

Charity registration number 1118922

Company registration number 06082488 (England and Wales)

ZETETICK HOUSING
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

ZETETICK HOUSING

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	I Moore G Scott G Emerson M Hurst N Pendleton A Chequers C Linden N Hussain
Secretary	Ms A Barker-Davies
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

CONTENTS

	Page
Chair's statement	1
Trustees' report	2 - 10
Statement of Trustees' responsibilities	11
Independent auditor's report	12 - 14
Statement of financial activities	15 - 16
Balance sheet	17
Statement of cash flows	18
Notes to the financial statements	19 - 32

ZETETICK HOUSING

CHAIR'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

Over the past twelve months Zetetic Housing (ZHC) has continued to make a difference to the people we provide housing for. Many had years of inadequate provision before they came to us, with resulting detriment to their quality of life and inevitable pressure on the NHS. We are immensely proud of the value we give them and the ability they have as a result to experience the stability and support they deserve. In many cases this has enabled them to stay in the community, after years in and out of hospital.

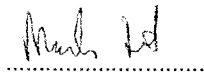
In May 2022, we purchased a second property, accessing funding through NHS capital grants. The two NHS funded properties mark a departure from our central model. For these two properties we own rather than rent as an intermediary (sub-letting them, with intensive housing management and housing support, to our tenants).

ZHC has also continued to grow in executive capacity. Building on the governance review and recruitment of 3 new trustees in 2022, combined with our strong reserves, ZHC is in an excellent position to take advantage of future opportunities to improve the quality and number of our homes. Our regular and insightful social media comment has enhanced our brand and has already brought new landlords into the ZHC family.

Nevertheless, 22-23 has remained a challenging year. The private rental market has been extremely competitive. Inflation is impacting both on our bottom line and on a number of our tenants. The finances in our partner councils are severely stretched. Supply chain and labour market issues continue to be a concern for property maintenance. And property access has remained a challenge.

Looking forward, our new vision emphasises the twin goals of improving our homes and building our portfolio. It is our quality offer which is our biggest strength, both for our customers and their families, and is the major attractor bringing in new properties. We have also committed to – and started to deliver - significant steps to improve the sustainability of our business and an improved approach to customer feedback.

Finally, this year saw the retirement of our CEO and founder Gary Scott, who remains as a trustee. Gary's vision in creating ZHC, and his personal relationship with and commitment to our tenants, has been inspirational. He has left a very sound base for his successor, Jonathan Spencer, who has stepped up from deputy CEO.


.....

Chair

Date: 7/11/23

ZETETICK HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report and financial statements for the year ended 31 March 2023.

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).

Objectives and activities

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.

Our Vision

Empowering people with learning disabilities and autism to live as valued members of their community by finding them quality homes, not just housing; offering safety security and opportunity where care, friendship and freedom can come first every day.

Our Mission

To provide and maintain specialised quality homes, not just housing.

To empower choice and deliver dignity to those people, primarily with learning disabilities and autism, who need our offer of quality housing for supported living.

To align our values and activities to work with a range of partners across housing, commissioning, and care, in the fulfilment of our charitable aims.

ZETETICK HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2023**

Our Aspiration

Our aspiration is to harness the passion that each of our members of staff have and use it to give some of the most marginalised people in our society a home.

To reach more families and give homes to more people with complex learning disabilities.

Whilst our focus is to continue to establish ourselves as best practice thought leaders to other housing organisations and people in need, by continuing with high quality services and unique provision, we want to develop our procedures, processes and resources so that they are always sensitive to the people we give homes to. In addition to this, by doing so, we also reaffirm our commitment to doing our best for the people we give homes to, their families and the wider community.

Our bottom line must be about delivering quality and honouring our promise to the people we support because from this will be able to help more people in a sustainable way.

