

Sturts Community Trust
Financial Statements
Year Ended 31 August 2022

Regulator of Social Housing registration number: 5089

Company registration number: 08359958

Charity registration number: 1152152

**Sturts Community Trust
Financial Statements
Year Ended 31 August 2022**

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**Sturts Community Trust
Registered Provider Information
Year Ended 31 August 2022**

Regulator of Social Housing registration number	5089
Company registration number	08359958
Charity registration number	1152152
Members of the board	Mr Michael Breen (resigned 13 June 2022) Mrs Caroline Rosemary Darby-Jenkins Mrs Gabrielle Mary Gray Mrs Katherine Mary Jones Mrs Joy Elizabeth Malyon Mr David Harvey Taylor Mrs Caroline Louise Wigley (appointed 13 October 2022) Mr Iain Williams (appointed 14 October 2022)
Secretary	Mrs Helen Elizabeth Breen (resigned 13 June 2022)
Registered office	Sturts Farm Three Cross Road West Moors Ferndown BH22 0NF
Auditor	PKF Francis Clark Towngate House 2 – 8 Parkstone Road Poole BH15 2PW
Bankers	NatWest Ringwood branch 11 High Street Ringwood Hants BH24 1BA

**Sturts Community Trust
Board Report
Year Ended 31 August 2022**

The board of Sturts Community Trust presents their report, and the audited financial statements of the registered provider for the year ended 31 August 2022.

Directors of the board

The directors of the board who have served during the year were as follows:

Mr Michael Breen (resigned 13 June 2022)
Mrs Caroline Rosemary Darby-Jenkins
Mrs Gabrielle Mary Gray
Mrs Katherine Mary Jones
Mrs Joy Elizabeth Malyon
Mr David Harvey Taylor
Mrs Caroline Louise Wigley (appointed 13 October 2022)
Mr Iain Williams (appointed 14 October 2022)

The purpose of this report is for Sturts Community Trust's Board to present audited financial statements for the year ended August 2022, which have been prepared in accordance with the Statement of Recommended Practice (SORP 2018).

Principles

Sturts Community Trust (SCT) aims to foster social and cultural wellbeing through mutual support (co-production) and community, building out of respect for the uniqueness of each human being.

SCT works in agriculture, care and support, housing, education and the arts. We promote citizenship for all those involved in its activities. We believe that personal development, participation and the opportunity to contribute towards creating a healthy sense of belonging and purpose promotes wellbeing in both the individual and within the organisation.

The vision for Sturts Community Trust is for adults with additional support needs to be able to live as independently as their circumstances permit. In a safe, caring and enriching community environment, with access to opportunities to work, sport and the arts. To participate in life with greater connection to the wider local community.

Intention

Our intention is to create a welcoming, lively, social and cultural centre linking with West Moors in Dorset. It enables local people to take part, whether that be through working, volunteering, growing food, attending events, sharing in social and cultural events or indeed receiving support.

Chair's Report - Katie Jones

Whilst I took over the role of the Chairman in June 2022, I have nevertheless been a trustee since 2015. So it is with pleasure that I deliver my Chairman's Report on Sturts Community Trust ("Sturts") for the financial year ended 31st August 2022. Following on from 2021, the challenges have still been considerable for our staff, they have all worked to ensure the high standards of care have been maintained for the Companions. Sturts continues to face ongoing difficulties in recruiting sufficient suitable staff despite the easing of the implications and impact of Covid-19. We should all be incredibly grateful to our teams of dedicated staff providing such levels of support enabling us to continue to deliver a high level of quality care to all those in our charge.

As expected, the health, safety and comfort of all those supported at Sturts have been our primary focus. However, despite the continuing challenges we have faced, the successful completion of the Twin Oaks development, has enabled us to extend the care we offer to additional individuals amounting to an increase of almost 14% in our housing capacity.

Sturts Community Trust Board Report Year Ended 31 August 2022

You will see from the report that follows that several decisions have been made relating to Gullivers shop and the farm to simplify the offering in the shop. It has become more of a Deli and Café with some produce still available that is grown on the farm. These changes have enabled Sturts to offer more places to individuals on a 'day service' basis, enabling them to take part in activities that increase their motivation and general sense of wellbeing. Sturts has strengthened its connectivity with the local community, particularly through the continuation of the Social Enterprise initiative. Sturts' vision broadening inclusivity locally continues to be an underlying principle and impetus of the Sturts Community Trust.

The 'day service' continues to provide space and activities to empower the companions to grow and flourish into extremely competent farmers, gardeners, shop assistants and chefs who are naturally very proud of their achievements.

Overall, the progress and success of all aspects of Sturts continues unabated. With the seven year plan now starting to take off, the future looks extremely exciting with enhanced opportunities for all to contribute to high levels of care, support and production.

Sturts Community Trust's focus and key activities

Care and Support: A strong focus on gaining a consistent level of compliance in social care.

Housing: Our neighbourhood model takes its direction from existing co-housing and community housing structures.

Co-production: Refocusing the social enterprise within the local community by establishing a vibrant farm shop and reinvigorating a neglected farm.

Learning and practice: A process of increasing professionalism and reflective learning culture through the development of a skills-based training in social pedagogy.

Summary of the main activities

Sturts Farm and Gullivers Day Service

At the centre of our Social Enterprise is our day service. This individualised programme is designed to develop skills and encourage personal development, while focusing on the specific needs of an individual. We focus on working in teams, but our intensive support team can also cater for people needing 1:1 support.

Gullivers Farm, Shop & Kitchen

We created the Gullivers Farm Shop in October 2015 with the mission to provide our customers top quality, seasonal and local produce. That might be made or grown by us or sourced from the best local farmers, producers and growers.

Sturts and Gullivers farming team

Sturts and Gullivers' land is farmed using Biodynamic/Organic methods, certified by Demeter. Biodynamic/Organic methods seek to maximise the health and wellbeing of the soil, animals, food and people. Biodynamic agriculture and food production is a special type of ecological farming, with extra responsibilities regarding animal welfare, closed nutrient cycles and ecology.

Our method of regenerative farming means there is no need for the multitude of chemicals that modern farming relies upon. We simply revert to ploughing and weeding instead, which means topsoil and subsoils on our land, therefore, become healthier, aerated and living.

