

Stuart Court Memorial Charity

Registered Social Landlord Number: A2803
Charity Commission Number: 226776

Audited Annual Report and Financial Statements

For the year ended 31 October 2021

Stuart Court Memorial Charity

Year ended 31 October 2021

Contents	Page
Reference and Administrative Details	1
Report of the Chairman	2 - 5
Report of the Trustee	6 - 9
Independent Auditor's Report	10 - 12
Statement of Comprehensive Income (including Income and Expenditure Account)	13
Statement of Financial Position	14
Statement of Changes in Reserves	15
Statement of Cash Flows	16
Notes to the Financial Statements	17 - 25

Stuart Court Memorial Charity

Year ended 31 October 2021

Registered Social Landlord number:	A2803
Registered Charity number:	226776
Trustee:	Norwich Housing Society Limited
Address:	13 Bracondale Norwich Norfolk NR1 2AL
Bankers:	HSBC 18 London Street Norwich NR2 1LG The Charity Bank Limited 182 High Street Tonbridge Kent TN9 1BE
Auditor:	Lovewell Blake LLP Bankside 300 Peachman Way Broadland Business Park Norwich NR7 0LB

Stuart Court Memorial Charity

Report of the Chairman

For the year ended 31 October 2021

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.

Stuart Court Memorial Charity

Report of the Chairman (continued)

For the year ended 31 October 2021

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.

Stuart Court Memorial Charity

Report of the Chairman

For the year ended 31 October 2021

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.

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.

Stuart Court Memorial Charity

Report of the Chairman (continued)

For the year ended 31 October 2021

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

Stuart Court Memorial Charity

Report of the Trustee

For the year ended 31 October 2020

Principal activities and objectives for the public benefit

The Charity exists in order to provide for the public benefit, 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.

Having acquired sufficient self-contained residential units so as to accommodate the current level of applicants in genuine need of housing, the ongoing objective is to ensure the maintenance, modernisation and management of those properties.

The Board confirm that, in exercising their powers and duties, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Value for money

It is important that our community and residents obtain value for money from our activities.

The Charity's assets are managed in order to deliver the best possible service as efficiently, effectively and economically as possible. Operational results are reviewed regularly against set objectives.

The state of repair of Stuart Court, a listed building built in 1915 and any other property, is regularly reviewed by the Board and its sub-committees. Works are prioritised and undertaken when required.

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.

Stuart Court Memorial Charity

Report of the Trustee

For the year ended 31 October 2021

VFM metric	2021	2020	2019
1. Reinvestment %	8.5%	2.4%	46%
2.a New supply delivered (social housing units %)	0%	0%	0%
2.b New supply delivered (non-social housing units %)	0%	0%	0%
3. Gearing %	-2.8%	5.3%	20.8%
4. EBITA MRI interest cover %	408.7%	412.9%	89.2%
5. Headline social housing cost per unit	£2,348	£3,585	£4,500
6. Operating margin (social housing) %	30.2%	15.6%	33.7%
7. Operating margin (overall) %	20.9%	15.6%	33.7%
8. ROCE %	1.8%	1.7%	2.7%

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

Tenants' satisfaction and Value for Money reports are available within the "About Us" area of Norwich Housing Society's website -

<http://www.norwichhousingsociety.org>

Statement of compliance

In preparation of the financial statements, Stuart Court Memorial Charity has complied with all aspects of the HCA's Governance and Financial Viability Standard.

Stuart Court Memorial Charity

Report of the Trustee (continued)

For the year ended 31 October 2021

Structure, governance and management

Stuart Court Memorial Charity is governed by its trust deed, dated 7 December 1915, and aims to provide good quality affordable accommodation for persons over sixty years of age. Norwich Housing Society Limited provides day to day management services.

We operate under the National Housing Federation Model Rules 2011 which is recognised as best practice.

Recruitment and appointment of Trustees

The sole Trustee of the Charity is Norwich Housing Society Limited.

Risk management

The Board is aware of the requirement to identify and review the major risks to which the Charity is exposed and to establish systems to mitigate these risks. A review is carried out on a regular basis by the Board as detailed in the Chairman's Report.