KEY ACHIEVEMENTS AND PERFORMANCE

During the year 2022-23 we achieved the following:

- Housed 163 tenants over a total of 103 properties
- Rehomed 9 existing tenants to more suitable properties
- Purchased our second property with an NHS grant to rehome one of our most vulnerable tenants in secure, long-term accommodation
- Maintained a high level of repairs and inspections (98% on time)
- Increased our ability to support tenants in the South East by opening a maintenance depot in Uckfield
- Carried out 'Homeliness Checks' in addition to our formal 6-monthly housing inspections
- Increased our level of tenant engagement, with a summer party, easy read versions of our magazine and complaints policies, tenant surveys and the creation of a formal Customer Committee
- Offered a Hardship Fund to our tenants who might be feeling cost of living pressures
- Fulfilled a long held succession plan, by transitioning to a new CEO
- Completed a full independent Digital Review to road map future organisational transformation
- Implemented a charity wide intranet based on Sharepoint and Office 365
- Implemented a shared platform for Board and Committee administration 'Board Papers'
- Further developed relationships with new and existing care company partners
- Increased our FTE headcount to 16.5 to ensure increased support to tenants
- Offered all staff welfare payments over the winter months to help with cost of living
- Supported 3 volunteers to work on our social media and outreach work
- Built on our five-year plan to give additional focus and measurement

We continue to work predominantly in South London Boroughs, with approximately 2/3 of our tenants being housed in properties in this area, but we are seeing increased interest in South East.

ZETETICK HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2023**

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 on the way we work.

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.

OPERATING MODEL

We provide specified, exempt accommodation to our tenants. 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 an opportunity for our supporters to give their time in a way that benefits the charity and our beneficiaries, in addition it offers some 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.

This year we built on the diversification plans that commenced in 2022/23, by purchasing a second property using NHS England grant funds.

ZETETICK HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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 financial year saw an increase in the amount of scrutiny given to exempt providers of supported housing; Local Authorities were given updated guidance in April 2022 to ensure that exempt providers meet the criteria for full Housing Benefit which they receive on behalf of their tenants. By building relationships with our Local Authority Partners in Housing Benefit and Adult Social Care, we have been able to continue to claim monies to provide housing and support for our tenants.

The number of beneficiaries at 31 March 2023 was 163 (2022 - 164), but the stability of this figure hides the range of work undertaken throughout the year. We found new homes for 9 existing tenants whose current homes were no longer available and/or suitable for them. We welcomed 10 new tenants to Zetetick Homes.

Total incoming resources increased from £4.5m in 2022 to £5.2m in 2023 due to the following:

- Incoming unrestricted resources, predominantly rentals received from beneficiaries, increased year on year by 13% to £4.3m
- Restricted income increased from £526k to £842k, as the charity took receipt of its second NHS grant in order to purchase a property outright, enabling another one of our most vulnerable tenants to move to a long term, safe home. This restricted fund will be held until the property is sold, at which point the funds from the sale will be returned to the NHS.

Direct charitable activity expenditure increased year on year to £4.3m (2022 - £3.9m). The main reasons for this increase are as follows:

- Inflationary increases on rental properties and staff costs
- With an increased focus on quality housing provision, we improved our welcome packs, fixtures and fittings for tenants.

Support cost expenditure ratio was 3.2% of total income (2022 – 4%).

Staff headcount grew from a full time equivalent of 14.1 to 16.5 (actual headcount as at March 2023 was 19). The charity committed to investing further in staff resources over 2022-23 as it moves towards a regional model, with an Area Housing Manager in both London and the Southeast.

The overall surplus (net movement of funds) on unrestricted funds before transfers was £111k (2022 - £32k) - representing a surplus ratio of 2.6% of income.

The health and safety of our tenants remained of paramount importance. The charity continued to provide essential maintenance support to all our tenants and resumed half-yearly inspections which increased the amount of non-urgent work.

The End of Tenancy Dilapidations Fund is calculated at £231k for the year 2022-23.

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. Above all else, it serves as protection for those who we house, to ensure long term security of their homes.

The Reserves Policy is to hold a target of 3 month's operational costs in reserve, plus 6 week's rental costs and a provision for long leases. As of 31st March 2023, this was calculated as £731k (2022 – 617k). The General (Free) Reserves were calculated as £1,572k (2022 - £1,452k). This is £846k above target (2022 - £835k above target). The Trustees plan to use these excess reserves within the next 12 months to facilitate the purchase of two of our existing Houses in Multiple Occupation (HMO's) properties.

ZETETICK HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

£000s	31 March 2023	31 March 2022
Total Funds	3,166	2,217
Less: Restricted Funds	(1,352)	(511)
Less: Designated Funds	(242)	(254)
General (Free) Reserves	1,572	1,452

The 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. At March 2023 liquid funds were £1,818k.

