

SW9 COMMUNITY HOUSING

England & Wales · Charity number 1170586

Details

Status Registered

Legal form Charitable company

Company number [09574528](#)

Registered 2016-12-06

Register [View on the Charity Commission register](#)

Contact

Address Sw9 Community Housing
6 Stockwell Park Walk
London
SW9 0FG

Phone 02073263700

Website www.sw9.org.uk

Activities

Objects: THE COMPANY'S OBJECTS ARE SPECIFICALLY RESTRICTED TO THE FOLLOWING:-3.1 TO CARRY ON FOR THE BENEFIT OF THE COMMUNITY IN THE AREA OF BENEFIT THE BUSINESS OF PROVIDING AND MANAGING HOUSING AND ANY ASSOCIATED AMENITIES FOR PERSONS IN NECESSITOUS CIRCUMSTANCES UPON TERMS APPROPRIATE TO THEIR MEANS;3.2 PROVIDING FOR AGED PERSONS IN THE NEED THEREOF IN THE AREA OF BENEFIT ANY HOUSING AND ASSOCIATED AMENITIES ESPECIALLY DESIGNED OR ADOPTED TO MEET THE DISABILITIES AND REQUIREMENTS OF SUCH PERSONS;3.3 THE PREVENTION AND/OR RELIEF OF POVERTY IN THE AREA OF BENEFIT AND SURROUNDING AREAS; AND3.4 THE PROVISION OF COMMUNITY RECREATIONAL AND LEISURE TIME FACILITIES IN THE AREA OF BENEFIT AND SURROUNDING AREAS TO THOSE WHO ARE IN NEED OF SUCH FACILITIES BY REASON OF THEIR YOUTH, AGE, INFIRMITY, DISABILITY, POVERTY OR SOCIAL ECONOMIC CIRCUMSTANCES, WITH THE OBJECT OF IMPROVING THEIR CONDITIONS OF LIFE.3.5 EQUAL OPPORTUNITIESIN THE FURTHERANCE OF THE OBJECTS THE COMPANY SHALL AT ALL TIMES ACTIVELY PROMOTE AND TAKE INTO CONSIDERATION THE PRINCIPLES OF EQUALITY OF OPPORTUNITY.

Activities: The charity provides for the benefit of the community in the Stockwell Park area, property management and maintenance services and associated amenities for persons in necessitous circumstances including the aged. The charity also provides activities seeking to prevent and/or relieve poverty and provides recreational and leisure time facilities with the object of improving conditions of life.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Other Charitable Activities
- **What:** The Prevention Or Relief Of Poverty, Accommodation/housing, Recreation
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Defined Groups

Geography

- Lambeth

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£13,115,000	£12,694,000	£857,000	34
2024-03-31	£11,520,000	£12,506,000	£436,000	44
2023-03-31	£10,949,000	£10,873,000	£1,422,000	52
2022-03-31	£9,466,000	£9,264,000	£1,346,000	44
2021-03-31	£8,675,000	£8,302,000	£1,144,000	38

Trustees

Name	Role	Appointed
James Paul Knoll-Pollard		2022-05-24
James Peter Atlee Hunt		2025-01-07
Maysel Yankey		2025-01-05
Mercedes Ekanem		2024-12-11
Michael Ross Heilbronn		2024-12-04

SW9 COMMUNITY HOUSING

England & Wales - Charity number 1170586

Accounts

SW9 COMMUNITY HOUSING
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

(Charity No. 1170586)
(Company No. 09574528)

SW9 COMMUNITY HOUSING
FINANCIAL STATEMENTS
For the year ended 31 March 2025

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SW9 COMMUNITY HOUSING

**REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2025
THE TRUSTEES, EXECUTIVE OFFICER, AND ADVISORS**

The members of SW9 Community Housing are its Trustees for the purpose of charity law. The Trustees, executive officer, and advisors who were in office during the year and up to the date of signing the financial statements were:

Trustees	Tazeem Abbas Dee Alapafuja (Resigned 4 December 2024) Adebayo Ajibade Andrew Sternberg Anikó Ajozi (Appointed 4 December 2024) Daniel Cromb (Resigned 20 February 2025) Daniel Garza (Resigned 4 December 2024) James Bryan (Resigned 11 April 2025) James Hunt (Appointed 4 December 2024) James Knoll-Pollard Kieran Godwin (Resigned 21 February 2025) Maysel Yankey (Appointed 5 January 2025) Mercedes Ekanem (Appointed 4 December 2024) Michael Heilbronn (Appointed 4 December 2024) Olukayode Ajisebutu (Resigned 4 December 2024) Paul Brett (Resigned 4 December 2024) Steven Warren
Secretary	Sarah Patrice
Executive Officer	Delroy Rankin
Registered office	6 Stockwell Park Walk London SW9 0FG
Independent auditor	KPMG LLP Chartered Accountants One Snowhill Snowhill Queensway B4 6GH
Solicitors	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES
Bankers	HSBC West End Business Banking Centre, 16 King Street Covent Garden, London WC2E 8JF
Registrations	Company No. 09574528 Charity No. 1170586

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2025

The Trustees are pleased to present their annual Directors' report together with the financial statements of the Charity for the year ending 31 March 2025 which are also prepared to meet the requirements for a Directors' Report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act "2006", the Memorandum and Articles of Association, 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).

Chair's Report

As a locally based charitable organisation, SW9 Community Housing (SW9 CH) has always been committed to delivering upper quartile services to the residents it serves. Recently, there has been increased focus across the sector on the delivery of high-quality services, inclusive opportunities, and effective communication with residents. At the same time, significant changes have taken place within SW9 CH's parent group. Throughout this period, the SW9 CH Board (the Board) has remained focused on placing residents and the community at the centre of its governance responsibilities.

Following the merger of the parent company, Network Homes, with Sovereign Housing Association—completed in March 2025—the Executive Director has continued to strengthen SW9 CH's relationship with the newly formed Sovereign Network Group (SNG). Mark Washer, CEO of SNG, was the keynote speaker at the SW9 CH Staff Conference in May 2024, reaffirming the organisation's valued role within the new group structure. The Executive Director, supported by the staff team, continues to manage over 1,700 mixed-tenure homes on behalf of SNG and maintains regular senior-level engagement with the parent organisation.

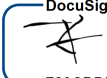
Over the past year, four Board members, including the former Chair, reached the end of their maximum term of office. The Board expresses its sincere gratitude for their service and dedication. Five new members—two tenants and three leaseholders—have since joined, bringing fresh perspectives and lived experience to the Board. I was honoured to be elected Chair in December 2024 and remain committed to supporting improvements in services for all residents, including those living on the estate and in street properties managed by SW9 CH.

A new Head of Customer Services also joined in 2024. This role now leads the Neighbourhood Team, Estate Services, Complaints, Community Engagement, and Communications. Under the Executive Director's leadership, one of the key achievements has been the successful overhaul of the Stockwell Park Estate Parking Scheme. This initiative has significantly improved pedestrian safety and addressed long-standing issues with illegal parking. At the start of the financial year, MNM Property Services was appointed as the new Responsive Repairs contractor. With an on-site office and continued use of the 8x8 telephony system, this partnership is expected to deliver faster and more efficient repairs services for residents.

Finally, as Chair of the Board, I would like to extend my sincere gratitude to all Board members, past and present, for their invaluable contributions. Together with the Board, Sovereign Network Group, and external partners, I am confident that the Executive Director and the staff team will continue to build a community where residents are proud to live and work.

For more information on our local initiatives, please visit www.sw9.org.uk or contact us at 0207 326 3700.

Yours sincerely,

DocuSigned by:

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Tazeem Abbas
Board Chair, SW9 Community Housing

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2025

Continued

Our purpose and activities

The purposes of the Charity are to:

- deliver high quality housing, repairs, and support services;
- work in partnership with our ultimate parent organisation, Sovereign Network Group (SNG), in the delivery of the physical regeneration of Stockwell Park and surrounding street properties;
- demonstrate high standards of governance, promoting the benefits of tenant management; and
- further the sustainability and diversity of the community.

SW9 Community Housing ("the charitable company" / "the Charity") remains dedicated to its primary function of delivering property management and maintenance services on behalf of SNG, the Landlord. This is achieved through a steadfast 25-year Management Agreement, which stipulates that we consistently strive to provide top-tier housing, support, and repairs services for the residents of Stockwell Park and its surrounding areas - the beneficiaries within our Area of Benefit.

As per the terms of the Management Agreement, the charitable company holds a fraction of the annual rental income from tenants residing in our managed properties. These accommodation units are catered towards individuals with low to moderate incomes, who are in need of housing. The range of properties managed by the charitable company varies widely, spanning from single person residences to larger family homes. We also oversee the operation of specialist accommodation designed for those in need of additional support or personal care. Moreover, our efforts in community development and engagement are steadfast, to guarantee that Stockwell Park continues to thrive as a multicultural and sustainable community.

We extend our services to tenants who have purchased long leases for their homes, whether through shared ownership or outright market value purchase.

As of the last count, the charitable company manages 1,749 homes. The breakdown is as follows: 921 are general needs homes, 625 are leasehold homes, 90 are shared ownership properties, 46 are supported housing, 40 are classified as older persons' housing, and 27 are temporary lets. These numbers are anticipated to grow in the coming years as SNG, a Registered Provider with Homes England and the ultimate parent company of the charitable company, continues to construct new homes within Stockwell Park.

Our ongoing vision is guided by the principles of tenant management, local control, and accountability. We remain committed to enabling tenants and residents to actively influence the services we provide through our Trustee board, residents' forums, and community development groups.

One of the charitable company's core philanthropic goals is to enhance the quality of life for tenants of the Stockwell Park Estate and surrounding street properties. We achieve this by providing enriching, stimulating, and accessible activities, in addition to employment and welfare advice by referring tenants to stakeholder partners.

We are determined to motivate every member of our community to partake in various activities and attend community events held throughout the year, regardless of their tenure type. These activities are either free or heavily subsidised to guarantee their affordability and availability to all members of our community.

Our charitable company continues to strengthen its relationships with other local organisations that provide supplementary services to the residents of Stockwell Park and the surrounding street properties. We acknowledge and appreciate the significant contributions these organisations make towards advancing our aims and objectives, especially for our most vulnerable residents.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2025

Continued

Volunteers

The unwavering dedication and commitment shown by our Board of Directors and Committee members throughout the year ending 31 March 2025 has been truly exceptional. Serving without compensation, they have selflessly contributed their time and expertise to advance the mission and strategic goals of our charitable organisation. Their altruism has been central to our progress and success.

We are also deeply grateful for the ongoing support of the local committee group, JESSUP, comprised of five resident volunteers who devote their time to the SW9 community. Their involvement exemplifies the values of selflessness and community spirit, which are not only fundamental to our operations but also at the heart of who we are as a charitable organisation. These volunteers are a powerful testament to the strength, unity, and resilience of our community. Their efforts have been instrumental in creating an inclusive and supportive environment for all residents of Stockwell Park and the surrounding street properties.

To all of our dedicated volunteers, we extend our sincere appreciation. Your continued support has been invaluable during a year of challenges, and your contributions have played a vital role in the successful delivery of our mission. We look forward to building on these strong relationships and welcoming new volunteers in the year ahead.

Achievement and Performance

The charitable company provided a variety of related services to 1,749 homes. The number of homes according to tenure type is shown below:

General needs:	911
Leaseholders:	630
Shared Ownership:	85
Supported Housing:	48
Older Persons' Housing:	40
Affordable Rent:	35

For the fiscal year income collection for SW9 CH is 99.73%. Though this is below target by 1.27%, this is due to the ongoing cost-of-living crisis faced by some of our residents. The income team continues to support residents through budgeting, signposting, benefit application, food bank referral and food bags. We are optimistic performance will be better in financial year 2025/26.

Our primary focus continues to be the provision of high-quality housing services and robust community engagement and development. Customer satisfaction remains our paramount priority. During the fiscal year ending 31 March 2025, we reported a satisfaction figure of 74% and we are also hoping to improve this in the coming year through greater collaboration with our residents.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2025

Continued

Achievement and Performance (continued)

Expenditure, especially on repairs and maintenance, the largest single budget item, is meticulously monitored. We have now awarded the new repairs contract to MNM Property Services Ltd, which commenced on the 1st April 2025. We also extended our five- year heating and gas maintenance contract with T-Brown by an additional year.