Market Garden workshop

At Sturts Community Trust we work with nature to grow high quality seasonal produce throughout the year. This is farmed on a rotation system where the farm is seen as a whole organism.

Sturts Community Trust Board Report Year Ended 31 August 2022

Our team is formed of paid employees, volunteers and Companions, who work together to grow a wide variety of organic/biodynamic fruit, vegetables, salad leaves and herbs to local pubs and restaurants and provide the local community from our farm shop. The Gullivers Deli Kitchen bases menus around what is being grown in our Market Garden, and is usually harvested in the morning it arrives in the shop and on your plate in the café.

Sturts Community Trust Co-Housing

We have a number of community housing schemes, known as Sturts Community Trust Co-Housing. These are located on two farm sites, Sturts and Gullivers, and within the local West Moors community.

Sturts Community Trust Co-Housing is arranged into six small mixed neighbourhoods with accommodation, ranging from one bedroom to five-bedroomed properties. Four neighbourhoods are on Sturts Farm, one is on the adjoining farm, Gullivers. The other is in West Moors. Each neighbourhood house between 10 and 17 people, including those with additional support needs where communication will need to be adapted in order to be truly inclusive.

Reflection and reconnection - Tim Woodward

This year, 2021/2022, saw the Community adapt to the loosening of restrictions by the Government. While it was very much seen as a positive move to reconnect, the intervening years had created a completely different way of behaving that had become 'normal' and 'comfortable'. The change during this time frame was more a case of 'noticing' again what had changed – and how to change back.

This conscious move has impacted the Community in all areas. For example, in the Co-Housing Community, shared meals, festivals and wider Community involvement had been either stopped altogether or limited.

Care Together

Meanwhile, from a Care Together perspective, Companions needed to be reintroduced to travel skills, shopping and attending social clubs. Plans were required to help individuals re-adjust, with support needs often varied in the short-term.

These moves all showed how many 'connections' had to be severed, and in some instances being 'social' was experienced as an extra demand. These changes, understandably, took time while new habits were being established.

Sturts Community Trust continues to manage those with intensive support needs, without recourse to restrictive interventions. The factors that help to achieve this are, in the Trust's view, consistent long-term carers, the organisation of the care/support routines for the day/week/year together with a strong emphasis on finding meaning and purpose through the working life on the farm.

Examples of this include one person with intensive support needs delivering eggs to the shop on a daily basis, helping him achieve a regular working life.

Challenges and innovation

The Care Together team has a long, established group of carers, but has not been insulated from the pressures on the industry in relation to recruitment.

Our smaller aims of implementing a new digital care system has been achieved. This has contributed to a higher level of involvement from Companions in their care, as well as bringing a higher level of safety in medication management and incident review.

Social Enterprise

In the Social Enterprise, while work has progressed in teams on the farm, those teams were formed from the neighbourhoods/living arrangements rather than teams based on skills and interests. So choices were limited, particularly in respect of access to the Shop.

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Timetables had been simplified, and benefits to the Companions had been observed. Therefore, a thoughtful approach to the changes was needed and is still being worked through. This process has interrupted intentions to implement a programme of accredited learning.

Gullivers Farm, Shop and Kitchen

The Gullivers Farm Shop has continually adapted to the pressures that Covid presented. The temporary building that enabled social distancing and outside eating had seen an increase in customers. Post-Covid, these measures looked less attractive and were difficult to manage, and a retreat back into the shop building predicted.

As a result, a process for establishing the longer-term vision was undertaken, with a view to the current building settling on a single use. Plans to focus on the kitchen and café were in place by the end of the financial year.

Twin Oaks Development

The completion of Twin Oaks mentioned in the previous report was seen as the culmination of a 7-year development process. Therefore, the Community turned its attention to devising a new 7-Year Plan, achieved through a series of inclusive workshops, including people supporting in all areas.

The new 7-Year Plan focuses on consolidating the vision of Sturts Community Trust's first 7 years with three main projects, Ikigai Project, Gullivers Farm, Shop and Kitchen and the Farmyard Project.

Each project seeks to broaden the appeal and accessibility of Sturts Community Trust in the local area, while continuing to meet the needs of our living community and developing a much-needed cultural centre for supporting the arts. Project teams are inclusive and meetings to review progress are held once every three months.

1: Ikigai Project

A residential neighbourhood that includes people with increased mobility/care needs and an adjoining childcare provision. Work is underway in contracting a design team and pursuing partnership arrangements with a childcare provider.

2: Gullivers Farm, Shop and Kitchen

The first stage of this project is underway with the conversion of the existing shop into being primarily a café. The second stage will focus on rebuilding the existing dilapidated barn and making a purpose built and accessible Farm Shop with increased space, allowing for increased involvement of those with additional needs in the retail setting. The Plan will include a design for Phase 3, which will be two 2-bedroom flats.

3: Farmyard Project

This project looks at establishing the Farmyard as a more accessible environment for those we support, plus an integrated Arts-based extension to the existing provision. The first stage of this project is underway, with the formation of an Arts Team of illustrators, craftspeople, singers and actors.

For us, as sustainable future is not only how we look after the land, it extended to how we live our lives, including how we look after the vulnerable in society.

**Sturts Farm and Gullivers Day Service
2021-2022 review**

Summary

The day service continues to provide space to empower the companions to grow and flourish into extremely competent farmers, gardeners, shop assistants and chefs who are already very proud of their achievements.

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Key achievements

Over the course of 2021 to 2022, we implemented supported timetable changes, moving away from 'House Bubbles', with the Companions now being supported in mixed groups. We have also set up defined areas, which includes Market Garden, Farm & Intensive Support being able to join and work with the groups.

A set timetable for the groups is now in place to be able to offer the people we support more opportunity in developing their skills in each workshop. This will be the framework for our ASDAN programme moving forwards.

A Keyworker System has been implemented for SE, with Keyworkers responsible for reviewing support plans and risk assessments for the land, via Log My Care.

Maintenance and structure

We continue to maintain the fleet vehicles with the Companions' involvement, and a system of machinery competencies for Companions is working well. It enables Companions to be able to use a variety of equipment.

Expansion and future plans

Our Art, Farm Shop and Deli Kitchen workshops have been expanded to provide further scope and enrichment to the day service.