Principle 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 risk register is reviewed in summary form every 3 months, with a bi-annual detailed review of new and emerging risks.

The key risks identified by the Board at March 2023 are:

- **Loss of Exemption Status for Specified Supported Accommodation**

Changes to legislation may require that all social landlords providing exempt accommodation need to be licenced by Local Authorities, or registered with the Register of Social Housing.

In addition, the Department for Work & Pensions is clarifying the meaning of 'more than minimum support' which may impact on our status as an exempt provider. We have already seen an increase in the scrutiny of our charges by Local Authorities. We welcome this scrutiny, as it will ensure our reputation as an exempt provider is upheld.

The trustees believe that further clarification on existing rules by DWP should strengthen our position we will be able to prove we meet the criteria, whilst being aware we need to keep abreast of any changes that could impact on our model.

- **Converging gap between income and core costs**

After a year of high inflation (10%+), the cost of providing our quality homes has increased. We are able to pass on some inflationary increases through uplifts in Housing Benefit once a year. This can leave us vulnerable to mid-year above inflationary increases.

There has been increased scrutiny from local authorities, challenging uplifts as they themselves are struggling to meet costs. We have also seen more head landlords coming forward to re-negotiate higher rents.

This risk has so far been managed by adopting a clear full cost recovery (allocation and apportionment) approach to the Housing Benefit Claims submitted on behalf of our tenants.

We carefully monitor 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.

ZETETICK HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

• Government Net Zero Policies / De-Carbonisation

Although the responsibility for EPC rating falls with the owner-landlord, there is an inherent risk to us of not supporting them to achieve Minimum Energy Efficiency Standards (MEES). The new Government target to move to all rented properties reaching band C will be phased in by 2028.

Zetetick has commenced early conversations with property owners to work in partnership. The aim is achieve compliance whilst securing appropriate leases for the security of our tenants.

• Safeguarding

Zetetick has a no tolerance safeguarding policy. Abuse or neglect in any form, of tenants, employees or anyone connected with the charity will be reported and acted upon. All staff are safeguarding trained and, where appropriate, DBS checked. Safeguarding is a standing item on weekly senior manager meetings and board meetings.

• Succession Planning

The Trustees have recognised succession planning for key roles as a risk. This applies to both the Senior Management Team and the Trustees.

The use of digital technology such as Sharepoint, and a central database, will help to ensure the golden thread of information is transferable and useable by all.

• Digital & Data Integrity

Our increased reliance on Digital & Data means we are undergoing a digital transformation at present. All staff are receiving training on record keeping and the use of data.

• Stress Testing

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 2023

Future Developments

In 2022 we developed a 5 year plan to take us to 2027. This plan will help us to develop our service provision, maintain quality and reach more people, putting them at the heart of our organisation, Zetetick Housing plans to meet the increasingly complex housing and housing management needs of people with learning disabilities, autism and mental health challenges by:

- Putting the people we provide homes for at the centre of our charity, through working with an established Customer Committee in the deliverance of their objectives – tenant voice.
- Ensure that our mission and values are at the forefront of all we do and are widely recognised, locally, and across our geographic remit, so we are seen as a flexible person-centred housing innovator, renowned for our quality, expertise and knowledge.
- Continue the capacity development of the organisation, so that the quality and engagement in our service to meet the needs of more tenants are more meaningfully engage with the tenants we provide homes to.
- Development of our people, whether our tenants, staff, or volunteers, by putting equity, diversity and inclusion at the centre of all our practice.
- Develop partnership relationships with Adult Social Services, Property developers, CCG and Local Authorities, thus maintaining our financial resilience, with sufficient funds and resources to continue to offer quality housing for those seeking supported living accommodation.
- Putting record keeping at the centre of our activities; improving our ability to store, secure and collate information in our housing database. Securing, unifying and centralising our data and how we communicate and share this data via intranets, the cloud and single point of access rather than complex distribution.
- Working to improve environmental quality and sustainability through internal provisioning of materials and, tools and vehicles and externally by supporting Landlords in taking measures to improve EPC ratings by 2025/28.
- Continue working in partnership with NHS to secure grant funding to facilitate our aims to purchase quality and sustainable homes that offer long-term security for some of the most vulnerable people in our communities.
- To better consider using our free reserves for the furtherance of our Objects, in particular the potential opportunities to purchase existing homes within our lease portfolio.