Organisational structure

The Board of Norwich Housing Society Limited govern the Charity. As detailed in the Chairman's Report, this board consists of four sub-committees in the areas of Finance, Property, Operations and Governance, and the activities of the Charity in these areas are considered at Board meetings. The Board meet eight times a year with regular sub-committee meetings feeding into the main Board.

Related parties

The sole Trustee of the Charity is Norwich Housing Society Limited, which provides day to day management services to the Charity.

Market value of land and buildings

The Board is of the opinion that the market value of properties at 31 October 2021 would significantly exceed the net book values included in the financial statements, but is unable to quantify this excess in the absence of a professional valuation, the costs of which are not considered justifiable in view of the Charity's intention to retain ownership of its existing properties for use in its activities for the foreseeable future.

Reserves policy

At the year end the charity's free reserves, consisting of net current assets, totalled £426,349 (2020: £112,091). It is the trustee's policy to hold net current assets at a level that would be sufficient to fund any required maintenance and renewals in excess of income. The trustee is satisfied with the level of free reserves.

Political and charitable donations

The Charity has not made any donations during the course of this financial year.

Equal opportunities

The Charity 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 Charity's employees, consultants and contractors and to the composition of the management board.

Stuart Court Memorial Charity

Report of the Trustee (continued)

For the year ended 31 October 2021

Statement of Trustee's responsibilities for the financial statements

The Trustee is responsible for preparing the financial statements in accordance with applicable law and with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities and registered social housing legislation require the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its surplus or deficit for that period. In preparing these financial statements, the Trustee 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustee is responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with the Trust Deed, the Charities Act 2011, 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 Charity and to prevent and detect fraud and other irregularities.

The Trustee is responsible for the maintenance and integrity of the corporate and financial information included on the Charity'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 which acts as corporate Trustee of Stuart Court Memorial Charity, 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 Charity's auditor is unaware; and
- we have taken all the steps that we ought to have taken as corporate Trustee to make ourselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.



Carol Sangster
Chairman

1 February 2022

Stuart Court Memorial Charity

Independent Auditors' Report to the Trustee of Stuart Court Memorial Charity

Year ended 31 October 2021

Opinion

We have audited the financial statements of Stuart Court Memorial Charity (the 'association') for the year ended 31 October 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Reserves, 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 incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, 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's 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.

Stuart Court Memorial Charity

Independent Auditors' Report to the Trustee of Stuart Court Memorial Charity (continued)

Year ended 31 October 2021

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 conclusion 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 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

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

- the information given in the financial statements is inconsistent in any material respect with the board report; 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.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of the board

As explained more fully in the Trustee's responsibilities statement set out on page 8, the board members (who are also the trustees of the association for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board 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 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 has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will 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.

A further description of our responsibilities for the audit of financial statements is located on the Financial Reporting Council'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 board, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association's board 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 board 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

8 February 2022

Lovewell Blake LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Stuart Court Memorial Charity
Statement of Comprehensive Income
For The Year Ended 31 October 2021

	Note	2021 £	2020 £
Turnover	2	148,836	145,696
Operating expenditure	2	(103,898)	(122,941)
Operating surplus		44,938	22,755
Interest receivable and similar income	3	161	420
Interest and financing costs		(14,029)	(11,933)
Total comprehensive income for the year	4	<u>31,070</u>	<u>11,242</u>

The results relate wholly to continuing activities.

The financial statements on pages 13 to 25 were approved by the Trustee on 1 February 2022 and are signed on its behalf by:-



Carol Sangster – Chairman, Norwich Housing Society



Paul Kingston – Interim Chief Executive, Norwich Housing Society

The notes on pages 17 to 25 form part of these financial statements.

