

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 2020

Stuart Court Memorial Charity

Year ended 31 October 2020

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Stuart Court Memorial Charity

Year ended 31 October 2020

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 2020

Board:

As 2020 opened we swiftly became aware of a new virus moving from China westwards, but little did we realise just how devastating its effect would become, before the end of March, in the UK. We only came together in the normal way for the first two board meetings, plus the AGM on the 17th March, held in the Common Room at Fiddys Yard. Thanks to the small band of people who did attend we achieved a quorum, and as all board members and Shareholders had been informed of the business before the meeting, including the election of Alice Liddle as a full board member, we were able to deal with all the required returns before the whole country went into, 'lockdown'. Over the year we have all adapted to meetings on line, in fact attendance at meetings has been greater due to this, but I miss the conversations which seem of little purport at the time, but which in fact can be vital. As a group we can draw on a vast amount of knowledge and experience, both within the group and from the many contacts we all have. This I believe helps us to achieve a great deal, but we should never take this for granted, or fail to seek new board members. The new Code of Governance will need scrutiny in the New Year leading to some changes in tenure of service and additional limits on re-election.

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 colleagues with the necessary skills to discern what actions the board needs to take. The chairman of each committee reports 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. This year the Risk Matrix has been tried and tested due to the pandemic, and in the December review we all agreed that it had worked well, although at that meeting we did bring some categories together, and adjusted the liability rating of some others. Reviewing the Risk Matrix twice a year has proved invaluable in 2020 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 using guide lines provided by the CEO. 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 Chairman came together on Zoom to select a new CEO, due to Mike Allen's forthcoming retirement, from the twenty applications we had received. After much discussion five candidates were chosen to be interviewed on Zoom, by the Vice Chairman, the Chairman of Finance and I, before interviewing the final three in a venue following Covid 19 rules for everyone's safety. Prior to these interviews each candidate met three key members of staff, saw the office and two of our schemes, which assisted us all during the interview.

Stuart Court Memorial Charity

Report of the Chairman (continued)

For the year ended 31 October 2020

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 have to 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. I would like to thank the members of staff who have gained a grant from, 'The Safer Streets Fund', to use in areas which have been recorded as at higher risk from petty crime. This will be used to replace the front doors which open directly onto the street in the schemes in those areas and to create a stronger boundary fence at the scheme which is located next to a large problematic housing estate. The effect of the pandemic and the financial ramifications of that, plus Brexit, will surely impact on the societies for many months to come in many ways, accessing building supplies, probably at higher rates, is just one example of this. The positive side, however, may well be our ability to gain loans at a cheaper fixed rate interest than before, which will help us move our development programme forward. Another important aspect which will need to be addressed during the coming year are our IT services, for while the current system works there are better ways of achieving the same which are more reliable, accessible and economical in the long run than the system we currently have. IT 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. The fact that for three years we have had to accept a 1% drop in rent for the Norwich Housing Society, which continued until November this year, has meant a greater need for careful forward planning. Luckily Stuart Court Memorial Charity has avoided this thanks to the lobbying by the Almshouse Association for all Alms Houses. We are constantly appraising the age and quality of our property portfolio with a view to maintaining that which is viable and selling stock which is becoming too costly to maintain, or no longer convenient for the tenants we seek to serve. We also continue to review the quality of our contractors' performance regularly; ask for tenders when beginning a major development or refurbishment programme, or question 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 and to the wider effectiveness of the team. The Office Manager, who acts as PA to the CEO, is proving invaluable due to her ability to adapt to new requests while maintaining an overview of all matters in the office. The Assistant Properties Services Manager has taken a greater interest in adding more aspects of their portfolio online, when due to the pandemic the difficulty in accessing information became truly apparent during lockdown. A paperless office is our ultimate goal for convenience, security of information and as way of fulfilling our aims in our environmental policy. Mark Finch, our part time accountant, retired in September and has been replaced by Nataliya Weston after a two week handover period. The open plan office structure, which our current CEO implemented when he took up his role in 2014, worked well and increased cooperation between all members of the team, but once again the pandemic caused us to rethink this in order to give everyone a safe space in which to work while in the office. Facilitating our staff to work from home during the initial lockdown incurred some expense, but it also helped us to consider the value of mixed working arrangements, and it was interesting to note how various individuals adapted to the change, although for some that was more complex due to their particular duties or responsibilities. The Board continues to provide 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 2020