Future Aims and Outcomes

- To seek a meaningful and active tenant voice at decision making points within the organisation, such as sub-committees and ultimately the Board of Trustees.
- We will continue to provide supported living housing and associated intensive housing management (not social care provision); offering our own management and maintenance services as one of the primary ways of connecting with the people in our homes and through this link offering a pathway to further engagement.
- Our operations will continue in the geographic area South of the river Thames, East into Kent, and West as far as the border between W. Sussex and Hampshire, unless there is a strong or exceptional business case to warrant investment.
- We will concentrate on providing services to learning disabled and autistic people, and people that challenge.
- Zetetick will continue assess quality through spot check homeliness visits as well as bi-annual property inspections.
- We are looking to grow our commercial activity from our present bases and diversify our geographic holdings. This means continuing to create more property partnerships with letting agents, developers, owners, care companies and Landlords. ZHC are open to leases longer than 3 years but limited to 10 years (with breaks).
- Zetetick will primarily house people through the rental/lease market. From single dwellings to small blocks of apartments. However, we are open to all opportunities (where appropriate with the regulator) where acquisition is via grant funding. Property acquisition by purchase through loans, mortgages and using our capital will only be undertaken where housing situations dictate. e.g. Vulnerable tenants being at risk, large reductions in the availability of suitable leases, and only if we have sufficient reserves.
- We are developing better outreach and engagement with tenants and their families through events, surveys and a more transparent complaints and compliments procedure.

Growth plans can only be achieved if we have access to properties to meet the referral demands. Seeking homes for each person separately is resource intensive, and apartment blocks such as Henderson House or Providence Place provide a faster route to reach out to and meeting the needs of more people. Developing such properties, is not predictable and does not come with an immediate promise of filling spaces and void costs are factored in, we will stay open to them.

ZETETICK HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2023**

Structure, governance and management

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.

Management Committee

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

I Moore

G Scott

G Emerson

M Hurst

L Worrall

(Resigned 22 December 2022)

N Pendleton

A Chequers

C Linden

N Hussain

Public Benefit

Trustees ensure that the charity maintains its public benefit. We do this daily through the services we provide, but also, more specifically; through subsidising rents where local authority rental caps fall short of our true costs; sourcing specialist properties for our tenant group; covering the cost of pre-let voids; holding reserves to cover end-of-tenancy repair costs unique to our tenant group.

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.

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.

Committees

Zetetick has a comprehensive committee structure:

An Audit, Risk and Finance Committee of minimum two Trustees and two Executive Directors, meets a minimum of four times a year to ensure these key areas are given appropriate scrutiny prior to each Board meeting.

A Customer Committee of minimum two Trustees and Two Executive Directors meets four times a year to focus on tenant voice.

The Remunerations Committee, made up of the Chair of Trustees and one other Trustee, meet to discuss CEO salary and staff benefits.

During 2022-23 a Property Purchase Task and Finish Group met to discuss the potential purchase of 2 houses in Croydon.

Our recruitment principles for Trustees and best practice, is 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.

ZETETICK HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Management

team

The Charity is managed by a strong leadership team consisting of Chief Executive Officer (CEO), Director of Housing, Director of Finance and Executive Consultant.

During the year Jonathan Spencer was promoted from Deputy CEO to CEO. The previous CEO, Gary Scott, stepped into the role of part time Executive Consultant and fully retired in June 2023.

Zetetic has three offices; Croydon, St Leonards and Lewes, and an additional depot in Uckfield. This supports the regional model which is key to future 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 forms the Remuneration Committee and sets the remuneration for the Chief Executive Officer. In 2022 we commissioned an external report which benchmarked staff salaries against the sector, and this was fed into the proposed salaries for 2023-24.

Affiliations with Umbrella Groups

Zetetic is a member of the National Housing Federation.

Supplier payment policy

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.

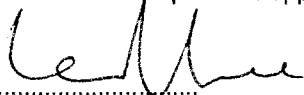
Auditor

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.

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.



