

Charity Registration No. 1118922

Company Registration No. 06082488 (England and Wales)

ZETETICK HOUSING
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

ZETETICK HOUSING

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	I Moore	
	G Scott CEO	
	G Emerson	(Appointed 7 May 2020)
	M Hurst	(Appointed 7 May 2020)
	R Wilkinson	
	L Worrall	
	N Pendleton	(Appointed 25 February 2021)
Charity number	1118922	
Company number	06082488	
Principal address	Innovation Centre Highfield Drive Churchfields Industrial Estate St Leonards on Sea East Sussex TN38 9UH	
Registered office	Innovation Centre Highfield Drive Churchfields Industrial Estate St Leonards on Sea East Sussex TN38 9UH	
Auditor	Knill James LLP One Bell Lane Lewes East Sussex BN7 1JU	
Bankers	Lloyds Bank PLC 24 Broad Street Reading RG1 2BT	

ZETETICK HOUSING

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ZETETICK HOUSING

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

My first year as Chair of ZHC has been dominated by the Covid 19 pandemic. I am very proud of the way ZHC adapted rapidly to the new ways of working and has sought throughout to mitigate the effect on our tenants, many of whom have underlying health conditions. We have been able to use our strong financial position to help local related charities.

We have also had to work with the consequences of Croydon council, our major local authority partner, issuing a Section 114 notice (under the LGA 1988).

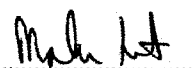
The main focus of the board, other than these pressures, has been in three areas.

First, we have refined our forward strategy, recognising that there is significant unmet need for our services. We have set an aspiration to double in size over 5-7 years. We have clarified the level of our reserves which we need to hold for prudential reasons and therefore the amount above this which can in principle be used to promote tenant wellbeing and be invested in growth.

Second, we have, through the hard work of the Audit, Risk and Finance Committee, as well as an external governance review, continued to build our assurance processes and to transition from a small organisation to one which can be 'scalable' to our aspiration to double in size. A key part of this was the successful recruitment of our first dedicated Finance Director and the move to new auditors.

Third, we have sought to build on the very strong relationship between the executive and our tenants to ensure Board discussions and decisions are nested in understanding of the 'customer lived experience', and to ensure we further develop our tenant voice – recognising the particular challenges this presents with our customer base, nearly all of whom have significant learning disabilities. We have been fortunate also to recruit to the board a social care professional with specific experience in working with these issues.

It would be remiss to sign off this report without paying tribute to the input of Delia Beddis, the previous Chair; Ray Wilkinson who ably stood into the role of acting Chair; Ian Moore, the Chair of the Audit, Risk and Finance Committee; my fellow Trustees for their commitment and the whole Executive Team for delivering our promise.



Chairman

Dated: 11.11.21

ZETETICK HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Purpose and Impact

Zetetick Housing was set up as a registered charity 14 years ago by our current CEO Gary Scott, to ensure people with a learning disability did not have to be held within semi-secure hospitals, but could be supported to live independent lives with their own tenancies and local community. His experience convinced him and others that the lives of those with learning disabilities could be significantly improved by having their own home.

Zetetick Housing does not just supply bricks and mortar, we are passionate about ensuring everyone can live independently and get the necessary support where needed. We are proud of our achievements and services we offer.

Public Benefit

In shaping our objectives and planning our activities for the year, the Trustees have given consideration to the duties set out in section 17(5) of the Charities Act 2011 to have due regard to public benefit. In particular, the Trustees have considered how the planned activities will contribute to the overall aims and objectives that they have set.

The aim for public benefit is to enable adults with disabilities, learning difficulties and mental health issues to lead full and rewarding lives, by offering independent supported living accommodation where housing, care and support are of the highest quality. Our mission is to ensure each person we support has real choice and control over their housing, to achieve their goals to live a fulfilling independent life, stay in contact with their family and their local community.

Charitable activities throughout the year focused on the ongoing commitments to our beneficiaries who have an enduring complex and challenging housing need. For these individuals, the true cost of providing their accommodation is, and will always remain, higher than our average rents achieved. The costs are also significantly above the tenants' Local Housing Allowance entitlement. In accordance with our Objects, the charity provides additional subsidies to around 16.1% of all tenants through our surpluses meaning these beneficiaries have fair access and support for their housing costs.

