factors and influences on future performance**

The Board of Management continues to review the Society's development future and the areas within the existing stock where improvements could be made.



## Norwich Housing Society Limited

### Report of the Chairman (continued)

For the year ended 31 October 2021

#### Value for money

The Society's assets are managed in order to deliver the best possible service as efficiently, effectively and economically as possible. The Board's sub-committees and the full Management Board all meet regularly throughout the year and review operational results against set objectives.

The condition of the Society's portfolio is regularly reviewed in order to maintain properties to a high standard. New schemes are developed to replace old properties where appropriate and any grant funding available is maximised.

Performance indicators are benchmarked against other small housing providers for older people.

In July 2019, a firm of consultants was commissioned to carry out the triennial tenants' satisfaction survey. A high response rate of 79% was obtained. Overall satisfaction with the services provided by the Society was at 96%. A survey is being considered for 2022 and our internal feedback from tenants indicates a similar level of satisfaction will be achieved. The ratings are evidence of strong performance at the Society and are a credit to staff, management and the Board.

The Regulator of Social Housing (RSH) has published a value for money standard which must be adhered to by Registered Providers. This includes the need to publish nine measures in a standard form to enable comparison across the sector, accepting that there will be variances associated with each business's policies, strategy and focus. The Society continues to develop and improve its property stock and looks forward to benchmarking when compared to similar organisations.

VFM metric	2021	2020	2019
1. Reinvestment %	1.3%	3.3%	2.0%
2. New supply delivered (social housing units %)	0%	0%	0%
3. New supply delivered (non-social housing units %)	0%	0%	0%
4. Gearing %	5.8%	10.7%	12.2%
5. EBITA MRI interest cover %	381.3%	508.3%	248.8%
6. Headline social housing cost per unit	£4,764	£3,962	£4,443
7. Operating margin (social housing) %	9.4%	9.8%	15.3%
8. Operating margin (overall) %	16.4%	10.9%	16.5%
9. ROCE %	1.4%	1.5%	2.2%

The Society's development at 11 Bluebell Road, Norwich commenced during the year and is scheduled to complete in May 2022 providing four additional social housing bungalows.

It is the Society's policy to spend any surplus funds on maintaining the property stock and significant expenditure, both capital and revenue, is made in all years. More repairs rather than improvements were carried out in the year such that improvement works capitalised have fallen. The bank loans terms are such that there were substantial loan repayments so that the gearing % and interest cover have improved.

Both the Tenants' satisfaction and Value for Money reports are available within the "About Us" area of the Society's website <http://www.norwichhousingsociety.org>

#### Statement of compliance

In preparation of the financial statements, Norwich Housing Society has complied with all aspects of the HCA's Governance and Financial Viability Standard.

#### Code of governance

The National Housing Federation Model Rules 2011 were adopted by the Society at the AGM in March 2014.



**Norwich Housing Society Limited**

**Report of the Chairman (continued)**

**For the year ended 31 October 2021**

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**Statement on the Registered Social Housing Provider's Internal Control Systems**

The Board of Management acknowledges its ultimate responsibility for ensuring that the Society has in place a system of controls that is appropriate to the business environment in which it operates and for the review of the effectiveness of that system during the year. These controls are designed to identify and manage rather than eliminate risks which may prevent the organisation from achieving its objectives. The system is designed to give reasonable rather than absolute assurance with respect to:

- the reliability of information used within the Society or for publication;
- maintenance or proper accounting and management records; and
- the safeguarding of assets against unauthorised use or disposal.

The Board of Management has identified the significant risks attaching to the Society and has procedures in place to minimise the exposure. Such procedures are regularly reviewed during the year.

Key elements of the system of control include ensuring that:

- formal policies and procedures are in place, which allow the monitoring of controls and restrict the unauthorised use of the Society's assets;
- experienced and suitably qualified staff take responsibility for important business functions;
- forecasts and budgets are prepared which allow the Board, Committees and management to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant reliable and up to date financial and other information and significant variances from budgets are investigated as appropriate;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures;
- the Finance sub-committee reviews reports from management as and when required by the Board of Management and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed. The Finance sub-committee makes reports to the Board of Management following each time it meets;
- the Board of Management adopts appropriate procedures or takes appropriate action to correct weaknesses identified from the above reports.