Our day service has also expanded this past year, with five new day placements joining. We have also been holding a number of walk arounds and taster days for prospective day placements, which has produced promising results with a couple more people joining very soon. We are looking to now promote the day service for a continued expansion.

Sturts Community Trust and Bluestone Energy Ltd have entered into an Option Agreement to secure a lease on a small parcel of Sturts Farm land for the purpose of battery storage to store renewable energy sources when there is excess power being generated for the National Grid, releasing it into the system at times of need. The agreement was signed on 11 February 2022 and surveys are currently being undertaken. WebbPaton have reported to the Board of Trustees on the disposal of the land confirming that value for money has been achieved.

Looking to the future

We are excited about what the next year holds. Plans include increasing our scope for education with a goal of introducing mentorship for Companions.

**Gullivers Farm, Shop & Kitchen
2021-2022 review**

Summary

The farm shop has continuously adapted to the pressures within the retail and hospitality industry to maintain a high level of service and quality. Those whom we support have now been reintroduced into the farm shop, with specific roles and responsibilities, which is incredibly positive.

Key achievements

In order to strengthen and evolve the brand and drive growth, we commissioned a rebrand for Gullivers. The work included logo, website, tone of voice, brand storytelling, new staff uniforms, exterior painting and menu.

The results have been better than anticipated. We now have customers asking to purchase the staff uniform, which is fantastic. Plans are now in place to begin selling some items with our branding on the clothing.

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Clearer focus

Changes made in the Farm Shop throughout Covid resulted in the services being in too many different areas. A decision was made by the team to condense the Farm Shop down and create an accessible kitchen to serve the Deli and Café area of the Shop. This move has created a more efficient and better quality of service. Not just for staff, but for the people we support in their roles.

A new menu was designed with an emphasis on seasonal organic farm produce and local producers. A children's menu was also produced with an activity sheet.

Community events

Community events have been gradually introduced at Gullivers Farm, Shop & Kitchen. This includes the popular Supper Clubs and Christmas events, which sold out shortly after being publicised and put on sale. The new ecommerce website has helped to streamline the sales process for customers while helping the Social Enterprise team to manage demand.

The Gullivers Wellbeing Yurt is also now home to a selection of movement, breath, meditation and baby classes for the wider community. Twilight yoga retreats and private events are also taking place in the space.

The Social Enterprise team have worked well together to prepare and set up for Barn on the Farm and Sturts 40th Anniversary celebration. Both were very successful.

Alongside the Farm and Garden Work, we have continued to maintain the areas around the shop and the Nature Trail, including Easter and Christmas themes. This work will continue to develop over the next year.

**Sturts and Gullivers farming team
2021-2022 review**

Summary

Generally there is good health to the soil. Our people and supporters of our people are doing well on the land, relishing the challenge this work brings.

Fencing and hedge lines

The main focus throughout the year has been on maintenance and building our fence lines. Part of this is to spend the money we have been granted, as part of a grant scheme for mainly fencing, but it's also to assist with the rotation of our farm animals. 1.3km of new fencing has been erected around the grounds of Sturts & Gullivers Farm, with a further 2.7km to be completed alongside the planting of 600m of hedge line. Ditches have also been cleared, with hedges being cut back to be more manageable.

The farm team continues to produce organic/biodynamic pork, beef, eggs and raw milk to sell in the farm shop. The raw milk production presents specific challenges due to the stringent tests the processes go through in order to sell through the farm shop.

Livestock

We're continually expanding the herd and have purchased four more calves this past year. However, the pigs haven't been so fertile. This was perhaps due to the age a breed of one sow, but the intense heat we experienced hasn't been particularly helpful either. We have brought on another gilt, so we will have some new blood in the pig system.

Chickens have, on the whole, done well. Although losses to dogs and foxes have unfortunately been higher this year, due to them being closer to the house. The ongoing Bird Flu situation does put welfare pressure on the way we keep them, largely because they need to be confined and netted in. The chickens do seem to suffer under these conditions rather than being in their usual open environment.

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Soil and crops

Out on the field, the cereal didn't do as well as the previous year. The drought we experienced played a big part in this, but another factor is that one of our fields is newly planted to grain and is still developing its soil to grow grain. This year the threshing was done in a timely manner to give feed and bedding to the animals we care for.

**Market Garden Workshop
2021-2022 review**

Overview

Reflecting on this year's growing season demonstrates some clear positives, as well as challenging aspects.

Simplifying production

At the start of the new season the goal was initially to reduce the amount of crop variety. It became apparent that having too many crops tends to make it challenging for skill development. Customers also preferred to buy staples rather than novelty vegetables. As such, we have reduced the variety by roughly one third, with a view to reducing it down even further to simplify growing production.

Soil and crops

St John's Field is adapting well as the designated field for our vegetable growing. Implementing Johannes Nilsson's idea to include the chickens and cows within the crop rotation has already made a significant impact on soil health and fertility. Overall, the crop rotation seems to be working well, with barely any pests and diseases.

Challenges and innovations

This year's drought during the summer months was a cause for concern. Thankfully, the worries about crop failures due to the dry heat were not necessary. The team has used a lot of corn starch on our beds, which was key to retaining moisture in the beds. The material has also had huge success in suppressing weeds, retaining moisture and nutrients and preventing wind and water erosion. The biodegradable corn starch is easy to work with and will be used for 2023's growing season.

We created a new composting made out of several bays, which we can compost all gardening and household food waste. Already we have gained a healthy amount of usable compost for the protected growing, although it will need further adjustments to make it more pest proof.

The protected growing areas are currently providing shelter to the chickens due to the Avian Flu restrictions. This was a great idea from the Farm Team to maintain high animal welfare despite them being indoors, while also gaining fertility and weed management for the vegetables to be grown.

New growth

A new orchard, Blossom Orchard, has been planted with a selection of fruit trees. It will need further work to keep it weed free and some stock can be grafted in the next year.

Overall it has been a busy and productive year with a good harvest of good quality crops.

**Value for Money statement
2021-2022 review**

Sturts Community Trust is a small, registered provider of specialist housing – supplying supported living within the context of a co-housing model.

Its vision is centred around the concept of living connected lives – and it is this connection between people and part of the organisation that aims to achieve higher levels of quality within the constraints of the available finance.