Beneficiaries will, at times, seek to move on. These moves are extremely sensitive and difficult to execute due to the nature of support needs that our beneficiaries require during these stressful times. Facilitating these moves is a key activity for the charity and demands appropriate resources (human and financial) to enable our beneficiaries to find alternative homes now and in the future. The Zetetick Housing model seeks to provide flexibility in sourcing new accommodation for beneficiaries that meets their specific needs.

The demands placed upon the charity's management support is significantly higher than with general needs housing. Income and surpluses achieved through exemption status provides the financial resources to enable a management structure to be funded that will grow with the ever-changing demands of our beneficiaries.

ZETETICK HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

Charitable Objectives

The objectives of the charity are the relief of financial hardship among disadvantaged people by providing services, in particular but not exclusively, to disabled people living and working in London Boroughs and Southeast Counties, including through:

- i. the provision of supported Social Housing that enables disadvantaged people to live within the community;
- ii. enabling them to financially meet housing costs;
- iii. enabling fair access to private rental housing provision;
- iv. access to interest free loans to fund housing deposits and home set-up costs;
- v. the provision of additional housing management services;
- vi. the provision of facilities for recreation and other leisure-time occupation in the interests of social inclusion & welfare with the object of improving their conditions of life

all of which they could not otherwise afford through lack of means.

The Trustees are pleased to report that we continue to support vulnerable adults with the provision of high quality accommodation and housing support, who would otherwise not have a fair opportunity to secure their own homes during the continued high demand for social housing and the highly competitive private rental market. In many cases this will be the tenants' first home away from family and/or residential care, giving them true independence and opportunities to become valued members of the local community.

Grant-making

The Trustees have designated a fund of £60,000 to be granted to charities that help deliver social inclusion and welfare of learning disabled adults, working in the locations where we provide housing. This fund will help us to deliver objective (vi). During the year, grants were given to Possability People and Croydon People First. At 31 March 2021 the balance on the fund was £52,022.

ZETETICK HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

KEY ACHIEVEMENTS AND PERFORMANCE

During 2020-21 the charity achieved a number of positive benefits, including:

- Maintaining our levels of housing and supporting 160 tenants
- Continuing to offer an uninterrupted service during the COVID-19 outbreak, whilst maintaining full compliance with government guidelines surrounding Covid-19. By adhering to strict health and safety measures, except for minor illness, keeping our staff and tenants safe.
- Working with a landlord on the development of the Northcote Road project; that offers 5 units within a secluded cul-de-sac in the Croydon Borough, with the potential to house 9 beneficiaries.
- Providing additional emergency accommodation to Croydon Council to assist them during the COVID-19 crisis.
- Creating a grant-making fund to support learning disability groups and charities impacted by COVID-19 working within the localities in which we house our beneficiaries.
- Creating new working relationships with other related charities, that deliver care and support to our beneficiaries and potential new beneficiaries.
- Expanding outreach and engagement through active social media and web development, delivered by our dedicated volunteer team.
- Commissioning a full independent Governance review to support organisational compliance with the potential adoption of the National Housing Federation 2021 Code of Governance.
- Establishing a new Southern counties office in a prominent position in Lewes, facilitating organisational awareness in the locality.
- Piloting a post-Covid Digital Inclusion Project with tenants, in partnership with Lambeth Borough Council
- Committing to a sustainability strategy including focussing on environmentally friendly procurement, with a view to becoming carbon neutral by 2035.

Like many organisations, progress towards delivering our growth strategy over the last year has been restricted by limitations resulting from COVID-19 regulation. In particular, the ability to source new properties for the referrals we continue to receive.

Key to our work for the next five to seven years is the aspirational desire to double the number of beneficiaries and fully understand how this can be achieved sustainably. We recognise that this will bring about changes needing further investment in resources.

VALUES AND WAYS OF WORKING

Our values are equally important in reviewing our progress and in setting future targets. They are literally the 'BEDROCK' of all we do. Our tenants are people we all know yet they are often those with a learning disability, autistic and/or mental health challenges and have vulnerabilities that impact the way we work.

Belonging because inclusion is something we believe in whole heartedly, **Empathy and courtesy** because we if we can put ourselves in the place of another we can be better at working with others. **Determination** we must do right by our tenants. **Respect** for everyone and being **Open and honest** so we are fair in all we do.

We offer **Care and support** so we can be their Landlords for life and uphold our duty of **Kindness and social responsibility** because we are here to make a better world. We continue to gather feedback from our stakeholders to ensure we practice our values in all areas of the business.