The Board of Management acknowledges that their responsibility applies to the complete range of risks and controls within the Society's activities.

**Political donations and expenditure**

The Society has neither made nor received any donations during the course of this financial year.

## Norwich Housing Society Limited

### Report of the Board of Management

For the year ended 31 October 2021

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#### Equal opportunities

The Society believes it has a "fair housing programme" which does not discriminate on the grounds of colour or race, sex or disability in each of the five following categories - Access to housing; Quality of housing; Security of tenure; Influence over management; and Redress when things go wrong.

It is also intended that this policy should extend to the Society's employees, consultants and contractors and to the composition of the Board of Management.

#### Board's responsibilities statement

The Board of Management is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of its income and expenditure for that period.

In preparing these financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Board of Management is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, and the Accounting Direction for private registered providers of social housing in England 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the Society and to prevent and detect fraud and other irregularities.


The Board of Management is also responsible for the maintenance and integrity of the corporate and financial information included on the Society's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### Statement of Disclosure of Information to Auditor

We, the Board members of Norwich Housing Society Limited, who held office at the date of approval of these financial statements as set out above, confirm, so far as we are aware, that:

- there is no relevant audit information of which the Society's auditor is unaware; and
- we have taken all the steps that we ought to have taken as Board members to make ourselves aware of any relevant audit information and to establish that the Society's auditor is aware of that information.

On behalf of the Board

  
Carol Sangster  
Chair

1 February 2022



# Norwich Housing Society Limited

## Independent auditors' report to the members of Norwich Housing Society Limited

Year ended 31 October 2021

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### Opinion

We have audited the financial statements of Norwich Housing Society Limited for the year ended 31 October 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows 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, including Financial Reporting Standard 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 association's affairs as at 31 October 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

### 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 responsibilities for the audit of the financial statements section of our report. We are independent of the association 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 board'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 association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the board 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, other than the financial statements and our auditor's report thereon. The board 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 conclusions thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent 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.

## Norwich Housing Society Limited

### Independent auditors' report to the members of Norwich Housing Society Limited (continued)

Year ended 31 October 2021

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#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- The association has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- The revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the association's books of account; or
- We have not obtained all the information and explanations necessary for the purposes of our audit.

#### Responsibilities of the board

As explained more fully in the board's responsibilities statement, set out on page 9, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board is responsible for assessing the association'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 board either intends to liquidate the association or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance;
- Enquiry of entity staff compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimate bias.

Because of the inherent limitations on an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.



**Norwich Housing Society Limited**

**Independent auditors' report to the members of Norwich Housing Society Limited (continued)**

**Year ended 31 October 2021**

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A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for..> This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Lovewell Blake LLP*

**Lovewell Blake LLP  
Statutory Auditor  
Bankside 300  
Peachman Way  
Broadland Business Park  
Norwich  
NR7 0LB**

..... 08 February 2022



**Norwich Housing Society Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 October 2021**

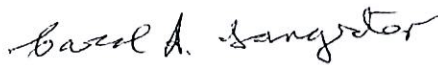
	Note	2021 £	2020 £
Turnover	2	1,656,795	1,582,058
Operating expenditure	2	(1,485,592)	(1,409,075)
<b>Operating surplus</b>		171,203	172,983
Gain on disposal of tangible fixed assets	5	101,240	106,021
Interest receivable	3	17	1,162
Interest and financing costs	4	(59,886)	(75,845)
<b>Total comprehensive income for the year</b>		<u>212,574</u>	<u>204,321</u>

The only recognised gain is the surplus for the year of £212,574.

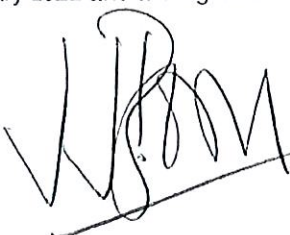
There is no difference between the reported surplus for the year and historical cost surpluses or deficits.

The results relate wholly to continuing activities.