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. In the New Year a small group of board members and staff will meet to consider the Government White Paper, which seeks to increase the tenant voice within the housing sector. They will scrutinise what we currently offer, look to what has been tried in the past, asking why it failed, before making recommendations for further action where it is deemed necessary. We encourage a friendly response to telephone calls, which have become even more important over the last nine months, when so many people have felt isolated or fearful over the impact of this virus. Sadly, people can only visit the office these days by prior appointment, and our regular tenant meetings at each scheme, where we invite open discussion on all issues, have ceased due to the Covid restrictions, motivated by our desire to help our tenants stay safe during the pandemic. Our Scheme Managers have given sterling service during this time, and thanks to their help and awareness of their tenants' needs, and propensities, the schemes seem to be coping well. The volunteer service which arose from the initial lockdown also helped many of our residents with their shopping and collecting prescriptions etc.. '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 recently due to current restrictions. Please note that while I wrote the article about Mike's forthcoming retirement in the Autumn/Winter edition of this newsletter he chose the photograph! Over the past nine years that I have been involved with the societies I have noted an increased level of expectation from some of our tenants and their families. Obviously this is not true of the vast majority but 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. While 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. On the whole we have a very good mix of tenants who welcome us whenever we meet with them, but sadly the lack of coffee mornings, quiz nights, fish-and-chip suppers and many other social occasions during this year is a concern for us all, and I am sure that once these activities can be resumed the happier many people will be. Just having the Common Rooms open once more will help many to feel better, even those who do not use them regularly.

Development:

We have been very proactive in this area over the past few years replacing twelve 1930s houses with twenty 'purpose' build flats at Eaton, which are now fully occupied without incurring any debt and our residents are content. The development of the adjacent property at 11 Bluebell Road Eaton, which Stuart Court Memorial Charity bought to refurbish into two self-contained flats, having accepted the requirement to accommodate bats in one of the eaves, plus replacing the additional annex with a new build which will provide another two flats on that land has not yet progressed. The delay was caused by the decision to detach the four bungalows, and a small common room from the original house as a result of a value-engineering exercise which also created clear boundaries for both societies, as the new builds will be owned by Norwich Housing Society. Norwich Housing Society has paid compensation to Stuart Memorial Charity for the extra expense incurred in Council Tax payments caused by the unforeseen issues and delays which we had not anticipated. We have sold two of our older general needs properties, which were less cost efficient and in need of some expensive repairs, to help fund this project, been given a grant by Norwich City Council, raised a loan assisted by the Charity Bank on very favourable terms, and are now negotiating a loan with Lloyds Bank for this development, which has proved costly due to many unforeseen issues and the effect of the Covid 19 restrictions as regards working on-site. The report on all this will make interesting reading which will hopefully help us, and others, to avoid some of the pitfalls we have had to face. Two helpful conclusions can be drawn from this, working in partnership with another company makes the cost and outcome more predictable, and if we record all this well those who follow us should gain from our experiences. Hopefully building will commence on site during the week beginning 25th January, Covid 19, and weather permitting.

Stuart Court Memorial Charity

Report of the Chairman (continued)


For the year ended 31 October 2020

Feed Back:

Although the results of our triannual Acuity Questionnaires have been very high to date we must always note 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 and staffing levels, as there is no room for complacency in these stressful times. I believe I am not alone when I yearn for some stability in matters of international trading and the way the United Kingdom intends to conduct its business in the coming months and years. 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 and every day.

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 societies continue to provide their invaluable contribution to the over-sixties who seek our help in the Norwich area. 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 I will always be available to discuss any matter with those who ask, provided it is appropriate so to do. I would also like to thank the current CEO for the working relationship we have enjoyed over recent years and look forward to expressing our appreciation of his work before he leaves at the end of March next year. I love working for these societies and am 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 and every 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

02/02/2021

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. We shall endeavour to achieve this by ensuring decisions are made by Board Members of the Corporate Trustee and staff who know the local community and neighbourhood.

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.