Our colleagues at SNG have successfully completed the regeneration programme on the Stockwell Park Estate. This project has been ongoing for several years and has improved the quality of life for our residents. In addition we have upgraded the parking regime on the estate which has improved the appearance of the estate and also encouraged the use of the undercrofts by our residents.

The social housing sector's emphasis on health and safety compliance remains more crucial than ever, particularly regarding building and fire safety. The charitable company has continued to work alongside SNG (the landlord) to improve fire safety measures at a number of the residential buildings under its management.

Community Engagement

At SW9, community engagement is at the heart of everything we do. Our commitment goes beyond maintaining the physical estate, we place the wellbeing of our residents at the core of our mission.

Throughout the year ending 31 March 2025, 61 engagement opportunities were made available to the community, with 2,888 taking advantage by getting involved.

SW9's RISE programme of engagement opportunities continues to offer residents a multitude of ways of getting involved. These include:

- Resident improvement panel
- Street and block champions
- Accredited training
- Employment and education programme and grants
- Family activities
- Repairs and Estate Team meet and greets
- Homework club
- Easter and Christmas hamper project
- Weekly lunches at our older person scheme
- Collaborate working with resident panels
- Wellbeing projects



SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2025

Continued



Financial Review

The main source of income reported by the charitable company for the year ending 31 March 2025 on its charitable activities was £13,114k (2024: £11,519k).

Total expenditure in the year was £12,694k (2024: £12,506k), of which £1,968k was charged to the Statement of Financial Activities under major repairs and routine maintenance.

Another area of high expenditure for the charitable company is Employee Cost. Employees are key to the ongoing operations of the business and therefore the Trustees will continue to approve expenditure for investment in staff development. Employee costs accounted for 15.1% of expenditure.

The charitable company recorded a surplus of £421k during the year, compared to deficit of £986k the previous year. SW9 CH is seeking to restore its reserve position due to the significant deficit incurred in the last financial year. The new Aytoun Road development became live during May 2024 which boosted total income during the period. In addition, SW9 was able to capitalise some of its major repairs which reduced expenditure on the estate during the financial year.

The charitable company is financed using its positive cash flow and retained reserves, which are not distributable. The charitable company has no loan facilities from banks or other lending institutions. The trustees consider the charitable company has the capacity to continue to operate without requiring external finance.

The trustees are committed to ensuring the future financial stability of the charitable company and continually review the financial position and consider any changes required.

The charitable company receives no other income apart from its charitable activities, and therefore costs must be met as part of the charitable company's rental income.

The charitable company endeavours to put value for money at the heart of everything it does by being prudent in its allocation of funds and creating the environment where management and staff remain cost conscious. The charitable company strives to get the balance right between costs, performance, and quality, this is particularly important at this time when the social housing sector is consolidating and cost cutting.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2025

Continued

The framework adopted by the charitable company includes:

- driving down costs;
- improving our services;
- cutting waste; and
- increasing customer satisfaction.

Economic and operating environment

The UK continues to weather a series of profound and ongoing macroeconomic events, including the repercussions of the cost of living crisis and regulatory changes within the Housing sector. These have created an incredibly unpredictable operating climate for the housing sector. Elevated inflation rates, a strained labour market, and the lingering effects on supply chains have escalated operating costs for housing management service providers. Simultaneously, there has been a surge in borrowing costs due to a significant increase in central bank interest rates. Alongside this, the revenue sources for service providers are confronting heightened uncertainty, attributed to substantial challenges in the housing market and governmental considerations to cap increases in social housing rents. The potential for additional unanticipated disturbances cannot be ruled out.

Impact on Social Housing Residents

SW9 experienced a continued increase in general costs during the year under review with rising inflation increasing the costs of materials for repairs and maintenance. The Charity is acutely aware of residents' expectations for excellent services and for this reason SW9 has been resolute to ensure that refurbishment activity should not be reduced, and where necessary, representations were made to SNG as the landlord and parent organisation, for additional capital funding.

SW9's tenants, like all tenants in social housing, have affordability issues with many residents finding themselves in-work but unable to meet their outgoings. Often those least well off, are disproportionately affected by the rising costs of food, energy, and other essentials, potentially leading to an increase in rent arrears and evictions.

The same economic uncertainty and hardship adds further pressure on the demand for social housing as more people find themselves unable to afford private rentals or homeownership.

Private Leaseholders

A proportion of SW9's property under management is privately leased and these residents will have been affected by rising service charges. Higher inflation led to increased service charges as the cost of maintaining buildings has continued to increase. Without doubt, this has led to affordability issues for some leaseholders.

Overall, both type of residents, social housing tenants and private leaseholders, continue to face significant challenges in this economic climate. Policymakers and housing providers are considering how to support both tenants and leaseholders, particularly those most vulnerable to financial shocks.

SW9's Income Team has been busy throughout this period supporting residents in a myriad of ways, including: providing advice and support to residents that are struggling financially, liaising with universal credit and housing benefit on behalf of residents, making universal credit, housing benefit, discretionary housing payment, and hardship fund applications. The team assists residents with income and expenditure calculations to enable residents to better manage their personal finances. The Income Team also signpost residents to food bank referrals, SW9 food bag provisioning, and other supporting agencies such as turn2us, Money Helpers, Centre-70, Money Matters, Every Pound Counts, Household Support Scheme, Water Help Scheme, as well as the Citizens Advice Bureau.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2025

Continued

Investment Powers and Policy

The Trustees, having regard to the liquidity requirements of the charitable company, have kept available funds in a money market interest-bearing account. Due to historic low interest rates the monies on deposit achieved an average of 0.5% interest against a Consumer Price Index of 3.4% at the year end.

Reserves Policy

The reserves of the charitable company are unrestricted funds as shown on page 26. The total funds held by the charitable company at the end of the year are £857k, which are available for general charitable use.

The charitable company policy is to maintain reserves equivalent to three months operating costs. Average monthly operating costs are £709k; therefore, the reserves retained will be set at £2,127k.

SW9 CH will seek to build retained reserves level in excess of £2,127k and any amount in excess of this target will be used for community benefit projects as directed by the trustees. There is an ongoing recovery plan in place to drive a more effective management of the major contracts of the business and identify more value for money initiatives within the business. The risks associated with the level of reserves will be managed by the production and scrutiny of financial information and ensuring that robust processes and controls are adhered to. Despite the challenges that created a deficit in the previous financial year, SW9 is back on track in restoring its reserves position. This reserves recovery process is ongoing in light of the surplus that was made during this financial year. SW9 CH is on track in making further surpluses for the new financial year. SW9 CH will also be seeking to maximise income by increasing service charges for income it has not been collecting for gas charges to the relevant properties. These initiatives will be coordinated along with thorough scrutiny of financial data. SW9 CH is currently experiencing a surplus position in the new financial year and envisage that retained reserves will be restored to a satisfactory level over a five year period and still provide excellent core services.

The trustees will review the Reserves Policy on an annual basis.

Plans for the Future Period

The trustees of the charitable company are committed to provide a first class, resident-led housing repairs service, and support services to the residents of the Stockwell Park Estate and surrounding street properties. There are several key business priorities the trustees and management consider as important for 2024/25. They include:

Sovereign Network Group integration

With roots firmly entrenched in community resident-led housing, and with aims and objectives clearly defined, the charity must consistently demonstrate the value of locally delivered services which are accountable to the service users. With the ongoing integration of systems and processes of our parent, SNG, the impact on the charity is predicted to be minimal at this stage, inevitably there will be changes and SW9 CH is committed to working with the parent to streamline processes and ensure incremental improvements and efficiencies are delivered for the benefit of residents and stakeholders. The amalgamation of the of Sovereign Network Group was completed on 31st March 2025.

Service improvement

With the £210-million regeneration of the estate and street properties close to completion, the trustees remain positive for the future.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2025

Continued

Resident satisfaction ratings across a range of metrics are beginning to show the return on investment made by the charity in the development and implementation of its Service Improvement Plan, but the Board and Management recognise there is still a significant way to go to ensure a consistent high standard of customer service is experienced by all residents.

Procurement of a new repairs contractor

The charity's decision to procure a new long-term responsive repairs contractor as part of its Service Improvement strategic plan and Value for Money initiative will conclude in Q1 of 2025/26. The charity will also seek to establish a Framework of specialist contractors to provide repairs and maintenance services as and when required. The charity will also explore the business viability of establishing a small directly employed repairs and maintenance team to deliver both sustained value for money and on-going incremental levels of customer satisfaction by its onsite presence and speed of response.

Good governance and strong leadership

The charity recognises the vital importance of strong and visionary leadership from Board and senior management. The culture of the organisation is set by the leadership and the charity will continue to invest in developing the leadership capacity of the Board, and Executive Management team. Within the next 18-months 65% of the existing resident trustees will step down having completed their 9-year terms. The focus on succession planning has already begun and the success of the charity's objectives over the coming years will partly depend on the success in attracting and training our future Trustees, with a commitment to ensure that the composition of the Board of Trustees reflects the diversity of the community it serves.

Review the charity's costs and greater drive to deliver increased value for money

The Charity will continue to promote its Value for Money [VfM] strategy and ensure it is consistently understood across the organisation. In addition to examining cost-reduction, the organisation will adopt a strategic ambition to set the bar high and explore all possibilities, rather than settling for marginal gains. The Charity will examine those costs that have seemed too difficult to tackle, such as property management, establishment inefficiencies, and complex legacy operations. Being creative means looking beyond what has always been done and asking 'Why?' and 'What?' are the alternatives.

Principal Risks and Uncertainties

The Trustees have reviewed the principal risks and uncertainties facing the charitable company during the year. While the recession anticipated in the previous reporting period did not materialise, the Charity continues to experience financial stress as it works to recover losses sustained in the prior year and restore its previous reserves position.

A key financial risk remains the potential for a reduction in income, primarily driven by an increase in rent arrears. This is influenced by the continued cost-of-living pressures and the financial vulnerability of some residents, many of whom rely on Universal Credit. Rising service delivery costs and the risk of unforeseen budget overruns or unplanned expenditure also continue to pose financial challenges.

In addition, the Charity has incurred further expenditure to maintain compliance with statutory and regulatory obligations, particularly in the areas of building safety and compliance. These remain critical areas of focus, and the Trustees are committed to ensuring that appropriate resources are allocated to meet these responsibilities.

The Charity's budget-setting process is designed to ensure that core services and activities are protected. During the year, active financial monitoring and improvements to forecasting were undertaken to manage in-year pressures. SW9 continues to apply rigorous cost controls, seeks value for money in its procurement of goods and services, and benchmarks performance and operational practices against comparable

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2025

Continued

organisations to inform continuous improvement and uphold best practice.

Non-financial risks are also carefully considered. Paramount among these is poor operational performance leading to service failures and dissatisfied customer experiences. This is ultimately carried by reputational risk and loss of trust with stakeholders. The Trustees regard improvements to services as a principal goal to increase customer satisfaction performance indicators.

The Charity maintains a comprehensive Risk Register which is reviewed in full by the Finance Risk and Audit Committee on a quarterly basis. This ensures that emerging risks are identified early and that appropriate mitigation plans are in place.

Structure, Governance and Management

The charitable company was set up following the decision by Network Housing Group and its social landlord entities to amalgamate into one single social landlord, Network Homes Limited. The charitable company is a resident-led, locally managed, non-asset holding entity that provides a range of property management and maintenance services on behalf of Network Homes Limited following the stock transfer from the London Borough of Lambeth in March 2007.

The charitable company was incorporated on 5 May 2015 under the name of Stockwell and Brixton LMO. Stockwell and Brixton LMO changed its name to SW9 Community Housing on 15 August 2015. On 29 March 2016 Network Homes Limited paid £5,193 to the charitable company as initial funding. The charitable company became active from 1 April 2016. The charitable company is limited by guarantee and governed by its Memorandum and Articles of Association dated 28 March 2016.

Appointment of Trustees

The Trustees, as set out on page 1, comprise of non-executive board members and are responsible for managing the affairs of the charitable company. The board of Trustees is usually composed of:

- 10 residents (5 leaseholders & 5 tenants);
- 2 independent individuals appointed for their skills, knowledge and/or experience; and
- 1 local authority appointee.

The appointment of residents as Trustees and Company Members is via an open and democratic election process. These positions are publicised, and applications received and considered by the current members of the Trustees group of the charitable company. If there are more eligible tenant nominations than vacancies arising, an election process is held in accordance with the Articles. The Trustees make recommendations to the Board of SNG for approval of those individuals to the SW9 Board. The appointments of the two 'independent' trustees are agreed by the Trustees themselves, while the local authority representative is appointed by the London Borough of Lambeth.