The financial statements were approved by the board on 1 February 2022 and are signed on its behalf by -

  
C Sangster  
(Chairman)

J Boon  
(Vice Chairman)



The accompanying accounting policies and notes form an integral part of these financial statements.

# Norwich Housing Society Limited

## Balance Sheet

31 October 2021

	Note	2021	2020 (restated)
		£	£
<b>Fixed assets</b>			
Tangible fixed assets	10, 11	11,835,056	11,939,563
<b>Current assets</b>			
Trade and other debtors	12	43,482	156,309
Cash and cash equivalents		567,970	242,333
		<u>611,452</u>	<u>398,642</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(564,686)</u>	<u>(478,044)</u>
<b>Net current assets / (liabilities)</b>		<u>46,766</u>	<u>(79,402)</u>
<b>Total assets less current liabilities</b>		11,881,822	11,860,161
<b>Creditors: amounts falling due after more than one year</b>	14	<u>(3,140,152)</u>	<u>(3,331,063)</u>
<b>Total net assets</b>		<u>8,741,670</u>	<u>8,529,098</u>
<b>Capital and reserves</b>			
Called up share capital	15	27	29
Income and expenditure reserve		<u>8,741,643</u>	<u>8,529,069</u>
<b>Total reserves</b>		<u>8,741,670</u>	<u>8,529,098</u>

The financial statements were approved and authorised for issue by the Board on 1 February 2022 and are signed on its behalf by:-

*C Sangster*

C Sangster  
(Chairman)

J Boon  
(Vice Chairman)

*J Boon*

*P Kingston*

P Kingston  
(Interim Chief Executive)

The accompanying accounting policies and notes form an integral part of these financial statements.

**Norwich Housing Society Limited**

**Statement of Changes in Equity / Reserves**

**For the year ended 31 October 2021**

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	Called up Share capital £	Income and expenditure reserve £	Total £
<b>Balance at 1 November 2019</b>	28	8,204,448	8,204,476
Surplus from statement of comprehensive income	-	204,321	204,321
Share capital issued	<u>1</u>	<u>-</u>	<u>1</u>
<b>Balance at 1 November 2020 as previously reported</b>	29	8,408,769	8,408,798
Prior period adjustment	-	120,300	120,300
<b>Balance at 1 November 2020 (restated)</b>	29	8,529,069	8,529,098
Surplus from statement of comprehensive income	-	212,574	212,574
Share capital cancelled	<u>(2)</u>	<u>-</u>	<u>(2)</u>
<b>Balance at 31 October 2021</b>	<u>27</u>	<u>8,741,643</u>	<u>8,741,670</u>

**Norwich Housing Society Limited**

**Statement of Cash Flows**

**For the year ended 31 October 2021**

	Note	2021 £	2020 £
<b>Net cash generated from operating activities</b>	17	<u>709,238</u>	<u>510,337</u>
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets		(153,403)	(393,393)
Proceeds from sale of tangible fixed assets		101,806	106,587
Interest received		<u>17</u>	<u>1,162</u>
<b>Net cash flow from investing activities</b>		<u>(51,580)</u>	<u>(285,644)</u>
<b>Cash flow from financing activities</b>			
Shares issued		-	1
Repurchase of shares		(2)	-
Repayments of borrowings		(272,132)	(246,247)
Interest paid		<u>(59,887)</u>	<u>(75,845)</u>
<b>Net cash flow from financing activities</b>		<u>(332,021)</u>	<u>(322,091)</u>
<b>Net change in cash and cash equivalents</b>		325,637	(97,398)
<b>Cash and cash equivalents at beginning of the year</b>		<u>242,333</u>	<u>339,731</u>
<b>Cash and cash equivalents at end of the year</b>		<u>567,970</u>	<u>242,333</u>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		97,839	61,518
Short term deposits		<u>470,131</u>	<u>180,815</u>
<b>Cash and cash equivalents at 31 October 2021</b>		<u>567,970</u>	<u>242,333</u>

**Norwich Housing Society Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 October 2021**

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**1. Accounting policies**

The significant accounting policies used in the preparation of these financial statements are: -

**a. Introduction and accounting basis**

Norwich Housing Society Limited is governed under the Cooperative and Community Benefit Societies Act 2014 and is a Registered Provider of Social Housing in the United Kingdom. The address of the registered office is given in the reference and administrative information on page 1 of these financial statements. The nature of the Society's operations and principal activities are to provide (by means of development or otherwise), sufficient self-contained residential units to accommodate all current and future applicants in genuine need of rehousing.