We employ staff that share our values and with the necessary knowledge, experience and skills to be able to represent the charity at the highest levels. We pay staff salaries at or above the London Living Wage and at a competitive level they would receive if they were undertaking a similar role in NHS social care or a comparable organisation. Relevant salaries are disclosed in our financial statement.

ZETETICK HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

OPERATING MODEL

We fund our work through Government funding and good financial management to achieve operating surpluses to invest in our Objects. We operate a team of volunteers for some areas of our outreach, which provides valuable work experience that many have used to gain meaningful employment.

Whilst understanding the desire for people to donate to a good cause and the positive impact this could have on the charity, the founder wanted to ensure the charity could operate independently without the need and reliance for constant fundraising, ensuring business planning was central to the administration of the charity.

The charity also has a strong and regularly reviewed reserves policy that ensures our reserves are of the strength and depth necessary to cover all eventualities in order to protect our tenants. Trustees acknowledge there are risks in housing vulnerable individuals and ensure our risk assessment and risk management are reviewed annually and are up to date.

FINANCIAL REVIEW

The charity's financial position remains very strong with sufficient reserves and liquidity to enable it to fulfil its objectives, meet its operational commitments and to allow for most foreseeable contingencies. The Trustees have set an ambitious target to double the number of beneficiaries in the next five to seven years, and will use excess reserves (general reserves above reserves target) to support this goal.

Incoming resources, predominantly rentals received from beneficiaries, increased year on year by 5% to £3.79 million. This increase is due in part to the restatement of the 2020 accounts, which include a number of prior year adjustments. The number of beneficiaries served increased marginally from 159 to 160, up 0.6%, as the growth strategy was impacted by the restrictions implemented during the pandemic. We did not implement inflationary rent increases to the local authorities, recognising the impact COVID-19 was having on their budgets.

Direct charitable activity expenditure reduced year on year to £3.67m (2020 - £3.68m), again due in part to the restated accounts, but also reflecting the reduced activity impacted by COVID restrictions. In particular, maintenance costs were lower than usual, as requests for non-essential work understandably reduced. Support cost expenditure ratio was 2.84% of total income (2020 – 2.74%)

Staff costs accounted for 14.4% of total income (2020-13.5%). The charity was committed to investing further in staff resources over 2021-22, including the appointment of a part-time Finance Director in May 2021.

During the year the charity put out a tender for the appointment of auditors, and appointed Knill James LLP. Following the audit inspections, a number of prior year adjustments were agreed (see note 22, p30-31).

The following new funds are also accounted for:

- A designated fund for Charity Grant Giving
- A restricted fund in respect of a Digital Inclusion Grant from Lambeth BC

The surplus (net movement of funds) in unrestricted funds increased to £138k (2020 as restated - £77k loss), - representing a surplus ratio of 3.7% of total income compared with a target (before change in accounting policy) of 3.3%. Again, this increase year on year is largely due in part to the prior year adjustments listed in note 22 of the accounts.

ZETETICK HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

COVID-19

Throughout the pandemic, the health of our tenants was a priority. We continued to provide essential maintenance support to all our tenants, although understandably the requests for routine, non-urgent work reduced significantly. Our management also took the decision to deliberately defer some non-essential maintenance (eg decorating) to protect the more clinically vulnerable tenants from potential exposure risks, and also out of duty of care to our employees. Fortunately, we had no serious cases of COVID-19 amongst the staff or tenant group.

The COVID-19 pandemic did not have a significant impact on the charity's finances, although there was a noticeable slow down in activity regarding new properties and on maintenance costs. The Charity opted to support local authorities and the financial pressures they faced due to COVID-19, by freezing the rents for a year.

As the Charity is publicly funded, we did not make use of the Coronavirus Job Retention Scheme. Therefore, no staff were furloughed or were at risk of, or made, redundant.

Reserves Policy

The Purpose of the Reserves Policy is to ensure the Charity holds enough funds in general reserves for the stability of the mission, programmes, employment and ongoing operations of the organisation. The Reserves Policy is intended to give a clear indication of internal funds required to provide a cushion against unexpected events, losses of income, and large unbudgeted expenses.

The Audit, Risk & Finance Committee reviewed the Charity's Reserves Policy during the year and completed a change in accounting practice that amended the policy and how the reserves target is calculated. There were three key amendments:

1. Reinstating the Designated Fund and removing the P&L provision for end of tenancy lease liabilities
2. The creation of a new Designated Fund for Grant Giving
3. An addition of a new component within the reserves target calculation, in respect of operating costs, to include 3 month's staff costs

The policy continues the previous components of: 6 times the weekly commitment for property rentals; three months' operational running costs (other than rental and concierge costs); and an amount in respect of liabilities to landlords on long leases. On the basis of the new reserves calculation, the minimum reserve requirement based on the figures for the year 2020-21 is £780k.