Procedures are in place to identify and recruit suitably skilled trustees to provide strength, balance, and diversity of thought to the board of the charitable company. Areas of expertise considered include social housing, finance, legal, marketing and communications, community engagement, procurement, and development. SW9 CH will be seeking to carry out another process of Board recruitment in the latter part of financial year 2025/26 to further enhance effective governance.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2025

Continued

Whilst resident Trustees do occupy properties within the Area of Benefit (Stockwell Park and surrounding street properties) they are occupied on the same terms as other residents in similar circumstances, and they are not able to use their position within the charitable company to any unfair advantage.

Trustee Induction and Training

New trustees complete an induction and training programme. During the induction they are briefed on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and their legal obligations generally. Trustees are introduced to the content of the Memorandum and Articles of Association, the Board structure, committees and decision-making processes, the business plan and recent financial performance of the charitable company. Trustees are also encouraged to spend a day with management and staff and other trustees and to also attend external training events to develop their knowledge and skills, as needed.

Organisation

The board of Trustees, which can have up to 13 members, determine the policy and strategy for the charitable company. The board meets a minimum of four times per year. There are sub-committees covering; finance, risk and audit, services; and human resources and remuneration, which normally meet a minimum of four times a year in addition to the board meetings. These committees have been established with delegated authority from the Board to review matters in detail and they report back to each board meeting as appropriate.

Day to day management of the charitable company is delegated to the Senior Leadership Team which is comprised of the:

- Executive Director;
- Director of Finance and Resources;
- Head of Customer Services
- Head of Corporate Services.

Related Parties

None of the trustees receive remuneration or other direct benefit from their work with the charitable company. Any connection between a trustee and senior manager of the charitable company with a supplier or any contracted company must be disclosed to the full board of Trustees and Company Secretary. In the current year no such party transactions were reported.

All resident Trustees live in homes under the management of the charitable company. Generally, this does not affect their capacity to make independent and fair decisions, but if there is a specific situation where there may be conflicted interests, Trustees will remove themselves from meetings in accordance with the requirements of the Articles of Association and their legal duties and responsibilities.

SNG is the 'Parent' of the charitable company, which is not wholly owned. The charitable company operates as an autonomous entity but receives some corporate service assistance such as regulatory and statutory compliance oversight, internal audit, information systems, rent accounting, procurement, asset management and development services, from SNG.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2025

Continued

Pay Policy for Senior Staff

The charitable company operates a spot salary for all staff including senior managers. The spot salaries are independently benchmarked every three years against other social housing organisations in London.

The remuneration benchmark is the mid-point of the range paid for similar roles adjusted for a weighting of up to 2.5%. If recruitment has proven difficult in the recent past a market supplement is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.

The spot salaries are reviewed annually and generally an inflationary increase is applied. This is dependent upon the financial success of the charitable company, and also increases being offered by the parent, SNG, and other social housing providers in London.

The charitable company's Executive Director holds no equity interest and although he does not have the legal status of director, he acts as chief officer within the authority delegated to him by the Trustees.

Directors' and Officers' liabilities insurance is in place.

Risk Management

The trustees have a risk management strategy which comprises:

- a quarterly review of the principal risks and uncertainties that the charitable company faces;
- the establishment of policies, systems, and procedures to mitigate those risks identified in the bi-annual review;
- to take guidance and direction through horizon scanning of committees and board as to identifiable risks; and
- the implementation of procedures designed to minimise or manage any potential impact on the charitable company should those risks materialise.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes."

In relation to the above the charitable company confirms that it has not directly solicited for funds through fundraising for the year ended 31 March 2025 and has not had any involvement of commercial participators or professional fund-raisers, or third parties.

The charitable company has not received any complaints in relation to fundraising activities nor does it consider it necessary to design specific procedures to monitor such activities since it does not approach any individuals for funds.

The charitable company does not have any undertaking to be bound by any regulatory scheme, however the Charity is a member of Fundraising Regulator's Code of Fundraising Practice and complies with the relevant codes of practice. The charitable company does not consider it necessary to comply with any voluntary code of practice.

Strategic Risks

The charitable company has identified a list of strategic level risks, of which the following risks have been identified as having the highest priority. To mitigate these risks, the Trustees have control measures and policies in place to ensure regulations and guidelines are adhered to and followed.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2025

Continued

Risk Description	Ownership	Control Measures
Non-Compliance with Awaab’s Law (October 2025 Implementation): new statutory requirements to inspect and remedy damp and mould within fixed timeframes, leading to a risk of legal non-compliance which may result in resident harm, enforcement action, reputational harm, and increased legal disrepair claims.	Senior Leadership Team / Services Committee	Draft Damp & Mould Policy aligned to legislation; Triage system to prioritise hazard reports; KPI tracking for inspections and remediation; Contractor SLAs under review.
Insufficient Budgetary Control Over Key Business Activities: weak cost management over disrepair claims and damp & mould repairs, leading to a risk of budget overspend, which may result in reduced financial resilience and inability to meet service demands.	Senior Leadership Team / Finance Team/ FRA Committee	Monthly monitoring of financial position; External cost validation; process includes Zero-based budgeting; Contractor pricing reviews; Regular reports to Board and FRA Committee.
Non-Compliance with Health and Safety Laws: Failure to meet H&S statutory obligations (e.g. fire, gas, electrical safety), there is a risk of enforcement action, resident harm and reputational damage, which may result in breach of statute and the Management Agreement.	Senior Leadership Team / FRA Committee	Compliance programme across estate; Monthly KPI tracking; Quarterly H&S dashboard; Contractor SLAs; Annual audit – procurement to search, find, and appoint retained external consultant.
Health and Safety Risk: Public-Facing Office and Community Centres: From operating a Reception and two public-access centres, there is a risk of injury or incident to staff and visitors, which may result in legal liability and reputational harm.	Senior Leadership Team / FRA Committee	Annual H&S risk assessments; Staffed reception and sign-in protocols; PAT testing; Trained fire wardens and first aiders; Monthly site checks and incident log.
Failure to fully comply with the Gas Safety (Management) Regulations 1996 (as amended) and associated Health & Safety Executive (HSE) requirements for operating a Gas Safety Case, resulting in unsafe operation of the gas infrastructure.	Senior Leadership Team / FRA Committee	Adequate control over gas network maintenance, sufficient monitoring of gas quality & pressure, maintain asset records & competence of operatives, or lapses in emergency response procedures.
Insufficient Financial Reporting: As a result of weak frequency or presentation of financial data, there is a risk of poor financial insight, which may result in missed risks, poor decisions, or non-compliance with governance expectations.	Senior Leadership Team / Finance Team/ FRA Committee	Monthly management accounts; Forecasting reviews; Sensitivity analysis; Housemark benchmarking; Enhanced reporting to Board and FRA Committee.
Leadership and People Risk: Failure to recruit and retain a diverse and capable workforce may result in underperformance, service disruption, and reputational risk.	Senior Leadership Team / HR&R Committee	Workforce planning; Targeted recruitment; Exit interviews; Diversity monitoring; Staff training and development programmes.
Ineffective Management of ASB Cases: Poor handling of Anti-Social Behaviour cases may result in resident insecurity, increased damage, and reputational harm.	Neighbourhood Team / Community Engagement / Services Committee	Weekly case reviews; Resident satisfaction tracking; Community partnerships; Use of ParkGuard; Increased staff capacity and training.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2025

Continued

Continuous Improvement – Going Concern

The Board continues to assert a consistent process for recognising, evaluating and controlling the significant risks confronting the organisation. This process remained active throughout the year under review, up to the date of this annual report, and is periodically evaluated by the Board. The Board has assessed the efficacy of the internal control systems, inclusive of the board assurance framework and endorses their suitability for the intended purpose. The Board is content with the evidence presented, substantiating that adequate control systems were in operation throughout the year. To the date of the signing of these financial statements, these systems were aimed at addressing the major risks impacting the organisation. SW9 CH will seek to improve forecasting techniques within the monthly financial reporting so that management and Board will have a clearer understanding of impact on the finances by the end of the financial year. This action is now fully embedded.

The Charity Managers consistently recognise, evaluate and take appropriate action on risks, which are managed and supervised through the risk register system. All risks are debated at regular review meetings, emphasising high-risk areas and their corresponding mitigations. The managers are utilising guidance from the Finance, Risk and Audit Committee to cultivate the alignment and cross-referencing of risks with operational activities. The Charity's risk management strategy undergoes an annual review in harmony with the corporate plan.

The financial year 2024/25 shows a more positive improvement in the financial performance compared to previous year. SW9 CH implemented a reserves recovery strategy that produced a surplus of £421k. This recovery strategy will continue in the new financial year which will seek to restore reserve levels as per the reserves policy. The Board is of the opinion that the risks and uncertainties identified should not threaten the sustainability and viability of SW9 as a going concern.

SW9 CH does not envisage any major significant "one off" costs for the coming financial year compared to those incurred during financial year 2023/24. In rebuilding the retained reserves there will be greater emphasis placed on controlling and reviewing our costs. This will be aligned with our budgeting process that kicks off in October 2025 where service delivery will be part of the review to achieve value for money. A series of recovery initiatives are in the process of implementation which will aid in the restoration to the retained reserves for SW9 CH. .

Trustees' Responsibilities in Relation to the Financial Statements

The Charity Trustees (who are also the directors of SW9 Community Housing for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Charity trustees to prepare financial statements for each year which give a true and fair view of the state and affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principals in the Charities SORP (FRS 102);
- 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 Charity will continue in business.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2025

Continued

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trustees' Responsibility for Internal Control

The internal control function is carried out by the board and management of the Charity working in conjunction with the parent company, SNG. The Trustees of the charitable company have overall responsibility for ensuring the effectiveness of their internal control. The Trustees recognise that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of SNG's assets and interests.


Statement as the Disclosure to our Auditor

In so far as the trustees are aware, at the time of approving our Trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware; and
- the Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Independent auditors

The report of the Trustees incorporating the strategic report was approved and authorised for issue by the Trustees on and were signed on its behalf by:

DocuSigned by:

720CDB55698D41D... **Tazeem Abbas, Chair**

Signed by:

408962F9977A49F... **Michael Heilbronn, Board Member; Chair of Finance Risk and Audit Committee**

SW9 COMMUNITY HOUSING

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SW9 COMMUNITY HOUSING LIMITED

Opinion

We have audited the financial statements of SW9 Community Housing Limited (“the charitable company”) for the year ended 31 March 2025 which comprise the Statement of Financial Activities, Statement of Financial Position and related notes, including the accounting policies in note 1.

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 2025 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 UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees (who are also the directors for the purposes of company law) have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company’s financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (“the going concern period”).

In our evaluation of the trustees’ conclusions, we considered the inherent risks to the charitable company’s business model and analysed how those risks might affect the charitable company’s financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees’ assessment that there is not, a material uncertainty related 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 the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

SW9 COMMUNITY HOUSING

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SW9 COMMUNITY HOUSING LIMITED

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Board, inspection of policy documentation as to the Charitable Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function reports, and the Charitable Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Enquiring of management as to the existence of any known or suspected frauds and reviewing reports of the Group Audit and Risk Committee in relation to such.

We communicated identified fraud risks to the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet external stakeholder expectations, we perform procedures to address the risk of management override of controls, in particular the risk that Company management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition due to revenue being nonjudgemental.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries and other adjustments based on risk criteria and comparing the identified entries to supporting documentation. These included unusual or unexpected account combinations with revenue and unusual or unexpected account combinations with cash.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charitable Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Charitable Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

SW9 COMMUNITY HOUSING

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SW9 COMMUNITY HOUSING LIMITED

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The trustees are responsible for the other information, which comprises Report of the Trustees' Including Strategic Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Report of the Trustees' Including Strategic Report is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 16, the trustees (who are also the directors of the charitable company 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

SW9 COMMUNITY HOUSING

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SW9 COMMUNITY HOUSING LIMITED

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Dawson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

[Date]

SW9 COMMUNITY HOUSING**STATEMENT OF FINANCIAL ACTIVITIES**
(Including income and expenditure account)
For the year ended 31 March 2025

	Note	Total Funds 2025 £'000	Total Funds 2024 £'000
Income			
Income from charitable activities	2	13,114	11,519
Income from investing activities		1	1
Total Income		13,115	11,520
Expenditure			
Total expenditure on charitable activities	3	(12,694)	(12,506)
Net expenditure /income before taxation		421	(986)
Taxation	8	-	-
Net expenditure/income after taxation		421	(986)
<u>Reconciliation of funds</u>			
Total funds brought forward		436	1,422
Transfer to reserves			
Total funds carried forward		857	436

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure are derived from continuing activities.