I Moore
Trustee

Date: 9/11/23

ZETETICK HOUSING

STATEMENT OF TRUSTEES' RESPONSIBILITIES **FOR THE YEAR ENDED 31 MARCH 2023**

The Trustees, who are also the directors of Zetetick 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 MEMBERS OF ZETETICK HOUSING

Opinion

We have audited the financial statements of Zetetick Housing (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 March 2023 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 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 MEMBERS 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 for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, 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.

In identifying and assessing the risk of material misstatement in respect of irregularities, including fraud, we:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company complies with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

ZETETICK HOUSING

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements, including the Trustees' report, remaining alert to new or unusual transactions which may not be in accordance with the governing document.

The most significant laws and regulations that have an indirect impact on the financial statements are employment law and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

We identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included, but were not limited to, testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and 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 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 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

14 November 2023

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 2023

Current financial year

		Unrestricted funds general	Unrestricted funds designated	Restricted funds	Total	Total
	Notes	2023 £	2023 £	2023 £	2023 £	2022 £
Income and endowments from:						
Donations and legacies	2	143	-	842,066	842,209	525,915
Charitable activities	3	4,339,642	-	-	4,339,642	3,907,257
Investments	4	7,484	-	-	7,484	467
Other income	5	15,600	-	-	15,600	34,672
Total income		4,362,869	-	842,066	5,204,935	4,468,311
Expenditure on:						
Charitable activities	6	4,251,478	3,777	724	4,255,979	3,938,336
Net incoming resources before transfers		111,391	(3,777)	841,342	948,956	529,975
Gross transfers between funds		9,151	(9,151)	-	-	-
Net income for the year/ Net movement in funds		120,542	(12,928)	841,342	948,956	529,975
Fund balances at 1 April 2022		1,451,578	254,457	510,726	2,216,761	1,686,786
Fund balances at 31 March 2023		1,572,120	241,529	1,352,068	3,165,717	2,216,761

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.

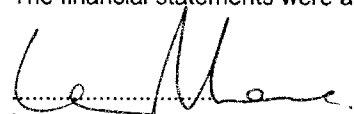
ZETETICK HOUSING

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	11		1,347,813		519,928
Current assets					
Debtors	12	360,576		537,599	
Cash at bank and in hand		1,864,541		1,438,537	
		2,225,117		1,976,136	
Creditors: amounts falling due within one year	13	(407,213)		(279,303)	
Net current assets			1,817,904		1,696,833
Total assets less current liabilities			3,165,717		2,216,761
Income funds					
Restricted funds	15		1,352,068		510,726
Unrestricted funds - designated			241,529		254,457
Unrestricted funds - general	16		1,572,120		1,451,578
			3,165,717		2,216,761

The financial statements were approved by the Trustees on 9/4/23



I Moore
Trustee

Company Registration No. 06082488

ZETETICK HOUSING

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

FOR THE YEAR ENDED 31 MARCH 2023

Prior financial year

		Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	2	159	-	525,756	525,915
Charitable activities	3	3,907,257	-	-	3,907,257
Investments	4	467	-	-	467
Other income	5	34,672	-	-	34,672
Total income		3,942,555	-	525,756	4,468,311
<u>Expenditure on:</u>					
Charitable activities	6	3,850,989	67,317	20,030	3,938,336
Net incoming resources before transfers		91,566	(67,317)	505,726	529,975
Gross transfers between funds		(59,045)	59,045	-	-
Net income for the year/ Net movement in funds		32,521	(8,272)	505,726	529,975
Fund balances at 1 April 2021		1,419,057	262,729	5,000	1,686,786
Fund balances at 31 March 2022		1,451,578	254,457	510,726	2,216,761

ZETETICK HOUSING

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	20		1,249,198		350,831
Investing activities					
Purchase of tangible fixed assets		(830,678)		(510,000)	
Proceeds from disposal of tangible fixed assets		-		19,600	
Investment income received		7,484		467	
Net cash used in investing activities			(823,194)		(489,933)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			426,004		(139,102)
Cash and cash equivalents at beginning of year			1,438,537		1,577,639
Cash and cash equivalents at end of year			1,864,541		1,438,537

ZETETICK HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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.

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. 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.

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.

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.

ZETETICK HOUSING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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:

Freehold land and buildings	Not depreciated
Plant and equipment	25% on the reducing balance
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 the statement of financial activities.