Trustees have reviewed this position and are committed to maintaining balances in liquid funds (cash, plus debtors, less creditors) which cover the sum of the free reserves target, plus any designated and restricted funds.

ZETETICK HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Liquid funds at 31 March 2021 totalled £1,664k against a target of £1,048k

The general (free) reserves at 31 March 2021 are calculated as:

	£000s
Total Funds	1,687
(Less) Restricted Funds	(5)
(Less) Designated Funds	(263)
Total General (Free) Reserves at 31 March 2021	1,419

The Trustees have reviewed the variance of actual general reserves against target, and are committed to the deployment of excess reserves in support of the Charity's objects. This includes the provision of facilities for beneficiaries for their recreation and other leisure-time occupation in the interests of social inclusion & welfare with the object of improving their conditions of life, but may also include beneficiaries' financial subsidies, asset acquisitions or development, as appropriate.

Principal Risks

The Board of Trustees remains extremely diligent in monitoring the changing situation within the sector with regularly reviews of our strategic aims and stress-testing of our financial viability.

The key risks identified by the Board are:

- Converging gap between income and core costs. This is managed by carefully monitoring surpluses and voids so timely decisions can be made to minimise any losses. Mitigating action could see schemes merged, or, as a last resort, terminated. The Board makes careful informed decisions to subsidise some schemes as part of meeting its charitable objectives.
- Lack of rental property available to meet growth strategy. It is becoming increasingly difficult to find suitable properties at a level that meets the ambitious growth strategy of doubling in size. The Executive are using new approaches and developments, based on Zetetick's reputational standing, to acquire 10 year leases for small blocks of properties where a larger number of tenants can be housed. The exploring of property acquisitions remains under constant review
- The Board recognises the need for substantial investment to expand the service model beyond its current localities. Expansion across the South East was a managed decision by the Board. Local arrangements with care provider partners will minimise initial step-costs prior to formal investment in local infrastructure.

Zetetick remains well-led and well-managed with excellent quality service delivery. To further enhance the quality of our services and expand our offering, we have implemented an improved marketing strategy for our services to ensure we can reach as wide an audience as possible across our potential beneficiaries.

The charity has undertaken multiple stress-testing that demonstrates that the organisation is financial resilient to the identified risks. Strong links with Local Authorities and a track record of excellent performance with all referrals contribute positively towards the mitigation of risks.

ZETETICK HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Future Developments

We remain in the depths of the pandemic, with a third peak increasingly likely, creating more uncertainty as to when things will return to normal. Therefore we need to plan with some assurance that we can reasonably deliver on these future developments.

The charity's strategy of leasing properties from the open private rental market remains our primary method of sourcing housing accommodation for our beneficiaries. This methodology fulfils our objective, which is to offer a client-led service approach rather than one that is purely led by the drive to fill voids within owned stock. However, the pandemic has changed the way people and businesses work, possibly for good. This shift has had a significant impact on the housing sector, with house prices rising rapidly (with associated Government economic stimulus's) and some landlords seeking to sell their rental property. Demand for rental accommodation has reached new highs as the working population shifts to the new ways of working and the general movement within the housing markets.

Growth plans can only be achieved if we have access to properties to meet the referral demands. COVID-19 has impacted on development opportunities over the last 12 months. The planned opening of a smaller scheme of five independent properties within a secure communal area was achieved in January 2021. However, the pandemic effectively stopped all planned referrals in the effort to protect this vulnerable beneficiary group. With the pressures on our core source of new properties, these types of small blocks of properties remain a valuable strategy for growth, even with the risks associated with voids and phased occupation.

Future developments in the short-term will be difficult in the conditions outlined above. Therefore, the Executive and the Board are looking at alternative methods of securing new properties. A review of our funds to establish availability of general free reserves to invest in property acquisition, including the level of borrowing leverage that can be achieved, will support this approach.

We continued the year with our four key strategic aims: Tenant Engagement; Market Engagement; Geographical Diversification ; Charitable Giving.

Two of these key strategies (Geographical Diversification and Market Engagement) were aimed to facilitate and support our ambitious Growth Strategy. Our highly successful Market engagement work, through social media, presented many opportunities for development, even during this difficult year and operating environment. Plans to work both in partnership and possible joint ventures with other organisations continue to be developed as a result. This will, in part, overcome the current barriers to growth.