Stuart Court Memorial Charity
Statement of Financial Position
As at 31 October 2021

	Note	2021		2020	
		£	£	£	£
Fixed assets					
Tangible fixed assets	7	1,258,072		1,192,977	
Current assets					
Trade and other debtors	8	12,915		1,919	
Cash and cash equivalents	9	481,978		140,617	
		494,893		142,536	
Creditors: amounts falling due within one year	10	(68,544)		(30,442)	
Net current assets		426,349		112,094	
Total assets less current liabilities		1,684,421		1,305,071	
Creditors: amounts falling due after more than one year	11	(696,283)		(348,003)	
Total net assets		<u>988,138</u>		<u>957,068</u>	
Reserves					
Income and expenditure reserve	13	988,138		957,068	
Total reserves		<u>988,138</u>		<u>957,068</u>	

The financial statements on pages 18 to 25 were approved by the Trustee on 1 February 2022 and are signed on its behalf by:-

Carol A. Sangster

Carol Sangster – Chairman, Norwich Housing Society

Paul Kingston – Interim Chief Executive, Norwich Housing Society

The notes on pages 17 to 25 form part of these financial statements.

Stuart Court Memorial Charity

Statement of Changes in Reserves

As at 31 October 2021

	Income and expenditure Reserve £	Total £
Balance at 1 November 2019	945,826	945,826
Surplus from prior year statement of comprehensive income	<u>11,242</u>	<u>11,242</u>
Balance at 1 November 2020	957,068	957,068
Surplus from statement of comprehensive income	31,070	31,070
Balance at 31 October 2021	<u>988,138</u>	<u>988,138</u>

Stuart Court Memorial Charity**Statement of Cash Flows****As at 31 October 2021**

	Note	2021 £	2020 £
Net cash generated from operating activities	17	<u>453,636</u>	<u>(317,352)</u>
Cash flow from investing activities			
Purchase of tangible fixed assets		(98,407)	(29,216)
Receipts from sales of investments		-	363,000
Payments to acquire investments		-	-
Interest received		<u>161</u>	<u>420</u>
Net cash flow from investing activities		<u>(98,246)</u>	<u>334,204</u>
Cash flow from financing activities			
Interest paid		(14,029)	(11,933)
Net cash flow from financing activities		<u>(14,029)</u>	<u>(11,933)</u>
Net change in cash and cash equivalents		341,361	4,919
Cash and cash equivalents at beginning of the year		<u>140,617</u>	<u>135,698</u>
Cash and cash equivalents at end of the year		<u>481,978</u>	<u>140,617</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		358,741	6,328
Short term deposits		<u>123,237</u>	<u>134,289</u>
Cash and cash equivalents at 31 October 2021		<u>481,978</u>	<u>140,617</u>

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2021

1. Accounting policies

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

a. Introduction and accounting basis

Stuart Court Memorial Charity is a registered charity and registered social landlord, governed by its trust deed, dated 7 December 1915. 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 Charity's operations and principal activities are detailed on page 6 of these accounts.

The Charity represents 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 Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and 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.

The financial statements have been prepared on the 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 Charity, 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 represents rental and service charges receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and Homes England (previously known as the Homes and Communities Agency).

c. Depreciation of housing properties

The Charity separately identifies the major components which comprise its housing properties, and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight line basis, over its estimated useful economic life.

The Charity depreciates the major components of its housing properties at the following annual rates:

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

Freehold land is not depreciated.

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2021

1. Accounting policies (continued)

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, and interest charges incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in the net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

e. Government grants

Government grants include grants receivable from Homes England (previously known as the Homes and Communities Agency (the HCA)), local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

f. Cyclical repairs and maintenance

The Charity has established a regular programme of repair and maintenance for its housing property. Actual costs are charged to the income and expenditure account as incurred.

g. VAT

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

h. 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.

i. Creditors and provisions

Creditors and provisions are recognised when 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.

j. 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2021

1. Accounting policies (continued)

k. Going concern

The financial statements have been prepared on a going concern basis as the Board of Management believes that no material uncertainties exist. The Board of Management have considered the level of funds held and the expected level of income and expenditure for the 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

The Board of Management have taken into account the impact of COVID-19 in making this assessment.