For more information, please refer to the accounting policy on 'Fund accounting'.

SW9 COMMUNITY HOUSING

STATEMENT OF FINANCIAL ACTIVITIES
(Including income and expenditure account)
For the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Tangible Fixed Assets			
Other fixed assets		11	7
Current assets			
Debtors	9	1,245	1,337
Cash and cash equivalents	10	1,986	1,414
		3,231	2,751
Creditors: amounts falling due within one year	11	(2,385)	(2,322)
Net current assets		846	429
Provisions for liabilities and charges		-	-
Total net assets		857	436
The funds of the charity:			
Unrestricted funds		857	436
Total reserves		857	436

Notes on pages 22 – 31 form part of the financial statements.

The financial statements on pages 20 to 31 were approved and authorised for issue by the Trustees on 30 September 2025 and were signed on its behalf by:

Delroy Rankin, Executive Director DocuSigned by:
Delroy Rankin
2D4766F077F6488.....

Sarah Patrice, Secretary Signed by:
Sarah.Patrice@anthonycollins.com
2A82B25488F049B.....

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. Accounting policies

SW9 Community Housing is incorporated in England and is registered under the Companies Act 2006 and the Charity Act 2011. The Charitable Company's registered address is 6 Stockwell Park Walk, London, SW9 0FG, United Kingdom.

On 31 March 2025 a Transfer of Engagements, conducted under section 110 of the Co-operative and Community Benefit Societies Act 2014, took place resulting in the statutory vesting of all the assets and liabilities of Sovereign Network Homes into Sovereign Housing Association Limited trading as Sovereign Network Group.

On 1 April 2025 Sovereign Housing Association Limited legally changed its name to Sovereign Network Group. The Company's ultimate Parent Undertaking is Sovereign Network Group which is registered in England and in the United Kingdom under the Co-operative and Community Benefit Societies Act 2014. The results of the Company are consolidated with those of the Group and its subsidiaries, and the consolidated financial statements are contained in the financial statements for the Group, which are available from the Group's registered office at Sovereign House, Basing View, Basingstoke, RG21 4FA.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom applicable accounting standards, including, Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"), and 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 ("the SORP 2019"), and the Companies Act 2006.

The Charitable Company meets the definition of a public benefit entity under FRS 102 and the Charity commission guideline for England and Wales (section 7.1.5).

The Charitable Company's presentation currency is Great British Pounds. Amounts are presented in thousands unless stated otherwise.

Going concern

These financial statements are prepared on a going concern basis. Financial performance has improved significantly compared to previous year. Due to large unforeseen expenditure in the previous financial year, SW9 has been working on a recovery plan to restore the reserves of the charity. The initiatives from the recovery plan will continue into the new financial year and progress is reported to the Board on a timely basis.

Apart from ongoing balcony costs, the charity does not anticipate further significant costs of this nature in the next 12 months.

Income collection was adversely impacted in the first two months of the financial year. Weekly monitoring and reporting of income were introduced, with upwards weekly reporting to the Board. At the end of the year income collection produced favourable collection rates despite the challenges. Critically, our cash position has been negatively impacted by the challenges of this year and SW9 CH will be focusing on rebuilding this to a satisfactory level. The Charity has reviewed its risk register and has updated it to reflect the challenges and risks associated with the depletion of its reserves.

Despite the challenges of the last year, budget forecast for the next five years shows year on year surpluses. This will be driven by the reduction of significant additional cost incurred in previous year, stricter cost control and full income being received from the new Aytoun Road development. Trading subsequent to the years end date is in a surplus position and indicators remain positive. In light of these factors combined with a healthy cash position at the financial year end gives the trustees comfort that the Charity remains a going concern.

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

Cash flow is monitored and reported quarterly to the Finance Risk and Audit Committee. A recovery paper has been provided to the FRA committee detailing how the organisation will be rebuilding the retained reserves over a five year period.

The Board is of the opinion that the risks and uncertainties identified should not threaten the sustainability and viability of SW9 as a going concern. Therefore, it is not appropriate to modify the key assumptions and judgements while preparing the financial statements and a material uncertainty does not exist.

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2025

1. Accounting policies – continued

Cash flow statement

Sovereign Network Group produces a publicly available consolidated statement in which the Charitable Company's financial statements are included. It has therefore elected to apply the exemption from making disclosures in relation to cash flow statement in accordance with FRS 102.

Charitable activities

The Charitable Company aims to deliver high quality housing, support, estate and community services to residents and tenants living on the Stockwell Park Estate and surrounding street properties.

Income

Income is recognised when the Charitable Company has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably. Income represents rental and service charge income recognised on a receivable basis. Investment income from interest on money market deposits is recognised as earned. Turnover excludes value added tax where applicable.

Rents and service charges

Income from rents and service charges are recognised by the Charitable Company on a receivable basis.

Fund accounting

The Charitable Company's funds consist of unrestricted funds which are available to spend on activities that further any of its purposes. The Charitable Company has not reported any restricted funds, however there is a designated contingency reserve of £250k set aside to mitigate any uncertain future events.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accrual basis and has been classified under the headings that aggregate all costs related to the category.

Support Costs

Support costs comprise staff costs incurred in relation to the furtherance of the Charitable Company's objectives and the costs have been apportioned on the basis of head count.

Governance Costs

Governance costs relate to expenditure incurred in the governance of the Charitable Company's assets and compliance with constitutional and statutory requirements.

Defined contribution scheme

The Charitable Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Charitable Company pays fixed contributions into an independent separate entity that administers the funds. Once the contributions have been paid the Charitable Company has no further payment obligations. The contributions are recognised as an expense in the Statement of Financial Activities when they are due.

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2025

Value added tax (VAT)

The Charitable Company is part of Sovereign Network Homes' VAT Group. Sovereign Network Homes is partially exempt in relation to VAT and accordingly is able to recover from HM Revenue and Customs part of the VAT incurred on expenditure. At the year-end VAT recoverable or payable is included in the Statement of Financial Position and irrecoverable VAT is accounted for in the Statement of Comprehensive Income within the relevant expense line.

Taxation

The Charitable Company has charitable status and thereby is exempt from tax on its charitable activities.

Debtors

Trade debtors are recognised at the settlement amount due on 31 March 2025. Prepayments are valued at the amount prepaid.

Related parties

The Charitable Company discloses transactions with related parties which are not wholly owned within the same Group. The Charitable Company does not disclose transactions with members of the same Group that are wholly owned as allowed by FRS 102 paragraph 33.1A.

Financial Instruments

Financial asset represents financial resources available to the Charitable Company and these comprise cash at bank and in hand, trade debtors and other debtors. A financial liability is a financial claim on the Charitable Company's resources and comprises creditors, accruals and amount to parent undertaking.

The Charitable Company's financial instruments are all categorised as basic and are initially recognised at the amount receivable or payable including any related transaction costs and subsequently measured at the cash or other consideration expected to be paid or received.

There are no significant estimates and judgements for the period.

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2025****2. Income from charitable activities**

	Total Funds 2025 £'000	Total Funds 2024 £'000
Rental Income		
Rented accommodation	7,156	5,568
Sheltered accommodation	392	377
Leasehold accommodation	657	1,173
	8,205	7,118
Service Charges Receivable		
Rented accommodation	1,701	2,059
Sheltered accommodation	203	190
Leasehold accommodation	2,159	1,347
	4,063	3,596
Other social housing activities:		
Other Income	573	605
Total social housing lettings	12,841	11,319
Non-social housing activities:		
Other income	273	200
Total Income from charitable activities	13,114	11,519

Income from investing activities is disclosed separately in the Statement of Financial Activities and relates to interest on money market deposit.

All income in the current year and prior year relates to unrestricted funds.

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2025****3. Expenditure on charitable activities**

2025	Management	Repairs	Services	Total
	£'000	£'000	£'000	£'000
Staff costs	948	238	233	1,419
Governance	121	-	-	121
Support	241	55	41	337
Recruitment	29	10	3	42
Training	20	3	3	26
Community engagement	-	-	73	73
Office costs	65	11	11	87
Management charge	4,186	-	-	4,186
Property maintenance	-	2,403	-	2,403
Provision of service to residents	-	-	2,264	2,264
Other operational costs	1,736	-	-	1,736
	7,346	2,720	2,628	12,694

2024	Management	Repairs	Services	Total
	£'000	£'000	£'000	£'000
Staff costs	999	280	201	1,480
Governance	136	-	-	136
Support	224	41	29	294
Recruitment	44	18	-	62
Training	50	8	8	66
Community engagement	-	-	72	72
Office costs	65	11	11	87
Management charge	3,883	-	-	3,883
Property maintenance	-	1,816	-	1,816
Provision of service to residents	-	-	2,739	2,739
Other operational costs	1,870	-	-	1,870
	7,271	2,174	3,060	12,505

Expenditures mainly relate to the provision of services to residents, property maintenance and fees payable to the parent company. Management charge of £4,186k (2024: £3,788k) relates to surplus rent payable to the parent company as detailed in the management agreement. This amount is calculated as 47% of the total rents and other rents receivable for the year less rent and service charge void losses.

All expenditure in the current and prior year relates to unrestricted funds.

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued**

For the year ended 31 March 2025

4. Analysis of support and governance costs

	Support	Governance	Support	Governance
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Finance	242	-	226	-
Human resources	95	-	68	-
Consultancy	-	103	-	122
Audit fees	-	18	-	14
	337	121	294	136

Finance support cost allocation is based on head count and all other support cost is apportioned based on actual costs.

5. Employee information

The monthly average number of persons employed during the year, including the Executive Officer, is based on an assumption that a full-time equivalent employee (FTE) works 35 hours and includes employees on both permanent and fixed term contracts:

	2025		2024	
	FTE	Head Count	FTE	Head Count
Office staff	32	48	42	66
Scheme-based staff	2	2	2	2
	34	50	44	68

Staff costs for the above employees were:

	2025	2024
	£'000	£'000
Wages and salaries	1,653	2,035
Social security costs	175	194
Pension costs	93	99
	1,921	2,328

The staff of the Charitable Company participates in the defined contribution scheme run by the Social Housing Pension Scheme. Pension costs are employer's cost payable to the Pension Trust.

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2025****5. Employee Information (continued)**

The number of staff receiving remuneration in excess of £60,000 per annum at 31 March 2025 is as follows:

	2025	2024
£60,000 - £69,999	1	1
£70,000 - £79,999	-	2
£80,000 - £89,999	1	-
£100,000 - £109,000	-	1
£110,000 - £119,000	1	-
£120,000 - £129,999	1	1

6. Directors' emoluments

The Directors are defined as members of the Trustees and the Executive Officers. The Trustees of the Charitable Company did not receive any remuneration in the year, however there were reimbursement of expenses totalling £4,887.

Day-to-day management of the Charitable Company is delegated to the Executive Director with the support of the wider Senior Leadership team which is comprised of the following:

- Delroy Rankin, Executive Director
- Orane Lewis, Director of Finance and Resources
- Dipak Patel, Head of Corporate Services
- Kellie Carson, Head of Customer Services

Remuneration of key management personnel

	2025	2024
	£'000	£'000
Aggregate emoluments payable to Senior Leadership Team	381	386
Pension contributions payable to Senior Leadership Team	25	25
Total emoluments	406	411

Senior Leadership Team members are ordinary members of the defined contribution Social Housing Pension Scheme on the same basis as that available to all staff. The Charitable Company did not make any contribution to any individual pension arrangements on their behalf. The notice period for termination of contract for the Executive Director is six months and three months for the remaining Senior Leadership team. No pension contributions were made on behalf of any non-executive Director.

7. Net expenditure/ income before tax

	2025	2024
	£'000	£'000
Net expenditure/income before taxation after charging:		
Fees for the audit of the Company's financial statements	16	14

Audit fees are reviewed on an annual basis.

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2025****8. Taxation**

The Charitable Company is a charity for tax purposes and is therefore not subject to corporation tax on its charitable activities. There was no non-charitable income in the year.

9. Debtors: amounts falling due within one year

All debts are due within one year.