The key development focus for 2021/22 will be in our Governance and our tenant engagement & involvement plans. An independent review of Governance arrangements has been completed and post lock-down plans to fully engage in the compliance actions are underway. A new Tenant Involvement Group has been set-up to drive our commitment to achieving greater participation of beneficiaries.

Finally, the organisation is aiming to strengthen our Equality & Diversity commitments and commence delivery of our sustainability and decarbonisation policy.

Management Committee

The members of the Management Committee, who were also directors and trustees, during the year were:

M Hurst – Chair (Appointed Trustee on 7th May 2020, Appointed Chair on 21st July 2020)

R Wilkinson – Vice Chair

D Beddis - resigned 28th January 2021

G M Scott - CEO

I Moore

L Worrall

G Emerson – Appointed 7th May 2020

N Pendleton – Appointed 25th February 2021

ZETETICK HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

STRUCTURE, GOVERNANCE AND DECISION-MAKING

Governing document

The Charity is constituted as a limited company, limited by guarantee as defined by the Companies Act 2006. It is controlled by its Memorandum and Articles of Association dated 5th February 2007.

Trustees

Trustees ensure that the charity maintains its public benefit. Trustees meet four times a year and will attempt to hold an all-day annual away day with staff, subject to pandemic restrictions. The Board will review all charity policies on a rolling three-year cycle and request an annual report from the Chief Executive Officer on how policies are adhered to within the charity's values and risk appetite. An Audit, Risk and Finance Committee of two Trustees, meets a minimum of four times a year to ensure these key areas are given appropriate scrutiny prior to each Board meeting.

We currently meet the Charity Governance Code, but most recently the Board have confirmed that we will adopt and seek compliance with the National Housing Federation's 2020 Governance code. Our website contains details of our Trustees and our staff team.

Our recruitment principles for Trustees and best practice, are ensured through the appointment of an independent HR consultancy firm, who lead, shortlist against key skill mix criterion and present to the Board Selection Panel recommendation for short-list interviews. A selection panel of three Trustees interview and make a final recommendation to the remaining Board members. All appointed Trustees are formally confirmed at the following AGM and undertake full induction and training to reflect their needs to fully understand and participate in business decisions.

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to 2.3 day's purchases, based on the average daily amount invoiced by suppliers during the year.

The Charity is managed by a strong leadership team consisting of Chief Operating Officer, Deputy CEO and Director of Housing. A Director of Finance was appointed in May 2021.

Zetetick has three offices; Croydon, St Leonards and Lewes. This supports the regional model which is key to the growth strategy.

Remuneration of Key Personnel

The Board undertake a full annual pay review of all staff. The Chair of Trustees plus one other Trustee sets the remuneration of the Chief Executive Officer.

Affiliations with Umbrella Groups

Zetetick is a member of the National Housing Federation

Auditor

Knill James LLP were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

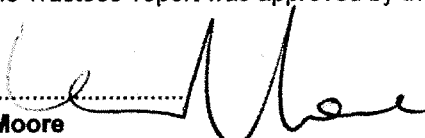
ZETETICK HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.


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I Moore

Trustee

Dated:

4th November 2021

ZETETICK HOUSING

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees, who are also the directors of Zetetic Housing for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ZETETICK HOUSING

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ZETETICK HOUSING

Opinion

We have audited the financial statements of Zetetick Housing (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Trustees' 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 charitable company'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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

ZETETICK HOUSING

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF ZETETICK HOUSING

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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.

ZETETICK HOUSING

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF ZETETICK HOUSING

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 those charged with governance around actual and potential legal issues;
- Enquiry of both trustees and management to identify any instances of non-compliance with laws and regulations
- Reviewing minutes of meetings
- Performing audit procedures on the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness
- Evaluating the business rationale of significant transactions and reviewing accounting estimates

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 is available on the Financial Reporting Council's website at: <https://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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Knill James LLP