The Society constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Cooperative and Community Benefit Societies Act 2014. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the Society, and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**b. Turnover**

Turnover is measured at the fair value of the consideration received or receivable. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental income and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Homes England (previously known as the Homes and Communities Agency).

**c. Tangible Fixed Assets**

Tangible fixed assets, except freehold land, are stated at cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, development costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.



## Norwich Housing Society Limited

### Notes to the Financial Statements (Continued)

For the year ended 31 October 2021

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#### 1. Accounting policies (continued)

Depreciation is charged on a straight line basis at rates anticipated to write off the cost of each asset over the expected useful economic lives of the assets at the following annual rates:

Boilers/Fires	6.66%
Kitchen	5.00%
Lift	5.00%
Plumbing	3.33%
Bathroom	3.33%
Windows/Doors	3.33%
Electrics	2.50%
Roof	1.43%
Walls	1.00%

The useful economic lives of all tangible fixed assets are reviewed annually.

#### d. Housing Properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation and impairment loss (representing a diminution in the recoverable service potential of the asset below its carrying value in the balance sheet). Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period.

Improvements are works to existing properties which result in an increase in the net rental income, including a reduction in maintenance costs or result in a significant extension of the useful economic life of the property.

Housing properties in the course of construction are stated at cost and are not depreciated.

Major components of housing properties, such as lifts and warden alarm systems, have been accounted for and depreciated separately from the connected housing property, over their expected useful economic lives.

The disposal proceeds from properties owned outright are included in turnover and the surplus or deficit is accounted for in the income and expenditure account of the period in which the disposal occurs as the difference between the net sale proceeds and the net carrying value.

#### e. Other tangible fixed assets

Other tangible fixed assets (other than housing properties), are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for other assets are:

Fixtures, fittings and equipment	20.00%
Computer equipment	33.33%

#### f. Government grants

Government grants from Homes England (previously known as the Homes and Communities Agency (the HCA)), are received in respect of housing properties. These grants are recognised at the fair value of the asset received or receivable. Where the assets are accounted for using the cost model then the government grant is accounted for using the accruals model. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised within turnover.

# Norwich Housing Society Limited

## Notes to the Financial Statements

For the year ended 31 October 2021

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### 1. Accounting policies (continued)

#### g. Cyclical repairs and maintenance

The Society has established regular programmes of repair and maintenance covering each scheme. The Society does not make provision for future works but charges actual costs incurred to the income and expenditure account.

#### h. VAT

The Association is not VAT registered. Income and expenditure, where applicable, is therefore shown inclusive of VAT in the financial statements.

#### i. Interest

Interest is charged to the income and expenditure account as it is incurred. Interest in relation to development projects is not capitalised.

#### j. Current assets

Debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand.

#### k. Creditors and provisions

Creditors and provisions are recognised when the Society 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.

#### l. Financial instruments

The Society only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

#### m. Subsidiary undertaking

The Society is corporate trustee of Stuart Court Memorial Charity, a Registered Social Landlord. It is the opinion of the Board of Management of the Society that it would be of no real value to the members of the Society to produce group financial statements because of the amounts involved. This opinion has been formally approved by the Registrar of Friendly Societies in accordance with Section 99 of the Co-operative and Community Benefit Societies Act 2014. Consequently, these financial statements present information about the Society as an individual undertaking and not about its group.

#### n. Employee benefits

When employees have rendered service to the Society, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The Society operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

# Norwich Housing Society Limited

## Notes to the Financial Statements

For the year ended 31 October 2021

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### 1. Accounting policies (continued)

#### o. Going concern

The Society's activities, its current financial position and factors likely to affect its future development are set out in the Report of the Board of Management. The Society has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the society's day to day operations. The Society also has a long-term business plan which shows that it is able to service these debt facilities while continuing to comply with lenders' covenants.