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 2023

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

- 22 -

ZETETICK HOUSING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

3 Charitable activities

	Rental activities 2023 £	Rental activities 2022 £
Charitable rental income	<u>4,339,642</u>	<u>3,907,257</u>

4 Investments

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Interest receivable	<u>7,484</u>	<u>467</u>

5 Other income

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Net gain on disposal of tangible fixed assets	-	10,262
Rental of premises	-	5,895
Recharged services	15,600	18,515
	<u>15,600</u>	<u>34,672</u>

ZETETICK HOUSING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

6 Charitable activities

	Rental Activities 2023 £	Rental Activities 2022 £
Staff costs	656,237	509,521
Depreciation and impairment	2,793	3,831
Charitable expenditure	3,425,659	3,245,487
	<u>4,084,689</u>	<u>3,758,839</u>
Share of support costs (see note 7)	154,456	125,893
Share of governance costs (see note 7)	16,834	53,604
	<u>4,255,979</u>	<u>3,938,336</u>
Analysis by fund		
Unrestricted funds - general	4,251,478	3,850,989
Unrestricted funds - designated	3,777	67,317
Restricted funds	724	20,030
	<u>4,255,979</u>	<u>3,938,336</u>

ZETETICK HOUSING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	115,807	-	115,807	89,916	-	89,916
Motor & travel	6,837	-	6,837	9,379	-	9,379
General office costs	-	-	-	462	-	462
Printing, postage and stationery	6,368	-	6,368	3,130	-	3,130
IT costs	16,983	-	16,983	15,011	-	15,011
Communications	812	-	812	1,060	-	1,060
Insurance	5,297	-	5,297	5,037	-	5,037
General expenses	1,513	-	1,513	1,185	-	1,185
Bank charges	839	-	839	713	-	713
Audit fees	-	4,754	4,754	-	6,540	6,540
Accountancy	-	-	-	-	2,024	2,024
Legal and professional	-	12,080	12,080	-	27,218	27,218
Governance costs	-	-	-	-	17,822	17,822
	<u>154,456</u>	<u>16,834</u>	<u>171,290</u>	<u>125,893</u>	<u>53,604</u>	<u>179,497</u>
Analysed between						
Charitable activities	<u>154,456</u>	<u>16,834</u>	<u>171,290</u>	<u>125,893</u>	<u>53,604</u>	<u>179,497</u>

Governance costs includes payments to the auditors of £7,194 (2022 - £6,540) for audit fees.

8 Trustees

During the year, 3 trustees (2022 - 3) were reimbursed expenses totalling £427 (2022 - £324).

As permitted by the Memorandum and Articles of Association, a trustee, Mr G Scott, fulfilled the executive role of CEO up until August 2022 when he stepped down from this position to become a consultant to the charity. He was remunerated under normal employee terms in the amount of £89,637 (2022 - £103,676) plus pension contributions of £Nil (2022 - £Nil). No trustee is remunerated for their role as trustee.

9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Office and administration	<u>18</u>	<u>14</u>

ZETETICK HOUSING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Employees

(Continued)

Employment costs	2023 £	2022 £
Wages and salaries	680,797	520,955
Social security costs	69,128	56,064
Other pension costs	22,119	22,418
	<u>772,044</u>	<u>599,437</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£60,001 to £70,000	1	-
£70,001 to £80,000	-	2
£90,001 to £100,000	1	-
£100,001 to £110,000	1	1
	<u>1</u>	<u>1</u>

10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

11 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2022	510,000	-	73,348	583,348
Additions	829,219	1,459	-	830,678
At 31 March 2023	<u>1,339,219</u>	<u>1,459</u>	<u>73,348</u>	<u>1,414,026</u>
Depreciation and impairment				
At 1 April 2022	-	-	63,420	63,420
Depreciation charged in the year	-	311	2,482	2,793
At 31 March 2023	<u>-</u>	<u>311</u>	<u>65,902</u>	<u>66,213</u>
Carrying amount				
At 31 March 2023	<u>1,339,219</u>	<u>1,148</u>	<u>7,446</u>	<u>1,347,813</u>
At 31 March 2022	<u>510,000</u>	<u>-</u>	<u>9,928</u>	<u>519,928</u>

ZETETICK HOUSING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

12 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	281,881	437,434
Other debtors	2,006	4,007
Prepayments and accrued income	76,689	96,158
	<u>360,576</u>	<u>537,599</u>

13 Creditors: amounts falling due within one year

	2023	2022
	£	£
Other taxation and social security	16,322	15,835
Trade creditors	76,433	48,702
Other creditors	3,834	3,834
Accruals and deferred income	310,624	210,932
	<u>407,213</u>	<u>279,303</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 £22,119 (2022 - £22,418).