Mark Filsell FCA (Senior Statutory Auditor)
for and on behalf of Knill James LLP

1 December 2021

Chartered Accountants
Statutory Auditor

One Bell Lane
Lewes
East Sussex
BN7 1JU

ZETETICK HOUSING

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

Current financial year

		Unrestricted funds general 2021	Unrestricted funds designated 2021	Restricted funds 2021	Total 2021	Total 2020 as restated
	Notes	£	£	£	£	£
<u>Income and endowments from:</u>						
Donations and legacies	3	-	-	5,000	5,000	-
Charitable activities	4	3,737,107	-	-	3,737,107	3,598,431
Investments	5	1,005	22	-	1,027	6,665
Other income	6	45,600	-	-	45,600	-
Total income		3,783,712	22	5,000	3,788,734	3,605,096
<u>Expenditure on:</u>						
Charitable activities	7	3,662,395	8,000	-	3,670,395	3,682,324
Net incoming/(outgoing) resources before transfers		121,317	(7,978)	5,000	118,339	(77,228)
Gross transfers between funds		17,117	(17,117)	-	-	-
Net income/(expenditure) for the year/ Net movement in funds		138,434	(25,095)	5,000	118,339	(77,228)
Fund balances at 1 April 2020		1,280,623	287,824	-	1,568,447	1,645,675
Fund balances at 31 March 2021		1,419,057	262,729	5,000	1,686,786	1,568,447

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ZETETICK HOUSING

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

Prior financial year

		Unrestricted funds general 2020	Unrestricted funds designated 2020	Total 2020 as restated £
	Notes	£	£	£
<u>Income and endowments from:</u>				
Charitable activities	4	3,598,431	-	3,598,431
Investments	5	6,665	-	6,665
Total income		3,605,096	-	3,605,096
<u>Expenditure on:</u>				
Charitable activities	7	3,682,324	-	3,682,324
Net incoming/(outgoing) resources before transfers		(77,228)	-	(77,228)
Gross transfers between funds		(60,000)	60,000	-
Net income/(expenditure) for the year/ Net movement in funds		(137,228)	60,000	(77,228)
Fund balances at 1 April 2019		1,417,851	227,824	1,645,675
Fund balances at 31 March 2020		1,280,623	287,824	1,568,447

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ZETETICK HOUSING


BALANCE SHEET

AS AT 31 MARCH 2021

		2021		2020 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		23,097		30,946
Current assets					
Debtors	12	351,910		337,418	
Cash at bank and in hand		1,577,639		1,389,337	
		<u>1,929,549</u>		<u>1,726,755</u>	
Creditors: amounts falling due within one year	13	<u>(265,860)</u>		<u>(189,254)</u>	
Net current assets			1,663,689		1,537,501
Total assets less current liabilities			<u>1,686,786</u>		<u>1,568,447</u>
Income funds					
Restricted funds	15		5,000		-
Unrestricted funds - designated			262,729		287,824
Unrestricted funds - general			1,419,057		1,280,623
			<u>1,686,786</u>		<u>1,568,447</u>

The financial statements were approved by the Trustees on

4th November 2021



I Moore
Trustee

Company Registration No. 06082488

ZETETICK HOUSING

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	20		187,275		(34,848)
Investing activities					
Purchase of tangible fixed assets		-		(8,000)	
Investment income received		1,027		6,665	
Net cash generated from/(used in) investing activities			1,027		(1,335)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			188,302		(36,183)
Cash and cash equivalents at beginning of year			1,389,337		1,425,520
Cash and cash equivalents at end of year			1,577,639		1,389,337

ZETETICK HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Zetetick Housing is a private company limited by guarantee incorporated in England and Wales. The registered office is Innovation Centre Highfield Drive, Churchfields Industrial Estate, St Leonards on Sea, East Sussex, TN38 9UH. Innovation Centre, Highfield Drive, Churchfields Industrial Estate, St Leonards on Sea, East Sussex, TN38 9UH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements. In arriving at this decision, the Trustees have considered the impact of Covid19 on the charity's finances and activities and reviewed a period of at least 12 months from the date of signing of these accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charitable company.

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

ZETETICK HOUSING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Motor vehicles	25% on the reducing balance
----------------	-----------------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

ZETETICK HOUSING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Restricted funds	Total
	2021	2020
	£	£
Donations and gifts	5,000	-

ZETETICK HOUSING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

	Rental activities 2021 £	Rental activities 2020 £
Charitable rental income	3,737,107	3,598,431

5 Investments

	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Total 2021 £	Unrestricted funds general 2020 £
Interest receivable	1,005	22	1,027	6,665

6 Other income

	Unrestricted funds general 2021 £	Total 2020 £
Rental of premises	30,000	-
Recharged services	15,600	-
	45,600	-