On this basis, the Board has a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements. The Board of Management have taken into account the impact of COVID-19 in making this assessment.



**Norwich Housing Society Limited**

**Notes to the Financial Statements**

**For the year ended 31 October 2021**

**2. Particulars of turnover, costs of sales, operating expenditure and operating surplus**

	Turnover	Operating Costs	2021 Operating Surplus	Turnover	Operating Costs	2020 Operating Surplus
	£	£	£	£	£	£
Social housing lettings (note 7)	1,640,052	(1,485,592)	154,460	1,561,789	(1,409,075)	152,714
Activities other than social housing activities	16,743	-	16,743	20,269	-	20,269
	<u>1,656,795</u>	<u>(1,485,592)</u>	<u>171,203</u>	<u>1,582,058</u>	<u>(1,409,075)</u>	<u>172,983</u>

**3. Interest and other finance income and charges**

	2021 £	2020 £
Bank interest receivable	<u>17</u>	<u>1,162</u>

**4. Interest payable and similar charges**

	2021 £	2020 £
Bank loans and overdrafts	59,886	75,845
Other financing charges	-	-
	<u>59,886</u>	<u>75,845</u>

**5. Disposals of housing properties held as tangible fixed assets**

	2021 £	2020 £
Proceeds from the disposal of housing properties	101,806	106,587
Carrying value of housing properties	(566)	(566)
	<u>101,240</u>	<u>106,021</u>

**6. Operating surplus**

The operating surplus is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	257,344	255,994
Key management personnel remuneration (see note 8)	132,534	117,155
Auditor's remuneration for audit	8,552	8,124
Auditor's remuneration for non-audit	1,195	135
Rent losses from bad debts	1,132	(342)
Government grants	(44,932)	(44,641)

Norwich Housing Society Limited

Notes to the Financial Statements (Continued)

For the year ended 31 October 2021

7. Particulars of turnover and operating expenditure

	2021 General needs housing £	2021 Supported housing (including housing for older people) £	2021 Total £	2020 General needs housing £	2020 Supported housing (including housing for older people) £	2020 Total £
<b>Income</b>						
Rents receivable net of identifiable service charges	57,405	1,191,926	1,249,331	65,467	1,181,041	1,246,508
Service charge income	2,817	258,707	261,524	2,355	238,218	240,573
Government grants taken to income	-	44,932	44,932	-	44,641	44,641
<b>Turnover from social housing lettings</b>	<b>60,222</b>	<b>1,495,565</b>	<b>1,555,787</b>	<b>67,822</b>	<b>1,463,900</b>	<b>1,531,722</b>
Other income	-	84,265	84,265	-	30,067	30,067
<b>Total income</b>	<b>60,222</b>	<b>1,579,830</b>	<b>1,640,052</b>	<b>67,822</b>	<b>1,493,967</b>	<b>1,561,789</b>
<b>Operating expenditure</b>						
Management	(16,707)	(420,708)	(437,415)	(16,871)	(389,438)	(406,309)
Service charge costs	(3,085)	(227,936)	(231,021)	(3,410)	(212,768)	(216,178)
Routine maintenance	(3,160)	(229,644)	(232,804)	(3,802)	(149,668)	(153,470)
Planned maintenance	(130)	(303,286)	(303,416)	(40)	(226,021)	(226,061)
Major repairs expenditure	-	(24,726)	(24,726)	-	(150,721)	(150,721)
Bad debts	-	1,133	1,133	-	(342)	(342)
Depreciation	-	(257,343)	(257,343)	-	(255,994)	(255,994)
<b>Total operating expenditure costs on social housing lettings</b>	<b>(23,082)</b>	<b>(1,462,510)</b>	<b>(1,485,592)</b>	<b>(24,123)</b>	<b>(1,384,952)</b>	<b>(1,409,075)</b>
<b>Operating surplus on social housing lettings</b>	<b>37,140</b>	<b>117,320</b>	<b>154,460</b>	<b>43,699</b>	<b>109,015</b>	<b>152,714</b>
Void losses (being rental income lost as a result of property not being let, although it is available for letting)	(6,014)	(32,885)	(38,899)	(7,005)	(49,157)	(56,162)

The Government grants taken to income relate to Housing Association grants and Local Authority Right To Buy (RTB) grants, which are released over the expected useful life of the properties to which they relate.