Residents' satisfaction with property repairs is regularly measured and monitored. 95% of residents who had a repair carried out in the year to October 2019 were either satisfied or very satisfied with the work done and the way it was undertaken. 5% were either dissatisfied or had no opinion. Similar levels of satisfaction were attained for 2020.

In July 2019, a firm of consultants was commissioned to carry out the triennial residents' satisfaction survey. A high response rate of 79% was obtained. Overall satisfaction with the services provided was at 96%, with very high ratings also awarded for the quality of the home (94%), the neighbourhood (75%), feeling safe in the home (100%) and feeling safe in the scheme (100%). The satisfaction ratings are evidence of strong performance at the charity and are a credit to staff, management and the Board.

Around eight out of ten residents were satisfied with the value for money of the rent (88%) and with their maintenance contribution (75%).

The Net Promoter Score was 74, which compares very well with other social housing providers.

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.

Stuart Court Memorial Charity

Report of the Trustee

For the year ended 31 October 2020

VFM metric	2020	2019	2018
1. Reinvestment %	2.4%	46%	0.5%
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 %	5.3%	20.8%	0%
4. EBITA MRI interest cover %	412.9%	89.2%	0%
5. Headline social housing cost per unit	£3,585	£4,500	£2,825
6. Operating margin (social housing) %	15.6%	33.7%	22.0%
7. Operating margin (overall) %	15.6%	33.7%	22.0%
8. ROCE %	1.7%	2.7%	3.0%

In 2019 a loan was taken out to help finance the purchase of a four bedroomed property for conversion into flats. Preliminary costs have been incurred, but the conversion is yet to take place. These significant transactions by the charity are reflected in the appropriate metrics above.

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, 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 2020

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.

Market value of land and buildings

The Board is of the opinion that the market value of properties at 31 October 2020 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 £112,091 (2019: £114,347). 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 2020

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 A. Sangster

Carol Sangster
Chairman

02/02/2021

Stuart Court Memorial Charity

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

Year ended 31 October 2020

Opinion

We have audited the financial statements of Stuart Court Memorial Charity (the 'association') for the year ended 31 October 2020 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 2020 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the board's use of the going concern basis of accounting in the preparation of the financial statement is not appropriate; or
- the board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date which the financial statements are authorised for issue.

Stuart Court Memorial Charity

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

Year ended 31 October 2020

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Stuart Court Memorial Charity

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

Year ended 31 October 2020

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 136 of the Housing and Regeneration Act 2008 and report in accordance with regulations made under section 154 of the Charities Act 2011 and section 137 of the Housing and Regeneration Act 2008.

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.

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

08/02/2021.....

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 2020

	Note	2020 £	2019 £
Turnover	2	145,696	135,407
Operating expenditure	2	(122,941)	(89,801)
Operating surplus		22,755	45,606
Interest receivable and similar income	3	420	570
Interest and financing costs		(11,933)	(18,251)
Total comprehensive income for the year	4	<u>11,242</u>	<u>27,925</u>

The results relate wholly to continuing activities.

The financial statements on pages 13 to 24 were approved by the Trustee on 2nd Feb. 2021 and are signed on its behalf by:-

Carol A. Sangster

Carol Sangster – Chairman, Norwich Housing Society

Michael Allen

Michael Allen – Chief Executive, Norwich Housing Society

The notes on pages 17 to 24 form part of these financial statements.

Stuart Court Memorial Charity
Statement of Financial Position
As at 31 October 2020

	Note	2020		2019	
		£	£	£	£
Fixed assets					
Tangible fixed assets	7		1,192,977		1,560,073
Current assets					
Trade and other debtors	8	1,919		2,476	
Cash and cash equivalents	9	140,617		135,698	
		<u>142,536</u>		<u>138,174</u>	
Creditors: amounts falling due within one year	10	<u>(30,442)</u>		<u>(23,827)</u>	
Net current assets			<u>112,094</u>		<u>114,347</u>
Total assets less current liabilities			<u>1,305,071</u>		<u>1,674,420</u>
Creditors: amounts falling due after more than one year	11		<u>(348,003)</u>		<u>(728,594)</u>
Total net assets			<u>957,068</u>		<u>945,826</u>
Reserves					
Income and expenditure reserve	13	<u>957,068</u>		<u>945,826</u>	
Total reserves			<u>957,068</u>		<u>945,826</u>

The financial statements on pages 13 to 24 were approved by the Trustee on 2nd Feb 2021 and are signed on its behalf by:-

Carol A. Sangster

Carol Sangster – Chairman, Norwich Housing Society

Michael Allen

Michael Allen – Chief Executive, Norwich Housing Society

The notes on pages 17 to 24 form part of these financial statements.