ZETETICK HOUSING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

7 Charitable activities

	Rental Activities 2021 £	Rental Activities 2020 £
Staff costs	464,013	414,512
Depreciation and impairment	7,849	7,948
Charitable expenditure	3,068,636	3,132,803
	<u>3,540,498</u>	<u>3,555,263</u>
Share of support costs (see note 8)	107,486	98,689
Share of governance costs (see note 8)	22,411	28,372
	<u>3,670,395</u>	<u>3,682,324</u>
Analysis by fund		
Unrestricted funds - general	3,662,395	3,682,324
Unrestricted funds - designated	8,000	-
	<u>3,670,395</u>	<u>3,682,324</u>

ZETETICK HOUSING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

8 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Staff costs	81,885	-	81,885	73,290	-	73,290
Motor & travel	3,642	-	3,642	1,723	-	1,723
General office costs	1,893	-	1,893	6,587	-	6,587
Printing, postage and stationery	3,264	-	3,264	3,128	-	3,128
IT costs	9,642	-	9,642	8,891	-	8,891
Communications	1,228	-	1,228	1,976	-	1,976
Insurance	3,966	-	3,966	470	-	470
General expenses	1,319	-	1,319	2,463	-	2,463
Bank charges	647	-	647	161	-	161
Audit fees	-	6,240	6,240	-	3,780	3,780
Accountancy	-	1,268	1,268	-	1,680	1,680
Legal and professional	-	14,903	14,903	-	22,912	22,912
	<u>107,486</u>	<u>22,411</u>	<u>129,897</u>	<u>98,689</u>	<u>28,372</u>	<u>127,061</u>
Analysed between						
Charitable activities	<u>107,486</u>	<u>22,411</u>	<u>129,897</u>	<u>98,689</u>	<u>28,372</u>	<u>127,061</u>

Governance costs includes payments to the auditors of £6,240 (2020 - £3,780) for audit fees.

9 Trustees

None of the Trustees (or any persons connected with them) received any reimbursement of expenses in the year (2020 - £186).

As permitted by the Memorandum and Articles of Association, a trustee, Mr G Scott, fulfils the executive role of CEO. He was remunerated under normal employee terms in the amount of £111,187 (2020 - £109,182) plus pension contributions of £13,424 (2020 - £13,369). No trustee is remunerated for their role as trustee.

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Office and administration	<u>12</u>	<u>11</u>

ZETETICK HOUSING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

10 Employees

(Continued)

Employment costs	2021 £	2020 £
Wages and salaries	477,074	428,490
Social security costs	48,032	39,978
Other pension costs	20,792	19,334
	<u>545,898</u>	<u>487,802</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2021 Number	2020 Number
£60,001 to £70,000	1	1
£70,001 to £80,000	1	-
£100,001 to £110,000	-	1
£110,001 to £120,000	1	-
	<u>1</u>	<u>2</u>

11 Tangible fixed assets

	Motor vehicles £
Cost	
At 1 April 2020	105,633
At 31 March 2021	<u>105,633</u>
Depreciation and impairment	
At 1 April 2020	74,687
Depreciation charged in the year	7,849
At 31 March 2021	<u>82,536</u>
Carrying amount	
At 31 March 2021	<u>23,097</u>
At 31 March 2020	<u>30,946</u>

ZETETICK HOUSING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

12 Debtors

	2021	2020 as restated
	£	£
Amounts falling due within one year:		
Trade debtors	230,645	247,847
Prepayments and accrued income	121,265	89,571
	<u>351,910</u>	<u>337,418</u>

13 Creditors: amounts falling due within one year

	2021	2020 as restated
	£	£
Other taxation and social security	13,220	12,054
Trade creditors	19,297	25,144
Other creditors	3,834	3,834
Accruals and deferred income	229,509	148,222
	<u>265,860</u>	<u>189,254</u>

14 Retirement benefit schemes

Defined contribution schemes

The charitable company operates two defined contribution pension schemes for qualifying employees. The assets of the schemes are held separately from those of the charitable company in independently administered funds.

The charge to profit or loss in respect of defined contribution schemes was £20,792 (2020 - £19,334).

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds		
	Balance at 1 April 2019	Incoming resources	Balance at 1 April 2020	Incoming resources	Balance at 31 March 2021
	£	£	£	£	£
Digital Inclusion fund	-	-	-	5,000	5,000

During the year a grant was received for the Digital Inclusion Fund from Lambeth Borough Council. It is expected to be fully expended during 2021/22.

ZETETICK HOUSING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds		Movement in funds			
	Incoming resources £	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
Grant Giving	-	60,000	22	(8,000)	-	52,022
End of Lease Liability Fund	-	227,824	-	-	(17,117)	210,707
	-	287,824	22	(8,000)	(17,117)	262,729

Grant giving

Funds have been set aside for future grant giving. Interest earned on the funds is allocated to the fund.