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SCT has a proven track record in fundraising, which has enabled high quality building for low levels of loan finance. This success is based on the outcomes for the people involved in the project. Therefore, all projects involve people from all levels of the organisation, so that the end results is something that fits with the needs of those that use it.

Governance and plans to develop

The culture within our Board reflects that of the whole organisation. The Board will consider all projects in the context of the history and charitable goals of the Community. It contains skills and knowledge from a wide range of backgrounds to ensure both the operational plans and development projects are well managed.

All projects require a robust business case that considers Value for Money and clearly defined benefits for those whom the Charity supports.

The benefit of being a small, well-connected Community is that Board members have been able to see and be involved in the inclusive nature of decision making.

Developments are based on improving the quality of people's lives rather than increasing market share. Decisions are made balancing commercial pressures, maintaining the Community ethos and responding to the ever-present demand for services.

The new 7-Year Plan is therefore, 'our' plan for our setting and 'we' will work on achieving it together. It is this working together, detailed in our agreements, which delivers high-quality projects at a reasonable cost.

How we look after our properties

Sturts Community Trust Co-Housing works through its inclusive neighbourhoods to manage maintenance needs. Maintenance plans are devised through monthly neighbourhood meetings and a three-monthly walk through audit undertaken by the person responsible for Neighbourhood Liaison and a neighbourhood representative. Building schedules are reviewed and monitored through a monthly Co-Housing Management meeting attended by Community members.

SCT's approach to maintenance is to use good quality materials that can cope with heavy usage. It operates a preferred contractor system of firms that can prove they can deliver quality and responsible work practices that benefit those we support. Annual reviews of the list of contractors are undertaken and, periodically, quotes are sought from other contractors to check market value.

SCT is committed to sustainable purchases in maintaining property and is committed to reducing utility costs for both Community members with additional needs and those on low incomes.

Therefore, the quarterly committee meetings focus on well-prepared budget forecasts balanced against quality outcomes.

Management team

The focus of our management approach is to get a higher level of engagement from Community members. In order to achieve this, higher level of housing management are required to enable those with additional needs to be fully involved in the life of the Community. However, this is off-set by low levels of voids, disputes and complaints.

New supply

The completion of Twin Oaks resulted in an increased supply of 13.79%.

Sturts Community Trust Co-Housing, has limited capacity to expand housing due to maintaining an ethos of connected decision making and restrictions of planning in the greenbelt. Therefore, the 7 Year Plan details one further residential development to be completed in 2026, adding 15% to existing supply.

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Re-investment

The small nature of the Co-Housing and new development has had a big impact on the percentage of re-investment. This can be seen by the change in figures between 2020 at 12.77% and 2021 at 21.36%.

However, this said, the amount re-invested remains high. This is attributable to the change in model of service provision and the conversion of larger shared housing into smaller, self-contained units with shared facilities. Work continues in this respect and it is deemed necessary in responding to Good Practice criteria detailed by Care Quality Commission.

Gearing

Sturts Community Trust has made it a policy term that the charity will not exceed the current gearing level of 10.81% and this policy will underpin future development decisions.

Operating Margin

Sturts Community Trust will develop an investment strategy for funds previously held in non-interest-bearing accounts.

Sturts Community Trust will include in all cyclical maintenance an assessment of sustainability / insulation / renewables.

Sturts Community Trust will be completing a costed plan for increased sustainability.

Value for Money Metrics	2022	2021
Metric 1 – Reinvestment %	0.67%	21.36%
Metric 2 – New supply delivered %	0% for social housing units 0% for non-social housing units	13.79% for social housing units 10.53% for non-social housing units
Metric 3 – Gearing %	6.68%	10.81%
Metric 4 – Earnings before interest, depreciation, amortisation, major repairs included (EBITDA MRI) Interest Cover	0.78	3.4
Metric 5 – Headline social housing cost per unit	£18,056	£11,694
Metric 6 – Operating Margin %	43.92% for social housing units 5.55% total	46.06% for social housing units 23.17% total
Metric 7 – Return on capital employed (ROCE) %	2.04%	8.97%

Financial review

We are able to report a surplus the year ended 31 August 2022 of £170,852 (2021: £698,422, in 2021 the surplus included grant Income which was designated specifically for the Twin Oaks property development, the surplus relating to housing and charitable activities was £84,257).

Reserves Policy

The Board have considered the financial position of the association and what reserves are necessary to safeguard the viability of the association's operations in the future. As explained in the going concern accounting policy the board have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements and consider these to be sufficient for the association to be able to continue as a going concern.

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The Board have set aside sums to cover specific risks and known costs that will arise in the future. The properties were transferred at fair values and are essential for our operations but the capital they represent is not available to spend. The Board have also set aside sums towards meeting the retirement needs and the planned social activities of the Co-workers. These sums have been set aside to designated reserves as shown in Note 18, "Reserves".

This leaves us with a surplus of free reserves of £222,905 (2021: £40,856) in free reserves at the year-end (calculated by deducting the net book value of fixed assets excluding 'land and buildings' of £114,194 (2021: £145,445) (see note 10) which are not covered by designations or restrictions, from the general unrestricted fund balance of £337,099 (2021: £186,301) (see note 18)). The current policy of the Trust is to ensure that free reserves and the ability to realise cash quickly from our fixed assets are sufficient to cover three months' expenditure in the event of any major financial issue. The free reserves at the end of the financial year represent 1.6 month's expenditure and there is currently the potential to offer fixed assets as collateral should the need arise to raise funding at short notice. The intention is to build up free reserves for the future and the Board are considering what actions are required to increase funding so as to meet this objective.

Risk management

The Board have established a process for reviewing the key risks facing the Trust and for ensuring that actions are taken to manage those risks. A detailed annual risk assessment exercise is carried out by each activity and the results of these are reported to the Board. The Board have given consideration to the major risks to which the association is exposed, as set out in these reports, and are satisfied that systems and procedures are in place to manage those risks or that action is being taken to establish such systems and procedures.

Principal risks and uncertainties

The board examines the major risks that the association faces each financial year when preparing and updating the budget. The principal risks identified are:

- Reduction in income through the financial pressures from local authorities.
- A lack of suitably trained staff.
- Increased inflation and impact on costs..

The association has developed systems to monitor and control these risks and to mitigate any impact that they may have on the association in the future.