# Norwich Housing Society Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 October 2021

### 7. Particulars of turnover and administrative expenditure (continued)

*Turnover from non-social housing lettings:*

	2021 £	2020 £
Commercial lettings	<u>16,743</u>	<u>20,269</u>

### 8. Board and key management personnel remuneration

None of the board members received emoluments.

The aggregate remuneration for key management personnel charged in the year is:

	2021 £	2020 £
Basic salary	119,818	105,545
Pension contributions	<u>12,716</u>	<u>11,610</u>
	<u>132,534</u>	<u>117,155</u>

The Chief Executive is a member of the Society's defined contribution pension scheme. He is an ordinary member of the pension scheme and no enhanced or special terms apply. During the period the total amount contributed to the individual pension arrangement of the Chief Executive was £7,718 (2020: £6,663).

£874 travel expenses were reimbursed to the senior management team (2020: £894).

No travel expenses were reimbursed to the Board of Management (2020: £Nil).

### 9. Staff costs

The average number of persons, including the Chief Executive, employed by the Society during the year was as follows:

	Number of employees	
	2021	2020
Management and administration	9	9
Housing, support and care	4	4
	—	—
Total	<u>13</u>	<u>13</u>

The average number of employees, including the Chief Executive, calculated on a full-time equivalent basis was 11 employees (2020: 11). For part-time workers, full-time equivalent numbers are calculated based upon the basic hours worked.

The aggregate remuneration of such employees was as follows:

	2021 £	2020 £
Wages and salaries	340,284	308,404
Social security costs	27,427	23,886
Pension costs	33,032	30,465
	<u>400,743</u>	<u>362,755</u>

# Norwich Housing Society Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 October 2021

### 9. Staff costs (continued)

The number of employees with employee benefits (excluding employer pension costs) in excess of £60,000 was:

	2021 No.	2020 No.
£60,001 - £70,000	-	1
	-	-
	=	<u>1</u>

### 10. Tangible fixed assets - housing properties

	Social housing properties held for letting £	Housing properties for letting under construction £	Total housing properties £
<b>Cost</b>			
At 1 November 2020 (restated)	15,064,529	393,393	15,457,922
Additions	-	153,403	153,403
Disposals	(566)	-	(566)
At 31 October 2021	15,063,963	546,796	15,610,759
<b>Depreciation</b>			
At 1 November 2020	3,520,225	-	3,520,225
Charge for the year	255,483	-	255,483
Eliminated on disposals	-	-	-
At 31 October 2021	3,775,708	-	3,775,708
Net book value at 31 October 2021	11,288,255	546,796	11,835,051
Net book value at 31 October 2020 (restated)	11,544,304	393,393	11,937,697

All properties are freehold and available for let. Land is not depreciated. The land element totals £2,194,674 (2020: £2,194,674).

### Expenditure on works to existing properties

	2021 £	2020 £
Improvement works capitalised	153,403	393,393
Amounts charged to income and expenditure (note 7)	560,946	530,252
	<u>714,349</u>	<u>923,645</u>

**Norwich Housing Society Limited**

**Notes to the Financial Statements (Continued)**

**For the year ended 31 October 2021**

**10. Tangible fixed assets - housing properties (continued)**

**Social housing assistance**

	2021 £	2020 £
Total accumulated social housing grant received or receivable at 31 October 2021	<u>2,998,845</u>	<u>2,863,257</u>
Recognised to date in the Statement of Comprehensive Income	781,162	736,230
Held as deferred income (notes 13 and 14)	<u>2,217,683</u>	<u>2,127,027</u>
	<u>2,998,845</u>	<u>2,863,257</u>