Stuart Court Memorial Charity
Statement of Changes in Reserves
As at 31 October 2020

	Income and expenditure Reserve £	Total £
Balance at 1 November 2018	917,001	917,001
Surplus from prior year statement of comprehensive income	<u>27,025</u>	<u>27,025</u>
Balance at 1 November 2019	945,826	945,826
Surplus from statement of comprehensive income	11,242	11,242
Balance at 31 October 2020	<u>957,068</u>	<u>957,068</u>

Stuart Court Memorial Charity

Statement of Cash Flows

As at 31 October 2020

	Note	2020 £	2019 £
Net cash generated from operating activities	17	<u>(317,352)</u>	<u>700,890</u>
Cash flow from investing activities			
Purchase of tangible fixed assets		(29,216)	(717,712)
Receipts from sales of investments		363,000	-
Payments to acquire investments		-	-
Interest received		<u>420</u>	<u>570</u>
Net cash flow from investing activities		<u>334,204</u>	<u>(717,142)</u>
Cash flow from financing activities			
Interest paid		(11,933)	(18,251)
Net cash flow from financing activities		<u>(11,933)</u>	<u>(18,251)</u>
Net change in cash and cash equivalents		4,919	(34,503)
Cash and cash equivalents at beginning of the year		<u>135,698</u>	<u>170,201</u>
Cash and cash equivalents at end of the year		<u>140,617</u>	<u>135,698</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		6,328	6,830
Short term deposits		<u>134,289</u>	<u>128,868</u>
Cash and cash equivalents at 31 October 2020		<u>140,617</u>	<u>135,698</u>

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2020

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 2020

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 2020

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

	2020			2019		
	Turnover	Operating Expenditure	Operating Surplus	Turnover	Operating Expenditure	Operating Surplus
	£	£	£	£	£	£
Social housing lettings (note 6)	145,696	(122,941)	22,755	135,407	(89,801)	45,606
	<u>145,696</u>	<u>(122,941)</u>	<u>22,755</u>	<u>135,407</u>	<u>(89,801)</u>	<u>45,606</u>

3. Interest receivable and similar income

	2020	2019
	£	£
Bank interest received	420	570
	<u>420</u>	<u>570</u>

4. Operating surplus

The operating surplus is stated after charging.

	2020	2019
	£	£
Depreciation of tangible fixed assets	33,312	33,312
Auditor's remuneration for audit	4,296	4,152
Auditor's remuneration for audit (over accrual)	204	264
Auditor's remuneration for non-audit	<u>-</u>	<u>354</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 2020

6. Particulars of turnover and operating expenditure from social housing lettings

Supported housing (including housing for older people)

	2020	2019
	£	£
Income		
Rents receivable net of identifiable service charges	115,100	107,955
Service charge income	23,285	20,119
Government grants taken to income	<u>7,211</u>	<u>7,211</u>
Turnover from social housing lettings	145,596	135,285
Other income	<u>100</u>	<u>122</u>
Total income	<u>145,696</u>	<u>135,407</u>
Operating expenditure		
Management	20,640	19,800
Service charge costs	18,548	16,403
Routine maintenance	28,817	7,584
Planned maintenance	15,118	1,120
Depreciation of housing properties	33,312	33,312
Accountancy and audit	4,500	4,416
Insurance	1,299	1,277
Other costs	707	5,889
	-----	-----
Operating expenditure on social housing lettings	<u>122,941</u>	<u>89,801</u>
Operating surplus on social housing lettings	<u>22,755</u>	<u>45,606</u>
Void losses (being rental income lost as a result of property not being let, although it is available for letting)	<u>1,705</u>	<u>7,146</u>