Reference and administrative details

The organisation is a charitable company limited by guarantee and a registered provider of social housing, incorporated on 14th January 2013, registered as a charity on 23rd May 2013 and registered as a housing association 5th March 2020.

The company was established under a Memorandum of Association, which established the objects and powers of the Association and is governed under its Articles of Association.

Structure Governance and Management

Governing Document

The association operates under a Memorandum and Articles of Association as incorporated on the 23rd May 2013 and as amended 15 May 2018.

In accordance with the SORP, the accounts of the association disclose certain payments and benefits to The Board and others, which the Board believe they have the power to make under the terms of the governing document.

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Charitable objects

The Association's objects are, for the public benefit, to relieve sickness, promote good health, provide social housing and/ or care to and advance the education and training of people with a disability (whether mental or physical), the young, the old, or people otherwise in need, in accordance with the principles of Dr Rudolph Steiner, particularly (without limitation) by the establishment and maintenance of intentional communities in the form of villages, residential houses, day centres, kindergartens, schools, colleges or other types of social and/or educational community, in which beneficiaries live and/or work and/or to which they otherwise resort, in community with persons providing support (known as "Co-workers").

Appointment, retirement and training of the Board

The Board, who must be members of Sturts Community Trust, are nominated by the Board of Management. The Memorandum and Articles of Association stipulate that a majority of the Board must be external members who are not co-workers or otherwise resident in one of the Trust communities. Employees are not eligible to be Board members.

The Board retire by rotation after three years of service but may offer themselves for reappointment at the annual meeting of the members of the association.

An induction pack is provided for all Board members and specialist training is carried out on topics such as governance, from time to time as required. The pay of key management personnel is reviewed annually at the time the annual budget is being considered, and the factors taken into account are inflation, comparable pay levels and most importantly the association's ability to pay

Members

Members of the Sturts Community Trust contribute an amount not exceeding £1 to the assets of the association in the event of winding up. There are currently 15 members of the Trust. Membership of the Trust confers certain rights with respect to general meetings of the Trust including the right to vote at such meetings.

Governance of the Association

The Board recognise their ultimate responsibility for directing the affairs of the Trust, and for ensuring that it is solvent, well-run, and delivering the charitable outcomes for the benefit of the public for which it has been set up.

The Board meet together at least quarterly to review reports from the activities of the association and to discuss matters which are retained by the Board such as the strategic direction of the Trust, governance issues and financial oversight.

Public Benefit

The Board have given due regard to public benefit when planning the association's activities, in accordance with Charity Commission guidance on public benefit.

This report sets out our activities, achievements and performance during the year, which are directly related to the objects and purposes for which the association exists. The association achieves its principal objects and purposes through the provision of supported accommodation and personal care to people with a learning disability and the activity of running a bio-dynamic farm. It does this within the context of an inclusive co-housing community. The association is committed to training in the above fields. The community runs community events for the local population and supports a local allotment society. These benefits are directly related to the aims of the association and are fully compliant with the Charity Commission Principles on Public Benefit.

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Compliance with Governance and Financial Viability Standard

The Board confirms that Sturts Community Trust Housing Association complies with the requirements of the Governance and Financial Viability Standard 2020, and has adopted and applied the recommended practice of the Charity Governance Code for Larger Charities.

Directors' responsibilities

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

The Companies Act 2006 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association and of its income and expenditure for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and enable it to ensure that the financial statements comply with the Companies Act 2006 the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

Disclosure of information to the auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board on 28 February 2023 and signed on its behalf by:.

Mrs Joy Elizabeth Malyon

Mrs Katherine Mary Jones

**Sturts Community Trust
Independent Auditor's Report
Year Ended 31 August 2022**

Independent Auditor's Report to the Members of Sturts Community Trust

Opinion

We have audited the financial statements of Sturts Community Trust (the company) for the year ended 31 August 2022 which comprise Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Reserves, Cash Flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2022, 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, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the board with respect to going concern are described in the relevant sections of this report.

**Sturts Community Trust
Independent Auditor's Report
Year Ended 31 August 2022**

Other information

The other information comprises the information included in the Board report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Board 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the board report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the board report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the board 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the board was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

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

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

Responsibilities of the board

As explained more fully in the board's responsibilities statement set out on page 13, the board members (who are also the directors of the association for the purposes 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 board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Sturts Community Trust
Independent Auditor's Report
Year Ended 31 August 2022

In preparing the financial statements, the board is responsible for assessing the company ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the Association. We gained an understanding of the Association and the industry in which the Association operates as part of this assessment to identify the key laws and regulations affecting the Association. As part of this, we reviewed the Association's website for indication of any regulations and certification in place and discussed these with the relevant individuals responsible for compliance. The key regulations we identified were Charity and Housing Association legislation, compliance with the Care Quality Commission ("CQC"), health and safety regulations and breaches of The General Data Protection Regulation ("GDPR"). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and Statement of Recommended Practice (SORP).

We discussed with management and trustees how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the Association complies with laws and regulations and deals with reporting any issues if they arise. As part of our planning procedures, we assessed the risk of any non compliance with laws and regulations on the Association's ability to continue trading and the risk of material misstatement to the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

Enquiries of management regarding their knowledge of any non compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances, allegations or suspicions of fraud.

Reviewed filings with Companies House and The Charity Commission and whether there were any serious incident reports made during the year.

Reviewed audit documentation from the CQC to confirm compliance with standards, and ensuring continued registration with the CQC through the CQC website.

Reviewed legal and professional costs to identify any possible non compliance or legal costs in respect of non compliance.

Reviewed Board minutes.

Audited the risk of management override of controls, including through testing journal entries and

**Sturts Community Trust
Independent Auditor's Report
Year Ended 31 August 2022**

other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the 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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Chloe Mills FCA
Senior Statutory Auditor
For and on behalf of
PKF Francis Clark
Chartered Accountants and Statutory Auditors
Towngate House
2 – 8 Parkstone Road
Poole
BH15 2PW

Date: 28 February 2023

Sturts Community Trust
Statement of Comprehensive Income (Including Income and Expenditure Account)
Year Ended 31 August 2022

	Note	2022 Total £	2021 Total £
Turnover		2,929,763	2,308,447
Cost of sales		(2,750,453)	(2,317,562)
Operating (deficit) / surplus		179,310	(9,115)
Income from grants relating to capital expenditure	18	-	707,537
Gains / (losses) on investment assets	4	(8,458)	353
Total comprehensive income for the year		170,852	698,775

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

The income and expenditure account was approved on 28 February 2023 and signed on behalf of the board by:

Mrs Joy Elizabeth Malyon

Mrs Katherine Mary Jones

The notes on pages 22 to 34 form part of these accounts.