**11. Tangible fixed assets - fixtures, fittings and equipment**

	Total £
<b>Cost</b>	
At 1 November 2020	89,703
Additions	-
	<u>89,703</u>
<b>Depreciation</b>	
At 1 November 2020	87,837
Charge for year	1,861
	<u>89,698</u>
<b>At 31 October 2021</b>	<u>5</u>
<b>Net book value at 31 October 2021</b>	<u>1,866</u>
<b>Net book value at 31 October 2020</b>	<u>1,866</u>

**12. Trade and other debtors**

	2021 £	2020 £
Trade debtors (gross social housing rent arrears)	27,272	32,091
Less provision for bad and doubtful debts	(2,500)	(4,200)
Other debtors	1,926	113,068
Prepayments and accrued income	16,784	15,350
	<u>43,482</u>	<u>156,309</u>

# Norwich Housing Society Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 October 2021

### 13. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	277,242	271,359
Trade creditors	130,180	78,579
Rents paid in advance	46,088	37,802
Other creditors	9,228	11,606
Accruals and deferred income	46,558	27,444
Other tax and social security	7,197	6,613
Government grants	48,193	44,641
	<u>564,686</u>	<u>478,044</u>

Bank loan terms of repayment and interest rates are as detailed in note 14.

### 14. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans and overdrafts	970,662	1,248,677
Government grants	2,169,490	2,082,386
	<u>3,140,152</u>	<u>3,331,063</u>

The bank loans include aggregate amounts of £77,226 (2020: £115,645) which fall due after five years and which are payable by instalments.

The loans are all secured by fixed charges on the Society's housing properties. Of the loans at the year end, £330,000 (2020: £410,000) was subject to a floating rate of 0.65% over the Bank of England base rate, £330,000 (2020: £410,000) was subject to fixed rates of interest at 5.315%, £198,073 (2020: £235,342) at 6.175% and £190,842 (2020: £228,945) at 6.185%. The remainder is at various fixed rates of interest, ranging from 9.125% to 10.75%.

### 15. Share capital and reserves

	2021 £	2020 £
<b>Share capital</b>		
Allotted, called up and fully paid:		
At 1 November 2020	29	28
Shares issued during the year	-	1
Shares cancelled during the year	(2)	-
	<u>27</u>	<u>29</u>
At 31 October 2021	<u>27</u>	<u>29</u>

Each member of the Board of Management holds a share of £1 in the Society. There are limited rights regarding receipt of dividends, redemption, distribution and winding up attached to the shares. On a ballot every shareholder present in person or by proxy shall have one vote. In the case of an equality of votes the chair of the meeting shall have a second or casting vote.

On 15 September 2020 shares which had an aggregate nominal value of £1 were allotted for aggregate consideration of £1.

#### Income and expenditure reserve

The income and expenditure reserve represents cumulative surpluses and deficits net of other adjustments.



**Norwich Housing Society Limited**

**Notes to the Financial Statements (Continued)**

**For the year ended 31 October 2021**

**16. Accommodation owned, managed and in development**

	Number of units	
	31 Oct 21	31 Oct 20
<i>Social housing</i>		
General needs housing:		
Let at social rent	11	12
Housing for older people	277	277
<i>Non-social housing</i>		
Commercial lettings	2	2
	<u>—</u>	<u>—</u>
Total owned and managed	<u>290</u>	<u>291</u>
Accommodation in development	<u>4</u>	<u>4</u>

Norwich Housing Society also manages 25 properties for Stuart Court Memorial Charity, for whom it is the sole trustee. See note 19.

**17. Cash flow from operating activities**

	2021 £	2020 £
Surplus for the year	171,203	172,983
Depreciation of tangible fixed assets	257,344	255,994
Decrease / (Increase) in trade and other debtors	112,827	18,320
Increase / (Decrease) in trade and other creditors	167,864	63,040
	<u>709,238</u>	<u>510,337</u>