	2025	2024
	£'000	£'000
Rent and service charges	1,306	1,344
Less: provision for bad and doubtful debts	<u>(211)</u>	<u>(178)</u>
	1,095	1,166
Other debtors	130	108
Trade debtors	<u>20</u>	<u>63</u>
	<u>1,245</u>	<u>1,337</u>

10. Cash at bank and in hand

	2025	2024
	£'000	£'000
Cash at bank and in hand	<u>1,986</u>	<u>1,414</u>

11. Creditors falling due within one year

	2025	2024
	£'000	£'000
Service charge and client funds	104	49
Trade creditors	698	482
Rent and service charges received in advance	261	731
Owed to Group undertakings	556	42
Other creditors	78	66
Accruals	<u>688</u>	<u>956</u>
	<u>2,385</u>	<u>2,326</u>

Amounts owed to Group undertakings are payable on a quarterly basis based on the management agreements.

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2025

12. Parent undertaking and ultimate parent undertaking

On 31 March 2025 a Transfer of Engagements, conducted under section 110 of the Co-operative and Community Benefit Societies Act 2014, took place resulting in the statutory vesting of all the assets and liabilities of Sovereign Network Homes into Sovereign Housing Association Limited trading as Sovereign Network Group.

On 1 April 2025 Sovereign Housing Association Limited legally changed its name to Sovereign Network Group.

The Company’s ultimate Parent Undertaking is Sovereign Network Group which is registered in England and in the United Kingdom under the Co-operative and Community Benefit Societies Act 2014. The results of the Company are consolidated with those of the Group and its subsidiaries, and the consolidated financial statements are contained in the financial statements for the Group, which are available from the Group’s registered office at Sovereign House, Basing View, Basingstoke, RG21 4FA.

13. Related parties

FRS102 allows the exemption to not disclose transactions relating to entities that form part of the group headed by SNG. At 31 March 2025, the total rent and service charge the Charitable Company received from tenant Trustees members’ amount to £21,014 (2024: £45,813). The tenant Trustee members all of whom have paid rents and service charge to the Charitable Company at arm’s length had a credit balance of £1,135 at the year end. They are listed below as follows:

- Mr. Steven Warren
- Mr. Adebayo Ajibade
- Mr. James Knoll - Pollard
- Ms Mercedes Ekanem
- Mr Michael Heilbronn
- Ms Maysel Yankey
- Mr James Hunt

14. Other directorships

Trustees had the following external directorships, not including directorships of subsidiaries Sovereign Network Group. There were no transactions with any of the entities listed below.

Trustees Member	Other entities	Position
Tazeem Abbas	Caldew School Crosskit Limited The Tranquil Otter Limited The Tranquil Otter Investments Limited	Director Secretary Director Director

SW9 COMMUNITY HOUSING

England & Wales - Charity number 1170586

Accounts

SW9 COMMUNITY HOUSING
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(Charity No. 1170586)
(Company No. 09574528)

SW9 COMMUNITY HOUSING

FINANCIAL STATEMENTS

For the year ended 31 March 2024

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SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2024

THE TRUSTEES, EXECUTIVE OFFICER, AND ADVISORS

The members of SW9 Community Housing are its Trustees for the purpose of charity law. The Trustees, executive officer, and advisors who were in office during the year and up to the date of signing the financial statements were:

Trustees	Dee Alapafuja Adebayo Ajibade Andrew Sternberg Daniel Cromb Daniel Garza James Andrew Bryan (Cllr.) (Appointed 30 May 2023) James Knoll-Pollard Kieran Godwin Olukayode Ajisebutu Paul Brett Steven Warren Tazeem Abbas
Secretary	Sarah Patrice
Executive Officer	Delroy Rankin
Registered office	6 Stockwell Park Walk London SW9 0FG
Independent auditor	BDO LLP Chartered Accountants and Statutory Auditors 55 Baker Street London W1U 7EU
Solicitors	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES
Bankers	HSBC West End Business Banking Centre, 16 King Street Covent Garden, London WC2E 8JF
Registrations	Company No. 09574528 Charity No. 1170586

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2024

Continued

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2024

The Trustees are pleased to present their annual Directors' report together with the financial statements of the Charity for the year ending 31 March 2024 which are also prepared to meet the requirements for a Directors' Report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act "2006", the Memorandum and Articles of Association, 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).

Chair's Report

As a charity operating within the social housing sector, SW9 CH has faced several challenges during the past year; including the difficult economic situation that the country is still grappling with. Several changes to housing legislation have led to greater scrutiny from politicians and the media; including the revised consumer standards and changes to health and safety legislation. Nonetheless, with the commitment of the senior leadership team and staff, SW9 CH continued to strive in delivering the services and offering engaging activities deserving of our residents.

Within the financial statements, it is evident that it has been a financially challenging year for SW9 CH, but as a result of good stewardship in previous years, and the reserves accrued, the organisation has been able to weather the additional unforeseen costs during the year. In the coming financial year, the organisation will strive to rebuild its financial position, including its reserves.

SW9 CH continued to provide diverse, engaging, and inclusive moments for all to enjoy and participate in. During December 2023, we held our annual Christmas Fair at the SW9 Learning and Resource Centres; the inclusion of the Snow Globe was a popular item. In March of this year, the Communications team produced an International Women's Day video around the theme of Inspire Inclusion. We celebrated chosen female figures across the music, science, political and entertainment worlds, as well as SW9 CH colleagues who embrace the theme every day.

The organisation regularly hosts the local Brixton Police Team Drop-In surgeries, where residents can hear about the local initiatives taking place as well as discussing concerns directly with local officers. In September of last year, SW9 CH launched the free Tenant Support & Wellbeing Service, provided by the independent mental health and wellbeing provider Life & Progress. This free and confidential service provides practical information, counselling and resources for everyone, and is available 24 hours a day, all-year around. These activities, services and more underline our commitment in forging an inclusive community.

The charity is in the process of Board renewal as we say goodbye to existing trustees whose generosity and dedication has been most appreciated. As we are due to welcome new Board members towards the end of 2024, we hope with more collective knowledge and expertise, we continue to make SW9 CH the inclusive, committed organisation for our residents, our staff and our community. Finally, I would like to thank all our residents, our new neighbours and friends, and staff for continuing to be special and valued participants within our community.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2024

Continued

As it is my last Chair's report, I would like to express sincere thanks to colleagues on the Board and Committees, management and staff, our parent organisation, and all other stakeholders that have assisted the organisation over the last 9 years since inception of the charity. I wish SW9 CH all of the success for the future.

For more information on our local initiatives, please visit www.sw9.org.uk or contact us at 0207 326 3700.

Yours,

A handwritten signature in black ink, appearing to read 'Dee Alapafuja', with a stylized flourish at the end.

Dee Alapafuja
Chair, SW9 Community Housing

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2024

Continued

Our purpose and activities

The purposes of the Charity are to:

- deliver high quality housing, repairs, and support services;
- work in partnership with our ultimate parent organisation, Sovereign Network Group (SNG), in the delivery of the physical regeneration of Stockwell Park and surrounding street properties;
- demonstrate high standards of governance, promoting the benefits of tenant management; and
- further the sustainability and diversity of the community.

SW9 Community Housing ("the charitable company" / "the Charity") remains dedicated to its primary function of delivering property management and maintenance services on behalf of SNG, the Landlord. This is achieved through a steadfast 25-year Management Agreement, which stipulates that we consistently strive to provide top-tier housing, support, and repairs services for the residents of Stockwell Park and its surrounding areas - the beneficiaries within our Area of Benefit.

As per the terms of the Management Agreement, the charitable company holds a fraction of the annual rental income from tenants residing in our managed properties. These accommodation units are catered towards individuals with low to moderate incomes, who are in need of housing. The range of properties managed by the charitable company varies widely, spanning from single person residences to larger family homes. We also oversee the operation of specialist accommodation designed for those in need of additional support or personal care. Moreover, our efforts in community development and engagement are steadfast, to guarantee that Stockwell Park continues to thrive as a multicultural and sustainable community.

We extend our services to tenants who have purchased long leases for their homes, whether through shared ownership or outright market value purchase.

As of the last count, the charitable company manages 1,749 homes. The breakdown is as follows: 911 are general needs homes, 630 are leasehold homes, 85 are shared ownership properties, 48 are supported housing, 40 are classified as older persons' housing, and 35 are affordable rent. These numbers are anticipated to grow in the coming years as SNG, a Registered Provider with Homes England and the ultimate parent company of the charitable company, continues to construct new homes within Stockwell Park.

Our ongoing vision is guided by the principles of tenant management, local control, and accountability. We remain committed to enabling tenants and residents to actively influence the services we provide through our Trustee board, residents' forums, and community development groups.

One of the charitable company's core philanthropic goals is to enhance the quality of life for tenants of the Stockwell Park Estate and surrounding street properties. We achieve this by providing enriching, stimulating, and accessible activities, in addition to employment and welfare advice by referring tenants to stakeholder partners.

We are determined to motivate every member of our community to partake in various activities and attend community events held throughout the year, regardless of their tenure type. These activities are either free or heavily subsidised to guarantee their affordability and availability to all members of our community.

Our charitable company continues to strengthen its relationships with other local organisations that provide supplementary services to the residents of Stockwell Park and the surrounding street properties. We acknowledge and appreciate the significant contributions these organisations make towards advancing our aims and objectives, especially for our most vulnerable residents.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2024

Continued

Volunteers

The dedication and commitment demonstrated by the members of the Board of Directors and Committees in the year ending 31 March 2024 has been exceptional. They did not receive any compensation for their valuable work for the charitable company. Their altruism and dedication have been pivotal in the accomplishment of our mission and strategic goals.

Moreover, the charitable company is incredibly grateful for the support of numerous residents and friends who have volunteered their time and energy to aid in various projects and community activities. Their contributions ranged from assisting with specific initiatives to helping pack food parcels and hampers for our most vulnerable residents.

The selflessness and community spirit demonstrated by these volunteers are not just integral to our operations; they embody the core values of our charitable company. They stand as a testament to the strength and unity of our community. These individuals have been instrumental in fostering an inclusive, supportive environment that benefits all residents of Stockwell Park and surrounding street properties.

We extend our heartfelt appreciation to all these dedicated volunteers. Their continued support has been invaluable in the face of the year's challenges and has played an essential role in ensuring the successful execution of our mission and strategic objectives. We look forward to nurturing these relationships and welcoming new volunteers in the year to come.

Achievement and Performance

The charitable company provided a variety of related services to 1,749 homes. The number of homes according to tenure type is shown below:

General needs:	911
Leaseholders:	630
Shared Ownership:	85
Supported Housing:	48
Older Persons' Housing:	40
Affordable Rent:	35

For the fiscal year income collection for SW9 CH is 96.35%. Though this is below target by 4.65%, this is due to the cost-of-living crisis faced by some our residents. The income team continues to support residents through budgeting, signposting, benefit application, food bank referral and food bags. We are optimistic performance will be better in financial year 2024/25.

Our primary focus continues to be the provision of high-quality housing services and robust community engagement and development. Customer satisfaction remains our paramount priority. During the fiscal year ending 31 March 2024, we reported a satisfaction figure of 64% and we are also hoping to improve this in the coming year through greater collaboration with our residents.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2024

Continued

Achievement and Performance (continued)

In other areas, we saw an improvement in performance. The percentage of stage 1 complaints responded to within target time increased from 70% in 2022/23 to 93% in 2023/24.

Expenditure, especially on repairs and maintenance, the largest single budget item, is meticulously monitored. As we conclude the procurement of the new repairs contract, which we envision to begin during Q2 2024/25, the interim contractor, KNK, remains our main repairs contractor. We also extended our five-year heating and gas maintenance contract with T-Brown by an additional year.

We successfully procured two other contracts, for window cleaning and grounds maintenance, with a focus on improved service and value for money. The new contractors are due to start in quarter 1 of 2024/25.

The social housing sector's emphasis on health and safety compliance remains more crucial than ever, particularly regarding building and fire safety. The charitable company has continued to work alongside SNG (the landlord) to improve fire safety measures at a number of the residential buildings under its management.

Community Engagement

SW9's RISE programme of engagement opportunities continues to offer residents a multitude of ways of getting involved. These include:

- Resident improvement panel
- Street and block champions
- Accredited training
- Employment and education programme and grants
- Family activities
- Repairs and Estate Team meet and greets
- Eat well and digital inclusion scheme
- Homework club
- Easter and Christmas hamper project
- Weekly lunches at our older person scheme
- Collaborate working with resident panels
- Wellbeing projects

Throughout the year ending 31 March 2024, 66 opportunities of engagement were made available to residents. In total, 2,500 residents got involved with various charitable activities.