Sturts Community Trust
Balance Sheet
Year Ended 31 August 2022

Company registration number: 08359958

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	9,10	7,292,694	7,293,654
Investments	11	-	7,638
		7,292,694	7,301,292
Current assets			
Stocks		66,024	93,341
Debtors	12	165,891	375,575
Investments	13	604	1,424
Cash at bank and in hand		615,724	231,450
		848,243	701,790
Creditors: amounts falling due within one year	14	(190,370)	(213,202)
Net current assets / (liabilities)		657,873	488,588
Total assets less current liabilities		7,950,567	7,789,880
Creditors: amounts falling due after more than one year	15	(874,030)	(884,195)
Total net assets / (liabilities)		7,076,537	6,905,685
Reserves			
Unrestricted funds	18	7,076,537	6,905,685
Restricted funds	18	-	-
Total Reserves		7,076,537	6,905,685

The financial statements were approved and authorised for issue by the Board on 28 February 2023 and signed on behalf of the board by

Mrs Joy Elizabeth Malyon

Mrs Katherine Mary Jones

The notes on pages 22 to 34 form part of these accounts.

Sturts Community Trust
Statement of Changes in Reserves
Year Ended 31 August 2022

	General unrestricted fund £	Restricted fund £	Designated unrestricted fund £	Total £
At 1 September 2020	2,044	283,245	5,921,621	6,206,910
Surplus / (deficit) for the year	184,257	(283,245)	797,763	698,775
Total comprehensive income	<u>184,257</u>	<u>(286,245)</u>	<u>797,763</u>	<u>698,775</u>
At 31 August and 1 September 2021	186,301	-	6,719,384	6,905,685
Surplus / (deficit) for the year	150,798	-	20,054	170,852
Total comprehensive income	<u>150,798</u>	<u>-</u>	<u>20,054</u>	<u>170,852</u>
At 31 August 2022	<u>337,099</u>	<u>-</u>	<u>6,739,438</u>	<u>7,076,537</u>

The notes on pages 22 to 34 form part of these accounts.

Sturts Community Trust
Statement of Cash Flows
Year Ended 31 August 2022

	Note	2022 £	2021 £
Cash flow from operating activities	19	456,670	497,984
Net cash flow from operating activities		456,670	497,984
Cash flow from investing activities			
Purchase of tangible fixed assets		(33,591)	(1,042,788)
Receipts from sale of tangible fixed assets		-	-
Interest receivable and similar income		140	23
Net cash flow from investing activities		(33,451)	(1,042,765)
Cash flow from financing activities			
Advances/ Repayment of loans and borrowings		(9,995)	435,867
Interest payable and similar charges		(28,951)	(19,536)
Net cash flow from financing activities		(38,946)	416,331
Net increase / (decrease) in cash and cash equivalents		384,273	(128,450)
Cash and cash equivalents at 1 September 2021		231,451	359,901
Cash and cash equivalents at 31 August 2022		615,724	231,451
Cash and cash equivalents consists of:			
Cash at bank and in hand		615,724	231,451
Cash and cash equivalents at 31 August 2022		615,724	231,451

The notes on pages 22 to 34 form part of these accounts.

Sturts Community Trust
Notes to the Financial Statements
Year Ended 31 August 2022

1 Summary of significant accounting policies

(a) General information and basis of preparation

Sturts Community Trust is a private registered provider of social housing in the United Kingdom. The address of the registered office is given in the registered provider information on page 1 of these financial statements. The nature of the registered provider's operations and principal activities are, for the public benefit, to relieve sickness, promote good health, provide social housing and/or care to and advance the education and training of people with a disability (whether mental or physical), the young, the old, or people otherwise in need, in accordance with the principles of Dr Rudolph Steiner, particularly (without limitation) by the establishment and maintenance of intentional communities in the form of villages, residential houses, day centres, kindergartens, schools, colleges or other types of social and/or educational community, in which beneficiaries live and/or work and/or to which they otherwise resort, in community with persons providing support (known as "Co-workers").

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

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the registered provider, and rounded to the nearest £.

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

(d) Tangible fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Housing and other property was transferred in at fair value on 1 September 2013 and has not been depreciated this year because the trustees consider the expected residual value at the year end and at the end of its useful life is likely to be higher than the carrying value. The trustees have considered whether any impairment has occurred and are not aware of any events or matters (such as damage or exceptional deterioration, properties are maintained in a sound state of repair) that would require a write down against the carrying value of any particular properties.

(e) Depreciation and amortisation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Tools and equipment	20% reducing balance
Furniture and fittings	20% reducing balance
Motor vehicles	25% reducing balance

Sturts Community Trust
Notes to the Financial Statements
Year Ended 31 August 2022

(f) Impairment

All fixed assets are considered for impairment annually and detailed reviews of assets for impairment are carried out if there is an indication that impairment has occurred or if they are not being depreciated.

(g) Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

(h) Current asset investments

Current asset investments are included at the lower of cost and net realisable value / market value.

(i) Stocks

Stock consists of livestock, processed meat, other farm produce, and bought farm shop stock. Livestock, meat and produce are valued at estimated sales value less estimated cost to sell. Estimates are based upon published price lists from local markets and national websites, along with local knowledge and experience.

Shop stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out method (FIFO).

(j) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other administrative expenses.

Rights of social landlords to have improvement works carried out to properties by a third party (such as a local authority) are recognised as prepayments where payment has occurred in advance of the works being carried out and receipts in advance from the same third party recognised as liabilities. Assets and liabilities or income and expenditure are not offset.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Sturts Community Trust
Notes to the Financial Statements
Year Ended 31 August 2022

(l) Loans and borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the association has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(m) Leases

Rentals payable and receivable under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

(n) Tax

The activities of the registered provider are partially exempt from VAT.

The Association is registered for VAT and is able to recover VAT on a proportion of its purchases. VAT incurred on purchases which is not recoverable is included along with the expense to which it relates, or the item acquired, in the income and expenditure account or balance sheet respectively.