**18. Analysis of changes in net debt**

	At 1 Nov 2020 £	Cash Flows £	Other Non- Cash Changes £	At 31 Oct 2021 £
Cash	242,333	325,637	-	567,970
Cash equivalents	-	-	-	-
	<u>242,333</u>	<u>325,637</u>	<u>-</u>	<u>567,970</u>
Loans falling due within one year	(271,359)	272,132	(278,015)	(277,242)
Loans falling due after more than one year	(1,248,677)	-	278,015	(970,662)
	<u>(1,277,703)</u>	<u>597,769</u>	<u>-</u>	<u>(679,934)</u>
Total	(1,277,703)	597,769	-	(679,934)



# Norwich Housing Society Limited

## Notes to the Financial Statements (Continued)

### For the year ended 31 October 2021

#### 19. Related party transactions

Under the definitions of FRS 102, Stuart Court Memorial Charity is considered a related party of Norwich Housing Society Limited (see note 20). Transactions between the two entities can be summarised as follows:

	2021 £	2020 £
Management charge receivable from Stuart Court Memorial Charity	<u>27,480</u>	<u>20,640</u>

The position at the balance sheet date can be summarised as follows:

	2021 £	2020 £
Amounts owed by/(to) Stuart Court Memorial Charity at 31 October 2021	<u>(1,416)</u>	<u>3,253</u>

During the year architectural services to the value of £1,037 (2020: £3,766) were provided to the charity by Jon Boon who is a member of the Board of Management of Norwich Housing Society Limited. At the year end the charity owed £Nil (2020: £Nil) to Mr Boon.

#### 20. Subsidiary undertaking

The Society is the corporate trustee of Stuart Court Memorial Charity, a registered social landlord. The principal place of business of Stuart Court Memorial Charity is 13 Bracondale, Norwich, Norfolk, NR1 2AL.

Details of transactions entered into with Stuart Court Memorial Charity are set out in note 19.

The Board of Management have relied upon the exemption provided by S99 of the Co-operative and Community Benefit Societies Act 2014 because of the insignificant amounts involved and have not consolidated the results of the subsidiary in the Society's financial statements. A summary of the subsidiary results for the year ended 31 October 2021 is provided below:

	2021 £	2020 £
Turnover	148,836	145,696
Operating costs	<u>(103,898)</u>	<u>(122,941)</u>
Operating surplus	<u>44,938</u>	<u>22,755</u>
Surplus/(Deficit) for the year	<u>31,070</u>	<u>11,242</u>
Accumulated reserve at the year-end	<u>988,138</u>	<u>957,068</u>

#### 21. Capital commitments

	2021 £	2020 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements.	<u>380,764</u>	<u>-</u>

It is intended that this anticipated capital expenditure will be financed from reserves and grants.

# Norwich Housing Society Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 October 2021

### 22. Pension costs

The Society operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Society in an independently administered fund. The pension cost charge represents contributions payable by the Society to the fund and amounted to £33,032 (2020: £30,465). Contributions totalling £71 (2020: payable to the fund and included in creditors £169) were repayable to the society at the year-end and are included in debtors.

### 23. Contingent liability

Following changes to the Board and Senior Management Team, Norwich Housing Society identified that the historic basis for the initial calculation and subsequent increases applied to rents did not comply with the Regulator of Social Housing (RSH) Rent Standard and the detailed regulations set out in the Ministry of Housing, Communities and Local Government (MHCLG) Policy statement on rents for social housing (The Policy Statement), issued in February 2019, applicable from April 2020 onwards. The Society therefore commissioned a firm of consultants to carry out a review of rents. This review took place in October 2021 and indicated a significant rent overpayment, plus interest on cumulative overcharges, due to tenants, which the Board consider could be covered by reserves. As the final amount due back to tenants has yet to be agreed, no provision has been made in these accounts.

### 24. Prior period adjustment

A prior year adjustment has been made to the financial statements relating to the accounting period 31 October 2017. This relates to the disposal of a number of general needs properties during that period. The disposal costs of these properties was overstated by £120,300 relating in an understatement of gains on disposal in that period.

The prior year financial statements have been restated to correct the following:

	As previously reported £	Prior year adjustment £	Restated £
Statement of changes in equity / reserves:			
Income and expenditure reserve	8,408,798	120,300	8,529,098
Balance sheet:			
Tangible fixed assets: Housing properties	11,817,397	120,300	11,937,697