After four years of absence, SW9 held their Community Fun Day in September which saw over 200 SW9 CH residents in attendance. This will become an annual event for the community.

Financial Review

The main source of income reported by the charitable company for the year ending 31 March 2024 on its charitable activities was £11,519k (2023: £10,948k).

Total expenditure in the year was £12,506k (2023: £10,873k), of which £1,816k was charged to the Statement of Financial Activities under major repairs and routine maintenance.

Another area of high expenditure for the charitable company is Employee Cost. Employees are key to the ongoing operations of the business and therefore the Trustees will continue to approve expenditure for

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2024

Continued

investment in staff development. Employee costs accounted for 18.6% of expenditure.

The charitable company recorded a deficit of £986k during the year, compared to surplus of £76k the previous year. Along with increased volume of major repairs, the deficit was largely due to a number of specific costs that faced the charity. During the financial year SW9 CH carried out a review on utility charges for the last 6 financial years and identified overpayments which were duly refunded to residents as per their tenancies. Secondly, SW9 did not achieve budgeted income from the new Aytoun Road development due to a number of setbacks with the development. These properties have been handed over during the new financial year.

	£'000
One off Refund to Residents for Utility Charges	450
Balcony Works/replacement	100
Delay in Handover of New Properties	260
TOTAL	810

The charitable company is financed using its positive cash flow and retained reserves, which are not distributable. The charitable company has no loan facilities from banks or other lending institutions. The trustees consider the charitable company has the capacity to continue to operate without requiring external finance.

The trustees are committed to ensuring the future financial stability of the charitable company and continually review the financial position and consider any changes required.

The charitable company receives no other income apart from its charitable activities, and therefore costs must be met as part of the charitable company’s rental income.

The charitable company endeavours to put value for money at the heart of everything it does by being prudent in its allocation of funds and creating the environment where management and staff remain cost conscious. The charitable company strives to get the balance right between costs, performance, and quality, this is particularly important at this time when the social housing sector is consolidating and cost cutting.

The framework adopted by the charitable company includes:

- driving down costs;
- improving our services;
- cutting waste; and
- increasing customer satisfaction.

Economic and operating environment

Some of the risks cited in previous years began to crystallise during the year 2023/24. The UK has weathered a series of profound and ongoing macroeconomic events, including the repercussions of Brexit, the Covid-19 pandemic, and the after-effects of Russia’s incursion into Ukraine. These have created an incredibly unpredictable operating climate for the housing sector. Elevated inflation rates, a strained labour market, and the lingering effects on supply chains have escalated operating costs for housing management service providers. Simultaneously, there has been a surge in borrowing costs due to a significant increase in central bank interest rates. Alongside this, the revenue sources for service providers are confronting heightened uncertainty, attributed to substantial challenges in the housing market and governmental considerations to cap increases in social housing rents. The potential for additional unanticipated disturbances cannot be ruled out.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2024

Continued

Impact on Social Housing Residents

SW9 experienced a continued increase in general costs during the year under review with rising inflation increasing the costs of materials for repairs and maintenance. The Charity is acutely aware of residents' expectations for excellent services and for this reason SW9 has been resolute to ensure that refurbishment activity should not be reduced, and where necessary, representations were made to SNG as the landlord and parent organisation, for additional capital funding.

SW9's tenants, like all tenants in social housing, have affordability issues with many residents finding themselves in-work but unable to meet their outgoings. Often those least well off, are disproportionately affected by the rising costs of food, energy, and other essentials, potentially leading to an increase in rent arrears and evictions.

The same economic uncertainty and hardship adds further pressure on the demand for social housing as more people find themselves unable to afford private rentals or homeownership.

Private Leaseholders

A proportion of SW9's property under management is privately leased and these residents will have been affected by rising service charges. Higher inflation led to increased service charges as the cost of maintaining buildings has continued to increase. Without doubt, this has led to affordability issues for some leaseholders.

Overall, both type of residents, social housing tenants and private leaseholders, continue to face significant challenges in this economic climate. Policymakers and housing providers are considering how to support both tenants and leaseholders, particularly those most vulnerable to financial shocks.

SW9's Income Team has been busy throughout this period supporting residents in a myriad of ways, including: providing advice and support to residents that are struggling financially, liaising with universal credit and housing benefit on behalf of residents, making universal credit, housing benefit, discretionary housing payment, and hardship fund applications. The team assists residents with income and expenditure calculations to enable residents to better manage their personal finances. The Income Team also signpost residents to food bank referrals, SW9 food bag provisioning, and other supporting agencies such as turn2us, Money Helpers, Centre-70, Money Matters, Every Pound Counts, Household Support Scheme, Water Help Scheme, as well as the Citizens Advice Bureau.

Investment Powers and Policy

The Trustees, having regard to the liquidity requirements of the charitable company, have kept available funds in a money market interest-bearing account. Due to historic low interest rates the monies on deposit achieved an average of 0.5% interest against a Consumer Price Index of 3.4% at the year end.

Reserves Policy

The reserves of the charitable company are unrestricted funds as shown on page 26. The total funds held by the charitable company at the end of the year are £436k, which are available for general charitable use.

The charitable company policy is to maintain reserves equivalent to three months operating costs. Average monthly operating costs are £720k; therefore, the reserves retained will be set at £2,160k.

SW9 Ch will seek to build retained reserves level in excess of £2,160k and any amount in excess of this

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2024

Continued

target will be used for community benefit projects as directed by the trustees. There is a recovery plan in place to drive a more effective management of the major contracts of the business, the reserves will be increased as a result of the additional units of stock. The risks associated with the level of reserves will be managed by the production and scrutiny of financial information and ensuring that robust processes and controls are adhered to. In light of the deficit incurred this financial year, management is in the process of carrying out an extensive review all costs and will implement several initiatives to rebuild SW9 CH reserves. Despite the fact that the majority of the deficit incurred was due to unforeseen specific expenditure, a five year plan is currently being executed to rebuild the reserves position. These initiatives include a review of actual headcount within the organization to achieve efficiency and value for money. There are also plans to introduce a Direct Labour Operation (DLO) to reduce repairs and maintenance costs and improve customer satisfaction. SW9 CH will also be seeking to maximise income by increasing service charges for income it has not been collecting for gas charges to the relevant properties. These initiatives will be coordinated along with thorough scrutiny of financial data. SW9 CH is currently experiencing a surplus position in the new financial year and envisage that retained reserves will be restored to a satisfactory level over a five year period and still provide excellent core services.

The trustees will review the Reserves Policy on an annual basis.

Plans for the Future Period

The trustees of the charitable company are committed to provide a first class, resident-led housing repairs service, and support services to the residents of the Stockwell Park Estate and surrounding street properties. There are several key business priorities the trustees and management consider as important for 2024/25. They include:

Sovereign Network Group integration.

With roots firmly entrenched in community resident-led housing, and with aims and objectives clearly defined, the charity must consistently demonstrate the value of locally delivered services which are accountable to the service users. With the ongoing integration of systems and processes of our parent, SNG, the impact on the charity is predicted to be minimal at this stage, inevitably there will be changes and SW9 CH is committed to working with the parent to streamline processes and ensure incremental improvements and efficiencies are delivered for the benefit of residents and stakeholders. The amalgamation of the of Sovereign Network Group will complete on 1 April 2025.

Service improvement

With the £210-million regeneration of the estate and street properties close to completion, the trustees and management now place the highest priority on transforming the customer experience. The challenge for the charity is to ensure its working practices are fit for the present and adaptable for the future. Resident satisfaction ratings across a range of metrics are beginning to show the return on investment made by the charity in the development and implementation of its Service Improvement Plan, but the Board and Management recognise there is still a significant way to go to ensure a consistent high standard of customer service is experienced by all residents.

Procurement of a new repairs contractor

The charity's decision to procure a new long-term responsive repairs contractor as part of its Service Improvement strategic plan and Value for Money initiative will conclude in Q1 of 2024/25. The charity will also establish a Framework of specialist contractors to provide repairs and maintenance services as and when required. The charity will also explore the business viability of establishing a small directly employed repairs and maintenance team to deliver both sustained value for money and on-going incremental levels of customer satisfaction by its onsite presence

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2024

Continued

and speed of response.

Good governance and strong leadership

The charity recognises the vital importance of strong and visionary leadership from Board and senior management. The culture of the organisation is set by the leadership and the charity will continue to invest in developing the leadership capacity of the Board, and Executive Management team. Within the next 18-months 65% of the existing resident trustees will step down having completed their 9-year terms. The focus on succession planning has already begun and the success of the charity's objectives over the coming years will partly depend on the success in attracting and training our future Trustees, with a commitment to ensure that the composition of the Board of Trustees reflects the diversity of the community it serves.

Review the charity's costs and greater drive to deliver increased value for money

The Charity will continue to promote its Value for Money [VfM] strategy and ensure it is consistently understood across the organisation. In addition to examining cost-reduction, the organisation will adopt a strategic ambition to set the bar high and explore all possibilities, rather than settling for marginal gains. The Charity will examine those costs that have seemed too difficult to tackle, such as property management, establishment inefficiencies, and complex legacy operations. Being creative means looking beyond what has always been done and asking 'Why?' and 'What?' are the alternatives.

Principal Risks and Uncertainties

The Trustees have considered the principal risks and uncertainties facing the charitable company. The main financial impact of risk is of an unforeseen fall in income or increase in expenditure. The fall in income arises as a direct consequence of a probable increase in rent arrears resulting from sustained high inflation and rising costs of living, the expected economic downturn (or recession) causing some residents to claim Universal Credit. Additional expenditure due to budget overruns or unplanned events are also liable to occur. The charitable organisation also incurred additional expenditure to meet both regulatory and statutory obligations in building safety and health and safety. The budget setting process is executed to ensure that the core activities of the charity is met. As the year progresses SW9 will be diligent in ensuring that costs are being controlled and that we are receiving value for money from good and services received. In addition, SW9 will benchmark its activities with other similar sized organisations and apply best practice where relevant.

The Trustees have also considered non-financial risks including building health and safety compliance, which is deemed paramount, and any potential breach is a principal risk. The Charity's Risk Register is reviewed by all trustees twice per year and considered by the relevant committee four times per year.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2024

Continued Structure, Governance and Management

The charitable company was set up following the decision by Network Housing Group and its social landlord entities to amalgamate into one single social landlord, Network Homes Limited. The charitable company is a resident-led, locally managed, non-asset holding entity that provides a range of property management and maintenance services on behalf of Network Homes Limited following the stock transfer from the London Borough of Lambeth in March 2007.

The charitable company was incorporated on 5 May 2015 under the name of Stockwell and Brixton LMO. Stockwell and Brixton LMO changed its name to SW9 Community Housing on 15 August 2015. On 29 March 2016 Network Homes Limited paid £5,193 to the charitable company as initial funding. The charitable company became active from 1 April 2016. The charitable company is limited by guarantee and governed by its Memorandum and Articles of Association dated 28 March 2016.

Appointment of Trustees

The Trustees, as set out on page 1, comprise of non-executive board members and are responsible for managing the affairs of the charitable company. The board of Trustees is usually composed of:

- 10 residents (5 leaseholders & 5 tenants);
- 2 independent individuals appointed for their skills, knowledge and/or experience; and
- 1 local authority appointee.

The appointment of residents as Trustees and Company Members is via an open and democratic election process. These positions are publicised, and applications received and considered by the current members of the Trustees group of the charitable company. If there are more eligible tenant nominations than vacancies arising, an election process is held in accordance with the Articles. The Trustees make recommendations to the Board of SNG for approval of those individuals to the SW9 Board. The appointments of the two 'independent' trustees are agreed by the Trustees themselves, while the local authority representative is appointed by the London Borough of Lambeth.

Procedures are in place to identify and recruit suitably skilled trustees to provide strength, balance, and diversity of thought to the board of the charitable company. Areas of expertise considered include social housing, finance, legal, marketing and communications, community engagement, procurement, and development. With the retirement of four resident Board members in 2024, the Board renewal process has started, and it is hoped new trustees will be appointed by December 2024 to both Board and Committees.

Whilst resident Trustees do occupy properties within the Area of Benefit (Stockwell Park and surrounding street properties) they are occupied on the same terms as other residents in similar circumstances, and they are not able to use their position within the charitable company to any unfair advantage.