(o) Turnover and other income

Turnover represents income from the various activities undertaken by the company. All income is recognised once the association has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations are recognised when the association has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the association before the association is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the association and it is probable that these conditions will be fulfilled in the reporting period.

Grants are recognised when the association has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

A grant that becomes receivable as compensation for expenses already incurred will be recognised in the income and expenditure in the same period in which the related expenditure is incurred.

Social housing grant (SHG) is recognised when receivable. Where developments have been financed wholly or partly by SHG, the SHG is recognised as income. Housing association grants are included under SHG headings. If housing properties are disposed of, social housing grants are repayable to the Homes & Communities Agency (HCA) or subject to restrictions on use and included within creditors as part of a "Recycled Capital Grant Fund" under most circumstances.

Sturts Community Trust
Notes to the Financial Statements
Year Ended 31 August 2022

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the association has unconditional entitlement.

Trading income is recognised as earned (that is, as the related goods or services are provided).

Investment income is recognised on a receivable basis.

Income from charitable and social housing activities is recognised as earned (as the related goods or services are provided) under contract.

Other income is recognised on a receivable basis.

(p) Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable expenditure comprises those costs incurred by the association in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

These include the costs attributable to the association's compliance with constitutional and statutory requirements, including audit, strategic management and board meetings and reimbursed expenses.

(q) Pensions and other post retirement obligations

The association operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

(r) Reserves

Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Restricted reserves include funds raised in response to a specific appeal. Revenue and expenditure cannot be directly set against restricted reserves but is taken through the statement of comprehensive income and then a transfer to / from restricted reserves is made as appropriate.

Unrestricted general reserve – these funds can be used in accordance with the objectives of the Association at the discretion of the board.

Sturts Community Trust
Notes to the Financial Statements
Year Ended 31 August 2022

Designated reserves are part of unrestricted reserves which have been designated by the Board for a particular purpose. Such designations may be reversed by future Board decisions.

Details of reserves are shown in note 18.

(s) Going concern

The financial statements have been prepared on a going concern basis. As explained in the annual report the board have considered the uncertainty relating to the coronavirus pandemic, cost of living crisis, future uncertainty and the impact on the association's operations and finances in the short to medium term. In the opinion of the board, the association has sufficient working capital to continue to meet its financial obligations and pay its liabilities as they fall due for the foreseeable future and therefore the financial statements have been prepared on a going concern basis. The board have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves held for the association to be able to continue as a going concern.

2 Turnover, cost of sales, administrative expenditure and operating surplus / (deficit)

The association has not provided information required by part 1 of the Accounting Direction for Social Housing in England 2019 on the grounds that it is small.

3 Social housing turnover and costs

Accommodation owned	2022	2021
	£	£
Rents receivable excluding service charges	446,581	319,574
Service charges receivable	180,482	152,450
Revenue grants receivable	48,361	42,320
Capital grants receivable	-	707,537
Social housing activity expenditure	(523,619)	(338,835)
Operating surplus / (deficit) from social housing activities	469,973	423,886
Net surplus / (deficit) from social housing activities	16,784	46,081
Void losses	-	16,262
	Number of units at 31 August 2022	Number of units at 31 August 2021
Completed units:		
- Social Housing	29	29
	29	29

Sturts Community Trust
Notes to the Financial Statements
Year Ended 31 August 2022

4 Gains on investment assets

	2022 £	2021 £
Gains/(losses) on revaluation of investments	(8,458)	353
	<u>(8,458)</u>	<u>353</u>

5 Surplus / (deficit) on ordinary activities

Surplus / (deficit) on ordinary activities is stated after charging / (crediting):

	2022 £	2021 £
Auditor's remuneration (including expenses and benefits in kind) for audit	17,550	16,000
(Profit)/loss on disposal of tangible fixed assets		-
(Gain)/loss on revaluation of investments	8,458	(353)
Depreciation of fixed assets	34,551	40,633
	<u> </u>	

6 Auditor's remuneration

	2022 £	2021 £
Fees payable to the Registered Provider's auditor for the audit of the Registered Provider's annual accounts	17,550	16,000
Fees payable to the Registered Provider's auditor for services other than those of external audit	4,686	1,504
	<u>22,236</u>	<u>17,504</u>

Sturts Community Trust
Notes to the Financial Statements
Year Ended 31 August 2022

7 Board and key management personnel remuneration

The total remuneration for key management personnel amounted to £45.6k (2021 - £44k).

8 Staff costs

The average number of employees, including members of the executive team, calculated on a full time equivalent was 42 employees (2021 – 47).

The aggregate remuneration of such employees was as follows:

	2022 £	2021 £
Wages and salaries	1,124,195	984,551
Social security costs	78,655	64,517
Pension costs	18,304	14,991
Redundancy costs	3,843	-
	<u>1,224,997</u>	<u>1,064,059</u>

9 Tangible fixed assets – housing properties

	Land and buildings	Assets under construction	Total
	£	£	£
Cost:			
At 1 September 2021	4,514,253	-	4,514,253
Additions	30,291	-	30,291
Transfers	-	-	-
At 31 August 2022	<u>4,544,544</u>	<u>-</u>	<u>4,544,544</u>
Net book value:			
At 31 August 2022	<u>4,544,544</u>	<u>-</u>	<u>4,544,544</u>
At 31 August 2021	<u>4,514,253</u>	<u>-</u>	<u>4,514,253</u>

The net book value of land and buildings comprised:

	2022 £	2021 £
Land and buildings:		
Freehold	<u>4,544,544</u>	<u>4,514,253</u>
	<u>4,544,544</u>	<u>4,514,253</u>

Sturts Community Trust
Notes to the Financial Statements
Year Ended 31 August 2022

10 Tangible fixed assets – other

	Land and buildings £	Furniture and fittings £	Motor vehicles £	Tools and equipment £	Total £
Cost or valuation:					
At 1 September 2021	2,633,956	203,073	57,293	73,595	2,967,917
Additions	-	-	3,300	-	3,300
At 31 August 2022	2,633,956	203,073	60,593	73,595	2,971,217
Depreciation:					
At 1 September 2021	-	142,448	15,082	30,986	188,516
Charge for the year	-	17,356	8,585	8,610	34,551
At 31 August 2022	-	159,804	23,667	39,596	223,067
Net book value:					
At 31 August 2022	2,633,956	43,269	36,926	33,999	2,748,150
At 31 August 2021	2,633,956	60,625	42,211	42,609	2,779,401
Total fixed assets:					
				2022 £	2021 £
Housing properties				4,544,544	4,514,253
Other				2,748,150	2,779,411
				7,292,694	7,293,654