End of Lease Liability Fund

The Trustees recognise that there is potentially a need to spend large amounts on repairs and maintenance when handing back properties. The costs may exceed the standard 6-week amount calculated for the reserves target. This is especially true for some tenants who have highly complex needs, and where the property may have been adapted to meet the requirements of the tenant. At 30 March 2021 The Trustees calculated this amount to be £210,707.

ZETETICK HOUSING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

17 Analysis of net assets between funds

Fund balances at 31 March 2021 are represented by:

	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Designated funds 2020 £	Total 2020 £
Tangible assets	23,097	-	-	23,097	30,946	-	30,946
Current assets/(liabilities)	1,395,960	262,729	5,000	1,663,689	1,249,677	287,824	1,537,501
	<u>1,419,057</u>	<u>262,729</u>	<u>5,000</u>	<u>1,686,786</u>	<u>1,280,623</u>	<u>287,824</u>	<u>1,568,447</u>

ZETETICK HOUSING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

18 Operating lease commitments

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

	2021 £	2020 £
Within one year	394,523	332,206
Between two and five years	582,500	399,000
	<u>977,023</u>	<u>731,206</u>

The Trustees recognise the need to enter into longer lease commitments in order to source properties for our tenants and give them the security of a home for several years.

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	<u>284,900</u>	<u>250,364</u>

Transactions with related parties

G Scott is a director and shareholder in Frontier Support Services Limited (FSS) which provides services to the charity. Included in these accounts under direct costs are concierge fees of £278,143 (2020: £181,464) which were incurred on normal trading terms. Rents receivable includes £30,000 (2020: £30,000) for office space sublet to FSS by the charity and book-keeping services of £15,600 (2020: £15,600) were charged to FSS during the year. An amount of £18,493 (2020: £2,747) was due to FSS at the year end and is included in trade creditors.

ZETETICK HOUSING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

20	Cash generated from operations	2021 £	2020 £
	Surplus/(deficit) for the year	118,339	(77,228)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(1,027)	(6,665)
	Depreciation and impairment of tangible fixed assets	7,849	7,948
	Movements in working capital:		
	(Increase) in debtors	(14,492)	(53,393)
	Increase in creditors	76,606	92,432
	(Decrease) in provisions	-	2,058
	Cash generated from/(absorbed by) operations	<u>187,275</u>	<u>(34,848)</u>
21	Analysis of changes in net funds		
	The charitable company had no debt during the year.		

ZETETICK HOUSING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

22 Prior period adjustment

Changes to the balance sheet

	At 31 March 2020		
	As previously reported	Adjustment	As restated
	£	£	£
Current assets			
Debtors due within one year	344,462	(7,044)	337,418
Creditors due within one year			
Other creditors	(89,980)	(87,220)	(177,200)
Provisions for liabilities			
Other provisions	(227,824)	227,824	-
	<u>1,434,887</u>	<u>133,560</u>	<u>1,568,447</u>
Net assets	<u>1,434,887</u>	<u>133,560</u>	<u>1,568,447</u>
Income funds			
designated	-	287,824	287,824
General unrestricted funds	1,434,887	(154,264)	1,280,623
	<u>1,434,887</u>	<u>133,560</u>	<u>1,568,447</u>

Changes to the profit and loss account

	Period ended 31 March 2020		
	As previously reported	Adjustment	As restated
	£	£	£
Income from:			
Charitable activities	3,581,255	17,176	3,598,431
Expenditure on:			
Charitable activities	3,570,884	111,440	3,682,324
	<u>17,036</u>	<u>(94,264)</u>	<u>(77,228)</u>
Net movement in funds	<u>17,036</u>	<u>(94,264)</u>	<u>(77,228)</u>

A number of prior period adjustments have been accounted for within these financial statements:-

- 1) An amount of £24,220 was entered as a prepayment but should have been an accrual.
- 2) Income should have been accrued at 31 March 2020 amounting to £17,176.
- 3) The clawback of concierge charges amounting to £63,000 was not accrued at 31 March 2020.
- 4) The designated fund for future refurbishment costs was incorrectly restated as a provision. This adjustment has been reversed.
- 5) A designated fund for future grant giving was not correctly allocated at 31 March 2020.
- 6) Some non charitable income i.e premises rentals and services recharges, has been shown separately