2. Particulars of turnover, cost of sales, operating expenditure and operating surplus

	Turnover	Operating Expenditure	2021 Operating Surplus	Turnover	Operating Expenditure	2020 Operating Surplus
	£	£	£	£	£	£
Social housing lettings (note 6)	148,836	(103,898)	44,938	145,696	(122,941)	22,755
	<u>148,836</u>	<u>(103,898)</u>	<u>44,938</u>	<u>145,696</u>	<u>(122,941)</u>	<u>22,755</u>

3. Interest receivable and similar income

	2021 £	2020 £
Bank interest received	161	420
	<u>161</u>	<u>420</u>

4. Operating surplus

The operating surplus is stated after charging.

	2021 £	2020 £
Depreciation of tangible fixed assets	33,312	33,312
Auditor's remuneration for audit	4,446	4,296
Auditor's remuneration for audit (over accrual)	(99)	204
Auditor's remuneration for non-audit	<u>-</u>	<u>-</u>

5. Employees

The Charity does not have any employees and as such there are no staff costs incurred.

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2021

6. Particulars of turnover and operating expenditure from social housing lettings		Supported housing (including housing for older people)	
		2021 £	2020 £
Income			
Rents receivable net of identifiable service charges		117,651	115,100
Service charge income		23,883	23,285
Government grants taken to income		<u>7,211</u>	<u>7,211</u>
Turnover from social housing lettings		148,745	145,596
Other income		<u>91</u>	<u>100</u>
Total income		<u>148,836</u>	<u>145,696</u>
Operating expenditure			
Management		27,480	20,640
Service charge costs		18,776	18,548
Routine maintenance		5,994	28,817
Planned maintenance		-	15,118
Depreciation of housing properties		33,312	33,312
Accountancy and audit		4,347	4,500
Legal and professional		11,880	-
Insurance		1,400	1,299
Other costs		<u>709</u>	<u>707</u>
Operating expenditure on social housing lettings		<u>103,898</u>	<u>122,941</u>
Operating surplus on social housing lettings		<u>44,938</u>	<u>22,755</u>
Void losses (being rental income lost as a result of property not being let, although it is available for letting)		<u>23</u>	<u>1,705</u>

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2021

7. Fixed assets – freehold housing properties

	Social housing properties held for letting £	Housing properties for letting under construction £	Total housing properties £
Cost			
At 1 November 2020	1,062,695	327,924	1,390,619
Additions	-	98,407	98,407
At 31 October 2021	<u>1,062,695</u>	<u>426,331</u>	<u>1,489,026</u>
Depreciation			
At 1 November 2020	197,642	-	197,642
Charge for the year	<u>33,312</u>	<u>-</u>	<u>33,312</u>
At 31 October 2021	<u>230,954</u>	<u>-</u>	<u>230,954</u>
Net book value at 31 October 2021	<u>831,741</u>	<u>426,331</u>	<u>1,258,072</u>
Net book value at 31 October 2020	<u>865,053</u>	<u>327,924</u>	<u>1,192,977</u>

Non depreciable land amounts to £38,539 (2020: £38,539)

Bank loans are secured on the freehold properties.

Expenditure on works to existing properties

	2021 £	2020 £
Improvement works capitalised	-	-
Amounts charged to income and expenditure (note 6)	5,994	43,935
	<u>5,994</u>	<u>43,935</u>

Social housing assistance

	2021 £	2020 £
Total accumulated social housing grant received or receivable at 31 October	<u>583,782</u>	<u>327,957</u>
Recognised to date in the Statement of Comprehensive Income	67,527	60,316
Transferred to Norwich Housing Society	244,487	108,900
Held as deferred income (notes 10 and 11)	271,768	158,741
	<u>583,782</u>	<u>327,957</u>

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2021

8. Trade and other debtors

	2021	2020
	£	£
Rent debtors	864	1,017
Prepayments and accrued income	1,455	902
Amounts due from Trustee – Norwich Housing Society	1,416	-
Other debtors	9,180	-
	<u>12,915</u>	<u>1,919</u>

9. Cash and cash equivalents

	2021	2020
	£	£
Current accounts	358,741	6,328
Deposit accounts	123,237	134,289
	<u>481,978</u>	<u>140,617</u>

10. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	28,777	8,860
Amounts payable to Trustee – Norwich Housing Society	-	3,253
Accruals and deferred income	27,845	15,975
Bank loans	11,922	3,527
	<u>68,544</u>	<u>30,442</u>
Deferred income brought forward	10,928	10,147
Released during the year	(3,720)	(2,939)
Deferred during the year	<u>7,052</u>	<u>3,720</u>
Deferred income carried forward	<u>14,260</u>	<u>10,928</u>

11. Creditors: Amounts falling due over one year

	2021	2020
	£	£
Accruals and deferred income	261,966	151,530
Bank loans	<u>434,317</u>	<u>196,473</u>
	<u>696,283</u>	<u>348,003</u>
Deferred income brought forward	151,530	267,641
Released during the year	(7,211)	(116,111)
Deferred during the year	<u>117,647</u>	<u>-</u>
Deferred income carried forward	<u>261,966</u>	<u>151,530</u>

The bank loans include aggregate amounts of £382,651 (2020: £170,443) which fall due after five years and which are payable by instalments. Rates of interest vary between 2% and 4%.

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2021

12. Reserves

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

13. Analysis of net assets between funds

	(Unrestricted) Income and expenditure	
	2021	2020
	£	£
Tangible fixed assets	1,258,072	1,192,977
Net current assets	431,821	112,094
Long term liabilities	(701,755)	(348,003)
	<u>988,138</u>	<u>957,068</u>

14. Accommodation owned, managed and in development

	Units at the year end	
	2021	2020
	Number	Number
Rehabilitation	<u>25</u>	<u>25</u>
Total owned	<u>25</u>	<u>25</u>
Accommodation in development	<u>4</u>	<u>4</u>

Norwich Housing Society Limited manages these properties. See note 15.

15. Related party transactions

Norwich Housing Society Limited is sole Trustee of Stuart Court Memorial Charity. Transactions between the two societies are summarised as follows:

	2021 £	2020 £
Management charge payable to Norwich Housing Society Limited	<u>27,480</u>	<u>20,640</u>

The position at the balance sheet date is summarised as follows:

	2021 £	2020 £
Amounts owing from/(to) Norwich Housing Society Limited at 31 October	<u>1,416</u>	<u>(3,253)</u>

During the year architectural services to the value of £2,143 (2020: £6,701) 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.

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2021

16. Parent company

The corporate trustee of Stuart Court Memorial Charity is Norwich Housing Society Limited, a Registered Social Landlord.

The Board of Management of the Trustee have relied upon the exemption provided by Section 99 of the Co-operative and Community Benefit Societies Act 2014 because of the insignificant amounts involved and have not therefore prepared consolidated financial statements.

17. Cash flow from operating activities

	2021 £	2020 £
Surplus for the year	44,938	22,755
Depreciation of tangible fixed assets	33,312	33,312
(Increase) / Decrease in trade and other debtors	(10,996)	557
Increase / (Decrease) in trade and other creditors	386,382	(373,976)
	<u>453,636</u>	<u>(317,352)</u>

18. Analysis of changes in net debt

	At 1 November 2020 £	Cash Flows £	Other Non- Cash Changes £	At 31 October 2021 £
Cash	140,617	341,361	-	481,978
Cash equivalents	-	-	-	-
	<u>140,617</u>	<u>341,361</u>	<u>-</u>	<u>481,978</u>
Loans falling due within one year	(3,527)	(246,239)	237,844	(11,922)
Loans falling due after more than one year	(196,473)	-	(237,844)	(434,317)
Total	<u>(59,383)</u>	<u>95,122</u>	<u>-</u>	<u>35,739</u>

19. Capital commitments

	2021 £	2020 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements.	<u>393,662</u>	<u>-</u>

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

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2021

20. 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 January 2022 and indicated a significant rent overpayment, plus interest on cumulative overcharges, due to tenants, which the Board of Norwich Housing Society consider could be covered by reserves. As the final amount due back to Stuart Court Memorial Trust's tenants has yet to be agreed, no provision has been made in these accounts.