Trustee Induction and Training

New trustees complete an induction and training programme. During the induction they are briefed on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and their legal obligations generally. Trustees are introduced to the content of the Memorandum and Articles of Association, the Board structure, committees and decision-making processes, the business plan and recent financial performance of the charitable company. Trustees are also encouraged to spend a day with management and staff and other trustees and to also attend external training events to develop their knowledge and skills, as needed.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2024

Continued Organisation

The board of Trustees, which can have up to 13 members, determine the policy and strategy for the charitable company. The board meets a minimum of four times per year. There are sub-committees covering; finance, risk and audit, services; and human resources and remuneration, which normally meet a minimum of four times a year in addition to the board meetings. These committees have been established with delegated authority from the Board to review matters in detail and they report back to each board meeting as appropriate.

Day to day management of the charitable company is delegated to the Senior Leadership Team which is comprised of the:

- Executive Director;
- Director of Finance and Resources;
- Head of Customer Services and
- Head of Corporate Services.

Related Parties

None of the trustees receive remuneration or other direct benefit from their work with the charitable company. Any connection between a trustee and senior manager of the charitable company with a supplier or any contracted company must be disclosed to the full board of Trustees and Company Secretary. In the current year no such party transactions were reported.

All resident Trustees live in homes under the management of the charitable company. Generally, this does not affect their capacity to make independent and fair decisions, but if there is a specific situation where there may be conflicted interests, Trustees will remove themselves from meetings in accordance with the requirements of the Articles of Association and their legal duties and responsibilities.

SNG is the 'Parent' of the charitable company, which is not wholly owned. The charitable company operates as an autonomous entity but receives some corporate service assistance such as regulatory and statutory compliance oversight, internal audit, information systems, rent accounting, procurement, asset management and development services, from SNG.

Pay Policy for Senior Staff

The charitable company operates a spot salary for all staff including senior managers. The spot salaries are independently benchmarked every three years against other social housing organisations in London.

The remuneration benchmark is the mid-point of the range paid for similar roles adjusted for a weighting of up to 2.5%. If recruitment has proven difficult in the recent past a market supplement is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.

The spot salaries are reviewed annually and generally an inflationary increase is applied. This is dependent upon the financial success of the charitable company, and also increases being offered by the parent, SNG, and other social housing providers in London.

The charitable company's Executive Director holds no equity interest and although he does not have the legal status of director, he acts as chief officer within the authority delegated to him by the Trustees.

Directors' and Officers' liabilities insurance is in place.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2024

Continued Risk Management

The trustees have a risk management strategy which comprises:

- a bi-annual review of the principal risks and uncertainties that the charitable company faces;
- the establishment of policies, systems, and procedures to mitigate those risks identified in the bi-annual review;
- to take guidance and direction through horizon scanning of committees and board as to identifiable risks; and
- the implementation of procedures designed to minimise or manage any potential impact on the charitable company should those risks materialise.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fund raising as “soliciting or otherwise procuring money or other property for charitable purposes.”

In relation to the above the charitable company confirms that it has not directly solicited for funds through fundraising for the year ended 31 March 2024 and has not had any involvement of commercial participators or professional fund-raisers, or third parties.

The charitable company has not received any complaints in relation to fundraising activities nor does it consider it necessary to design specific procedures to monitor such activities since it does not approach any individuals for funds.

The charitable company does not have any undertaking to be bound by any regulatory scheme, however the Charity is a member of Fundraising Regulator’s Code of Fundraising Practice and complies with the relevant codes of practice. The charitable company does not consider it necessary to comply with any voluntary code of practice.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2024

**Continued
Strategic Risks 2023/24**

The charitable company has identified a list of strategic level risks, of which the following risks have been identified as having the highest priority. To mitigate these risks, the Trustees have control measures and policies in place to ensure regulations and guidelines are adhered to and followed.

Risk Description	Ownership	Control Measures
<p>Impact of High Inflation and Unforeseen Costs. Impact On Residents: Instability of utility prices in wholesale market leading to higher energy costs & increased subsidy from SW9 impacting SW9 surplus & reserves. Impact on the Charity: Instability of utility prices in the wholesale market leading to higher energy costs & increased subsidy from the Charity impacting surplus & reserves. Insufficient understanding of financial effects of gas & electricity import tariffs leading to poor purchasing decisions & higher costs. Incorporating costs relating to balconies that was initially thought to be landlord responsibility.</p>	<p>Senior Leadership Team / Services Committee</p>	<p>Signposting: To grants funds and advice on managing money. Tariff checking with energy suppliers. Price comparison organisations. Additional help from utility supplier or independent sources. Current assumptions on Import tariffs based on known current tariffs. Sensitivity analyses undertaken to understand effect of gas & electricity tariff variations. Legal advice obtained from ACS re Utility/ Service Charges. Implementing further income maximization techniques. Introduction of DLO to reduce day to day & voids costs and carting out staffing review to maximise efficiencies.</p>
<p>Poor Operational Management leading to poor performance; mismanagement of main contractor; poor systems integration; failure to deliver adequate quality of services to residents.</p>	<p>Senior Leadership Team / Services Committee</p>	<p>Effective contractor management via regular meetings with KNK, TBG, AJS, and RJS. Enforce internal controls: authorisation limits, approvals & sign-off. Actively manage existing disrepair cases: monthly meetings prior to NH Liaison meeting; preventative measures against new cases. Broaden scope to any other litigation or legal issues. Improve incoming telephone caller experience. Ensure complaints system operates in accordance with policy; cases escalated when appropriate. Manage responses to the IOC raised by SNG.</p>
<p>Leadership/ People Risk Failure to recruit & retain a workforce with a diverse range of experience in the right numbers with the right skills, behaviours and competencies.</p>	<p>Senior Leadership Team / Human Resources Committee</p>	<p>Comprehensive workforce planning: Develop a robust workforce strategy that aligns with long-term goals & identifies required skills, behaviours & competencies. Targeted recruitment campaigns: designed to attract candidates with diverse experiences & competencies. Utilise a mix of recruitment channels such as: job boards, social media, professional networks and partnerships with relevant organisations to reach a wide pool of candidates. Employee development & training: Implement development and training to provide opportunities to acquire new skills, expand experiences and enhance competencies.</p>
<p>Non-compliance; Health and Safety Risk of non-compliance with regulations and laws such as health and safety</p>	<p>Senior Leadership Team / Board</p>	<p>Regular training & education for staff, regular audits of compliance and implementing robust processes for managing and reporting compliance issues. Monthly risk meetings to be apprised of progress with gas safety case risk management meetings. Gas Safety case to be placed on risk register with control measures & mitigations. General strengthening of Health & Safety management systems across all operational areas. Increased monitoring</p>

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2024

Continued

Risk Description	Ownership	Control Measures
		and reporting of H&S activities occurring daily, weekly and monthly. Operational meetings to include H&S with regular reporting. System of occupational Risk Assessments to inform management and staff of specific H&S issues and design mitigating actions. Briefing sessions and training programmes to increase workplace risk awareness culture. Review of SW9 H&S Policy with changes in high-level approach. Regular attendance at SNG' Health and Safety Panel meetings.
<p>Risk of Increasing Bad Debts and Arrears Reduced turnover due to arrears & bad debts from pressure on household incomes; overspends against budget; insufficient control of departmental budgets.</p>	Director of Finance and Resources / Finance Risk & Audit Committee	Residents signposting to relevant agencies, assisting with Universal Credit applications, arrears repayment plans, flexible payment agreements. Close monitoring of budgets linked to business planning & objectives. Use of costing procedures for service delivery. Regular review of reserves and investments. Manage disrepair cases to limit legal costs. Regular financial stress testing & scenario testing. Individual departmental expenditure accounts for clarity & control of expenditure.
<p>Risk to Services and Operations Failure to exert control over externally commissioned asset management activity.</p>	Senior Leadership Team / Services Committee	Engage with SNG Director of Compliance and Planned Works. Scrutinise budget proposals. Access to relevant databases: gas, electric, asbestos, water safety. Reports run regularly. Joint budget setting process to identify inefficiencies. Finance identified £70k capital costs eligible for paying back to SW9.

Continuous Improvement – Going Concern

The Board continues to assert a consistent process for recognising, evaluating and controlling the significant risks confronting the organisation. This process remained active throughout the year under review, up to the date of this annual report, and is periodically evaluated by the Board. The Board has assessed the efficacy of the internal control systems, inclusive of the board assurance framework and endorses their suitability for the intended purpose. The Board is content with the evidence presented, substantiating that adequate control systems were in operation throughout the year. To the date of the signing of these financial statements, these systems were aimed at addressing the major risks impacting the organisation. SW9 CH will seek to improve forecasting techniques within the monthly financial reporting so that management and Board will have a clearer understanding of impact on the finances by the end of the financial year. This action is now fully embedded.

The Charity Managers consistently recognise, evaluate and take appropriate action on risks, which are managed and supervised through the risk register system. All risks are debated at regular review meetings, emphasising high-risk areas and their corresponding mitigations. The managers are utilising guidance from the Finance, Risk and Audit Committee to cultivate the alignment and cross-referencing of risks with operational activities. The Charity's risk management strategy undergoes an annual review in harmony with the corporate plan.

The financial year 2023/24 resulted in a number of unplanned significant expenditure (see page 7) and a reduction in expected income. There was a significant reduction in reserves due to unexpected one off expenditure as outlined earlier in this report. As a result SW9 CH will be reviewing current operations to rebuild its reserves over a five year period by reviewing both expenditure and income to identify efficiencies and facilitate additional costs relating to failing balconies. The Board is of the opinion that the risks and uncertainties identified should not threaten the sustainability and viability of SW9 as a going concern.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2024

Continued

SW9 CH does not envisage any major significant “one off” costs for the coming financial year compared to those incurred during financial year 2023/24. In rebuilding the retained reserves there will be greater emphasis placed on controlling and reviewing our costs. This will be aligned with our budgeting process that kicks off in October 2025 where service delivery will be part of the review to achieve value for money. A series of recovery initiatives are in the process of implementation which will aid in the restoration to the retained reserves for SW9 CH. A surplus is on target for this financial year.

Trustees’ Responsibilities in Relation to the Financial Statements

The Charity Trustees (who are also the directors of SW9 Community Housing for the purposes of company law) are responsible for preparing a trustees’ annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Charity trustees to prepare financial statements for each year which give a true and fair view of the state and affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principals in the Charities SORP (FRS 102);
- 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 Charity will continue in business.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trustees’ Responsibility for Internal Control

The internal control function is carried out by the board and management of the Charity working in conjunction with the parent company, SNG. The Trustees of the charitable company have overall responsibility for ensuring the effectiveness of their internal control. The Trustees recognise that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of SNG’s assets and interests.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2024

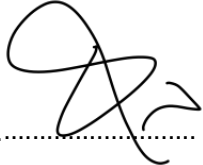
**Continued
Statement as the Disclosure to our Auditor**

In so far as the trustees are aware, at the time of approving our Trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware; and
- the Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Independent auditors

The report of the Trustees incorporating the strategic report was approved and authorised for issue by the Trustees on 09 July 2024 and were signed on its behalf by:



..... Dee Alapafuja, Chair

Signed on 8 Oct 2024, 9:32 PM BST



..... Paul Brett, Board Member; Chair of Finance Risk and Audit Committee

Signed on 10 Oct 2024, 9:30 AM BST

SW9 COMMUNITY HOUSING

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SW9 COMMUNITY HOUSING FOR THE YEAR ENDED 31 MARCH 2023

Continued

Opinion on the financial statements

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 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of SW9 Community Housing ("the Charitable Company") for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Statement of Financial Position 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

Conclusions related 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 Trustees are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other

SW9 COMMUNITY HOUSING

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SW9 COMMUNITY HOUSING FOR THE YEAR ENDED 31 MARCH 2023

Continued

Other information (continued)

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.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

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 misstatement in the Strategic report or 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company 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 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

SW9 COMMUNITY HOUSING

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SW9 COMMUNITY HOUSING FOR THE YEAR ENDED 31 MARCH 2023

Continued

Auditor's responsibilities for the audit of the financial statements (continued)

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the legal and regulatory frameworks and the sector in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding of the Charitable Company's policies and procedures regarding compliance with laws and regulations.

We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the financial reporting framework including but not limited to United Kingdom Generally Accepted Accounting Practice, the Charities Act 2011 and the Companies Act 2006 and tax legislation.