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2020

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 2019	1,062,695	661,708	1,724,403
Additions	-	29,216	29,216
Disposals	-	<u>(363,000)</u>	<u>(363,000)</u>
At 31 October 2020	<u>1,062,695</u>	327,924	1,390,619
Depreciation			
At 1 November 2019	164,330	-	164,330
Charge for the year	<u>33,312</u>	-	<u>33,312</u>
At 31 October 2020	197,642	-	197,642
Net book value at 31 October 2020	<u>865,053</u>	<u>327,924</u>	<u>1,192,977</u>
Net book value at 31 October 2019	<u>898,365</u>	<u>661,708</u>	<u>1,560,073</u>

Non depreciable land amounts to £38,539 (2019: £38,539)

Expenditure on works to existing properties

	2020 £	2019 £
Improvement works capitalised	-	56,004
Amounts charged to income and expenditure (note 6)	43,935	8,704
	<u>43,935</u>	<u>64,708</u>

Social housing assistance

	2020 £	2019 £
Total accumulated social housing grant received or receivable at 31 October	<u>327,957</u>	<u>327,957</u>
Recognised to date in the Statement of Comprehensive Income	60,316	53,105
Transferred to Norwich Housing Society	108,900	-
Held as deferred income (notes 10 and 11)	158,741	274,852
	<u>327,957</u>	<u>327,957</u>

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2020

8. Trade and other debtors

	2020 £	2019 £
Rent debtors	1,017	1,039
Prepayments and accrued income	902	836
Amounts due from Trustee – Norwich Housing Society	-	601
	<u>1,919</u>	<u>2,476</u>

9. Cash and cash equivalents

	2020 £	2019 £
Current accounts	6,328	6,830
Deposit accounts	134,289	128,868
	<u>140,617</u>	<u>135,698</u>

10. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	7,687	8,860
Amounts payable to Trustee – Norwich Housing Society	3,253	-
Accruals and deferred income	15,975	14,967
Bank loans	3,527	-
	<u>30,442</u>	<u>23,827</u>

Deferred income brought forward	10,147	12,756
Released during the year	(2,939)	(3,243)
Deferred during the year	<u>3,720</u>	<u>634</u>
Deferred income carried forward	<u>10,928</u>	<u>10,147</u>

11. Creditors: Amounts falling due over one year

	2020 £	2019 £
Accruals and deferred income	151,530	267,641
Bank loans	<u>196,473</u>	<u>460,953</u>
	<u>348,003</u>	<u>728,594</u>
Deferred income brought forward	267,641	89,550
Released during the year	(116,111)	(4,909)
Deferred during the year	<u>-</u>	<u>183,000</u>
Deferred income carried forward	<u>151,530</u>	<u>267,641</u>

The bank loans include aggregate amounts of £170,443 (2019: £408,237) which fall due after five years and which are payable by instalments.

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2020

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	
	2020	2019
	£	£
Tangible fixed assets	1,192,977	1,560,073
Net current assets	112,094	114,347
Long term liabilities	(348,003)	(728,594)
	<u>957,068</u>	<u>945,826</u>

14. Accommodation owned, managed and in development

	Units at the year end	
	2020	2019
	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:

	2020	2019
	£	£
Management charge payable to Norwich Housing Society Limited	<u>20,640</u>	<u>19,800</u>

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

	2020	2019
	£	£
Amounts owing (to)/from Norwich Housing Society Limited at 31 October	<u>(3,253)</u>	<u>601</u>

During the year architectural services to the value of £6,701 (2019: £12,317) 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 (2019: £Nil) to Mr Boon.

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2020

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

	2020 £	2019 £
Surplus for the year	22,755	45,606
Depreciation of tangible fixed assets	33,312	33,312
(Increase) / Decrease in trade and other debtors	557	350
Increase / (Decrease) in trade and other creditors	(373,976)	621,622
	<u>(317,352)</u>	<u>700,890</u>

18. Analysis of changes in net debt

	At 1 November 2019 £	Cash Flows £	Other Non- Cash Changes £	At 31 October 2020 £
Cash	135,698	4,919	-	140,617
Cash equivalents	-	-	-	-
	<u>135,698</u>	<u>4,919</u>	<u>-</u>	<u>140,617</u>
Loans falling due within one year	-	-	(3,527)	(3,527)
Loans falling due after more than one year	(460,953)	260,953	3,527	(196,473)
Total	<u>(325,255)</u>	<u>265,872</u>	<u>-</u>	<u>(59,383)</u>