ZETETICK HOUSING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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 2021	Incoming resources	Resources expended	Balance at 1 April 2022	Incoming resources	Resources expended	Balance at 31 March 2023
	£	£	£	£	£	£	£
Digital Inclusion fund	5,000	-	(4,276)	724	-	(724)	-
NHS Property fund	-	525,756	(15,754)	510,002	842,066	-	1,352,068
	<u>5,000</u>	<u>525,756</u>	<u>(20,030)</u>	<u>510,726</u>	<u>842,066</u>	<u>(724)</u>	<u>1,352,068</u>

During the year Zetetick completed with the Digital Inclusion project funded by Lambeth Borough Council. In total we provided 5 tenants with digital equipment to reduce social isolation, along with a full training and connectivity support.

Two capital grants have been received from the NHS to purchase two properties for tenants. The grants are to be repaid on sale of the property, or change of use.

ZETETICK HOUSING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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:

	Balance at 1 April 2021 £	Resources expended £	Transfers £	Balance at 1 April 2022 £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Grant Giving	52,022	(6,215)	-	45,807	-	(45,807)	-
End of Lease Liability Fund	210,707	(61,102)	59,045	208,650	(3,777)	26,386	231,259
Hardship fund	-	-	-	-	-	10,000	10,000
	<u>262,729</u>	<u>(67,317)</u>	<u>59,045</u>	<u>254,457</u>	<u>(3,777)</u>	<u>(9,421)</u>	<u>241,259</u>

Grant giving

During the year, the Trustees closed the designated fund for grant giving. This fund was created in response to the impact of Covid-19 on charities related to our aims, and it was felt that it was no longer needed.

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 31 March 2023, the Trustees calculated this amount to be £231,259.

Hardship Fund

The Trustees created a designated 'Hardship Fund' of £10,000 to assist any tenants struggling to pay their Tenant Service Charge. No tenants have applied to this fund to date.

ZETETICK HOUSING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

17	Analysis of net assets between funds	Unrestricted funds		Designated funds		Restricted funds		Total Unrestricted funds		Designated funds		Restricted funds		Total	
		2023	£	2023	£	2023	£	2023	£	2022	£	2022	£	2022	£
	Fund balances at 31 March 2023 are represented by:														
	Tangible assets	-		-		1,347,813		1,347,813		9,928		510,000		519,928	
	Current assets/(liabilities)	1,572,120		241,529		4,255		1,817,904		254,457		726		1,696,833	
		1,572,120		241,529		1,352,068		3,165,717		254,457		510,726		2,216,761	

ZETETICK HOUSING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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:

	2023 £	2022 £
Within one year	449,321	390,322
Between two and five years	283,364	524,979
	<u>732,685</u>	<u>915,301</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.

	2023 £	2022 £
Aggregate compensation	<u>321,814</u>	<u>306,418</u>

Transactions with related parties

G Scott, a trustee of Zetetic Housing, 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 £296,575 (2022 - £294,654) which were incurred on normal trading terms. Rents receivable includes £nil (2022 - £5,000) for office space sublet to FSS by the charity and book-keeping services of £15,600 (2022 - £15,600) were charged to FSS during the year. An amount of £40,411 (2022 - £26,179) 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 2023

20	Cash generated from operations	2023 £	2022 £
	Surplus for the year	948,956	529,975
	Adjustments for:		
	Investment income recognised in statement of financial activities	(7,484)	(467)
	Gain on disposal of tangible fixed assets	-	(10,262)
	Depreciation and impairment of tangible fixed assets	2,793	3,831
	Movements in working capital:		
	Decrease/(increase) in debtors	177,023	(185,689)
	Increase in creditors	127,910	13,443
	Cash generated from operations	1,249,198	350,831
21	Analysis of changes in net funds		
	The charitable company had no debt during the year.		