11 Fixed asset investments

	Unlisted investments £	Total £
Cost or valuation		
At 1 September 2021	7,638	7,638
Revaluation	(7,638)	(7,638)
At 31 August 2022	-	-
Carrying amount:		
At 31 August 2022	-	-
At 31 August 2021	7,638	7,638

Sturts Community Trust
Notes to the Financial Statements
Year Ended 31 August 2022

12 Debtors

	2022	2021
	£	£
Trade debtors	114,663	323,563
Accrued income	20,051	46,756
Other debtors	26,406	2,550
VAT recoverable	3,701	2,705
	165,891	375,574

13 Current asset investments

	2022	2021
	£	£
Listed investments	604	1,424
	604	1,424

14 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans	38,776	38,606
Trade creditors	42,675	59,946
Other loans	2,000	2,000
Other taxation and social security	17,111	21,728
Other creditors	69,079	67,455
Accruals	11,375	13,343
Deferred income	9,354	10,124
	190,370	213,202

15 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans	870,030	878,195
Other loans	4,000	6,000
	874,030	884,195

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Bank loans are secured with fixed and floating charges against the freehold property of the housing association.

16 Leases

Operating leases - lessee

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Not later than one year	36,120	32,857
Later than one and not later than five years	4,189	4,844
	40,309	37,701

17 Pension and other schemes

The housing association operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the housing association to the scheme and amounted to £18,304 (2021 - £14,991).

Contributions totalling £3,715 (2021 - £3,691) were payable to the scheme at the year end and are included within other creditors.

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18 Reserves

Reconciliation of movement in funds

	Brought Forward 01/09/2021	Income	Expenditure	Transfers	Other Recognised Gains/ (Losses)	Carried Forward 31/08/2022
	£	£	£	£	£	£
Unrestricted Funds						
Unrestricted income fund	186,301	2,929,763	(2,740,091)	(30,416)	(8,458)	337,099
Designated funds						
Co-worker benevolent fund	357,328	-	-	39,633	-	396,961
Co-worker social fund	58,648	-	(10,362)	3,046	-	51,332
Property capital fund	6,281,408	-	-	(12,825)	-	6,268,583
Property development fund	22,000	-	-	562	-	22,562
	6,905,685	2,929,763	(2,750,453)	-	-	7,076,537

The specific purposes for which the funds are to be applied are as follows:

Co-worker benevolent fund - This is a fund created to contribute towards meeting the retirement needs of the Co-workers. The Camphill Communities have created a benevolent fund for retired Co-workers, which the Trust has joined and contributes to.

Co-worker social fund - The social fund can be applied for in order to cater for exceptional circumstances of unmet need.

Property capital fund - This fund has been created to reflect, the value of land and buildings held by the Trust, net of any bank loans and property related loans outstanding at the balance sheet date.

Property development fund - This is a fund created to set aside funds for the building of new Trust properties.

Tractor fund, thresher fund and Twin Oaks development fund are restricted funds received for the purchase and construction of fixed assets. The asset purchases and construction of Twin Oaks were completed during the year and the associated fund balances transferred to the Property capital and unrestricted funds.

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	Brought Forward 01/09/2020	Income	Expenditure	Transfers	Other Recognised Gains/ (Losses)	Carried Forward 31/08/2021
	£	£	£	£	£	£
Unrestricted Funds						
Unrestricted income fund	2,044	2,308,447	(2,319,861)	195,318	353	186,301
Designated funds:						
Co-worker benevolent fund	420,469	-	-	(63,141)	-	357,328
Co-worker social fund	41,634	-	2,299	14,715	-	58,648
Property capital and revaluation fund	5,395,518	-	-	885,890	-	6,281,408
Property development fund	64,000	-	-	(42,000)	-	64,000
Restricted Funds						
Tractor fund	38,660	-	-	(38,660)	-	-
Thresher fund	4,585	-	-	(4,585)	-	-
Twin Oaks development fund	240,000	707,537	-	(947,537)	-	-
	283,245	707,537	-	(990,782)	-	-
	6,206,910	3,015,984	(2,317,562)	-	353	6,905,685

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19 Reconciliation of operating surplus / (deficit) to cash flow from operating activities

	2022 £	2021 £
Surplus / (deficit) for the year	170,852	698,775
Depreciation	34,551	40,633
Investment income	(140)	(23)
Finance costs	28,951	-
(Gains) /losses on investments	8,458	(353)
(Profit)/loss on disposal of tangible fixed assets	-	-
(Increase)/ Decrease in stocks	27,317	(39,234)
(Increase)/ Decrease in debtors	209,683	(221,382)
Increase/ (Decrease) in creditors	(22,232)	21,815
(Decrease)/Increase in deferred income	(770)	(2,247)
Net cash flow from operating activities	456,670	497,984

20 Related party transactions

During the year the Trust made the following related party transactions:

Reimbursed expenses

During the year reimbursed expenses of £Nil (2021: £383) were paid to board members.

Signpost HR Solutions

(A company in which C Darby-Jenkins, a member of the Board of the housing association, is a director and shareholder)

Fees for HR services were charged to the housing association during the year totalling £4,928 (2021 - £720). At the balance sheet date the amount due to/from Signpost HR Solutions was £Nil (2021 - £Nil).

KT People Solutions Ltd

(A company in which K Jones, a member of the Board of the housing association, is a director and shareholder)

Fees for mentoring sessions were charged to the housing association during the year totalling £200 (2021 - £nil). At the balance sheet date the amount due to/from KT People Solutions Ltd was £Nil (2021 - £Nil).

Twin Oaks (Co-Housing) Construction Limited

(Subsidiary)

At the balance sheet date the amount due from Twin Oaks (Co-Housing) Construction Limited was £1 (2021 - £1).

Related beneficiaries

During the year four beneficiaries of the Association services were related to members of the Board. The transactions were made on terms equivalent to those that prevail in an arms length transaction.