The Charitable Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be Data Protection Act 2018 and Bribery Act 2010.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- obtaining an understanding of the Charitable Company's policies and procedures relating to:
 - detecting and responding to the risks of fraud; and
 - internal controls established to mitigate risks related to fraud.
- review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and

SW9 COMMUNITY HOUSING

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SW9 COMMUNITY HOUSING FOR THE YEAR ENDED 31 MARCH 2023

Continued

Fraud (continued)

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be relating to management override of controls and improper income recognition.

Our procedures in respect of the above included:

- testing journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and income recognition.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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 by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC'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.

Laurence Elliott (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
Date:

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

SW9 COMMUNITY HOUSING**STATEMENT OF FINANCIAL ACTIVITIES**
(Including income and expenditure account)
For the year ended 31 March 2024

	Note	Total Funds 2024 £'000	Total Funds 2023 £'000
Income			
Income from charitable activities	2	11,519	10,948
Income from investing activities		1	1
Total Income		11,520	10,949
Expenditure			
Total expenditure on charitable activities	3	(12,506)	(10,873)
Net expenditure /income before taxation		(986)	76
Taxation	8	-	-
Net expenditure/income after taxation		(986)	76
<u>Reconciliation of funds</u>			
Total funds brought forward		1,422	1,346
Transfer to reserves			
Total funds carried forward		436	1,422

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure are derived from continuing activities.

For more information, please refer to the accounting policy on 'Fund accounting'.

SW9 COMMUNITY HOUSING

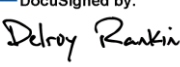
STATEMENT OF FINANCIAL ACTIVITIES
(Including income and expenditure account)
For the year ended 31 March 2024

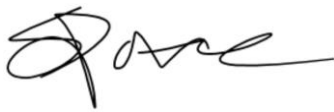
	Note	2024 £'000	2023 £'000
Tangible Fixed Assets			
Other fixed assets		7	-
Current assets			
Debtors	9	1,337	539
Cash and cash equivalents	10	1,414	1,970
		2,751	2,509
Creditors: amounts falling due within one year	11	(2,322)	(1,053)
Net current assets		429	1,456
Provisions for liabilities and charges	12	-	(34)
Total net assets		436	1,422
The funds of the charity:			
Unrestricted funds		436	1,422
Total reserves		436	1,422

Notes on pages 24 – 34 form part of the financial statements.

The financial statements on pages 22 to 34 were approved and authorised for issue by the Trustees on 09 July 2024 and were signed on its behalf by:

Delroy Rankin, Executive Director

DocuSigned by:

 2D1766F077F5433



Sarah Patrice, Secretary

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. Accounting policies

SW9 Community Housing is incorporated in England and is registered under the Companies Act 2006 and the Charity Act 2011. The Charitable Company's registered address is 6 Stockwell Park Walk, London, SW9 0FG, United Kingdom.

The intermediate parent undertaking is Sovereign Network Homes Limited, a company incorporated in England and registered with Homes England (registration no. L4825). Sovereign Network Group is the ultimate parent undertaking.

Sovereign Network Group consolidates the financial statements of all the Group undertakings at 31 March 2024. The consolidated financial statements of Sovereign Network Group are available from Sovereign House, Basing View, Basingstoke, RG21 4FA.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom applicable accounting standards, including, Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"), and 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 ('the SORP 2019'), and the Companies Act 2006.

The Charitable Company meets the definition of a public benefit entity under FRS 102 and the Charity commission guideline for England and Wales (section 7.1.5).

The Charitable Company's presentation currency is Great British Pounds. Amounts are presented in thousands unless stated otherwise.

Going concern

These financial statements are prepared on a going concern basis. The latter half of the financial year under review have shown periods of increased additional operational expenditure. A large chunk of these arose from:

- delay in the handover of new properties,
- imposition of warning notice that created additional costs including staffing
- significant refund to customers arising from legal advice.

Apart from ongoing balcony costs, the charity does not anticipate further significant costs of this nature in the next 12 months.

Income collection was adversely impacted in the first two months of the financial year. Weekly monitoring and reporting of income were introduced, with upwards weekly reporting to the Board. At the end of the year income collection produced favourable collection rates despite the challenges. Critically, our cash position has been negatively impacted by the challenges of this year and SW9 CH will be focusing on rebuilding this to a satisfactory level. The Charity has reviewed its risk register and has updated it to reflect the challenges and risks associated with the depletion of its reserves.

Despite the challenges of the last year, budget forecast for the next five years shows year on year surpluses. This will be driven by the reduction of significant additional cost incurred in previous year, stricter cost control and full income being received from the new Aytoun Road development. Trading subsequent to the years end date is in a surplus position and indicators remain positive. In light of these factors combined with a healthy cash position at the financial year end gives the trustees comfort that the Charity remains a going concern.

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

Cash flow is monitored and reported quarterly to the Finance Risk and Audit Committee. A recovery paper has been provided to the FRA committee detailing how the organisation will be rebuilding the retained reserves over a five year period.

The Board is of the opinion that the risks and uncertainties identified should not threaten the sustainability and viability of SW9 as a going concern. Therefore, it is not appropriate to modify the key assumptions and judgements while preparing the financial statements and a material uncertainty does not exist.

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2024

1. Accounting policies – continued

Cash flow statement

Sovereign Network Group produces a publicly available consolidated statement in which the Charitable Company's financial statements are included. It has therefore elected to apply the exemption from making disclosures in relation to cash flow statement in accordance with FRS 102.

Charitable activities

The Charitable Company aims to deliver high quality housing, support, estate and community services to residents and tenants living on the Stockwell Park Estate and surrounding street properties.

Income

Income is recognised when the Charitable Company has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably. Income represents rental and service charge income recognised on a receivable basis. Investment income from interest on money market deposits is recognised as earned. Turnover excludes value added tax where applicable.

Rents and service charges

Income from rents and service charges are recognised by the Charitable Company on a receivable basis.

Fund accounting

The Charitable Company's funds consist of unrestricted funds which are available to spend on activities that further any of its purposes. The Charitable Company has not reported any restricted funds, however there is a designated contingency reserve of £250k set aside to mitigate any uncertain future events.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accrual basis and has been classified under the headings that aggregate all costs related to the category.

Support Costs

Support costs comprise staff costs incurred in relation to the furtherance of the Charitable Company's objectives and the costs have been apportioned on the basis of head count.

Governance Costs

Governance costs relate to expenditure incurred in the governance of the Charitable Company's assets and compliance with constitutional and statutory requirements.

Defined contribution scheme

The Charitable Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Charitable Company pays fixed contributions into an independent separate entity that administers the funds. Once the contributions have been paid the Charitable Company has no further payment obligations. The contributions are recognised as an expense in the Statement of Financial Activities when they are due.

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2024

Value added tax (VAT)

The Charitable Company is part of Sovereign Network Homes Limited's VAT Group. Sovereign Network Homes is partially exempt in relation to VAT and accordingly is able to recover from HM Revenue and Customs part of the VAT incurred on expenditure. At the year-end VAT recoverable or payable is included in the Statement of Financial Position and irrecoverable VAT is accounted for in the Statement of Comprehensive Income within the relevant expense line of Sovereign Network Homes Limited.

Taxation

The Charitable Company has charitable status and thereby is exempt from tax on its charitable activities.

Debtors

Trade debtors are recognised at the settlement amount due on 31 March 2024. Prepayments are valued at the amount prepaid.

Related parties

The Charitable Company discloses transactions with related parties which are not wholly owned within the same Group. The Charitable Company does not disclose transactions with members of the same Group that are wholly owned as allowed by FRS 102 paragraph 33.1A.

Financial Instruments

Financial asset represents financial resources available to the Charitable Company and these comprise cash at bank and in hand, trade debtors and other debtors. A financial liability is a financial claim on the Charitable Company's resources and comprises creditors, accruals and amount to parent undertaking.

The Charitable Company's financial instruments are all categorised as basic and are initially recognised at the amount receivable or payable including any related transaction costs and subsequently measured at the cash or other consideration expected to be paid or received.

There are no significant estimates and judgements for the period.

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued**

For the year ended 31 March 2024

2. Income from charitable activities

	Total Funds 2024 £'000	Total Funds 2023 £'000
Rental Income		
Rented accommodation	5,568	5,133
Sheltered accommodation	377	412
Leasehold accommodation	<u>1,173</u>	<u>1,374</u>
	<u>7,118</u>	<u>6,919</u>
Service Charges Receivable		
Rented accommodation	2,059	1,579
Sheltered accommodation	190	85
Leasehold accommodation	<u>1,347</u>	<u>1,634</u>
	<u>3,596</u>	<u>3,298</u>
Other social housing activities:		
Other Income	605	455
	<u>11,319</u>	<u>10,672</u>
Total social housing lettings		
	<u>11,319</u>	<u>10,672</u>
Non-social housing activities:		
Other income	200	276
	<u>11,519</u>	<u>10,948</u>
Total Income from charitable activities	<u>11,519</u>	<u>10,948</u>

Income from investing activities is disclosed separately in the Statement of Financial Activities and relates to interest on money market deposit.

All income in the current year and prior year relates to unrestricted funds.

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued**

For the year ended 31 March 2024

3. Expenditure on charitable activities

2024	Management	Repairs	Services	Total
	£'000	£'000	£'000	£'000
Staff costs	999	280	201	1,480
Governance	136	-	-	136
Support	224	41	29	294
Recruitment	44	18	-	62
Training	50	8	8	66
Community engagement	-	-	72	72
Office costs	65	11	11	87
Management charge	3,883	-	-	3,883
Property maintenance	-	1,816	-	1,816
Provision of service to residents	-	-	2,739	2,739
Other operational costs	1,870	-	-	1,870
	7,271	2,174	3,060	12,505

2023	Management	Repairs	Services	Total
	£'000	£'000	£'000	£'000
Staff costs	804	190	189	1,183
Governance	51	-	-	51
Support	199	38	32	269
Recruitment	60	15	-	75
Training	39	7	7	53
Community engagement	-	-	54	54
Office costs	43	7	7	57
Management charge	3,492	-	-	3,492
Property maintenance	-	1,476	-	1,476
Provision of service to residents	-	-	2,565	2,565
Other operational costs	1,598	-	-	1,598
	6,286	1,733	2,854	10,873

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2024

Expenditures mainly relate to the provision of services to residents, property maintenance and fees payable to the parent company. Management charge of £3,788k (2023: £3,492k) relates to surplus rent payable to the parent company as detailed in the management agreement. This amount is calculated as 47% of the total rents and other rents receivable for the year less rent and service charge void losses.

All expenditure in the current and prior year relates to unrestricted funds.

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2024****4. Analysis of support and governance costs**

	Support 2024 £'000	Governance 2024 £'000	Support 2023 £'000	Governance 2023 £'000
Finance	226	-	195	-
Human resources	68	-	74	-
Consultancy	-	122	-	43
Audit fees	-	14	-	8
Recruitment	-	-	-	-
	294	136	269	51

Finance support cost allocation is based on head count and all other support cost is apportioned based on actual costs.

5. Employee information

The monthly average number of persons employed during the year, including the Executive Officer, is based on an assumption that a full-time equivalent employee (FTE) works 35 hours and includes employees on both permanent and fixed term contracts:

	2004		2003	
	FTE	Head Count	FTE	Head Count
Office staff	42	66	50	62
Scheme-based staff	2	2	2	2
	44	68	52	64

Staff costs for the above employees were:

	2024 £'000	2023 £'000
Wages and salaries	2,035	1,677
Social security costs	194	165
Pensions costs	99	78
	2,328	1,920

The staff of the Charitable Company participates in the defined contribution scheme run by the Social Housing Pension Scheme. Pension costs are employer's cost payable to the Pension Trust.

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2024****5. Employee Information (continued)**

The number of staff receiving remuneration in excess of £60,000 per annum at 31 March 2024 is as follows:

	2024	2023
£60,000 - £69,999	1	-
£70,000 - £79,999	2	-
£80,000 - £89,999	-	1
£100,000 - £109,000	1	1
£120,000 - £129,999	1	1

6. Directors' emoluments

The Directors are defined as members of the Trustees and the Executive Officers. The Trustees of the Charitable Company did not receive any remuneration in the year and there was no reimbursement of expenses.

Day-to-day management of the Charitable Company is delegated to the Senior Leadership team which is comprised of the following:

- Delroy Rankin, Executive Director
- Orane Lewis, Director of Finance and Resources
- Dipak Patel, Head of Corporate Services
- Felicity Dunmall, Head of Housing & Estates

Remuneration of key management personnel

	2024	2023
	£'000	£'000
Aggregate emoluments payable to Senior Leadership Team	386	342
Pension contributions payable to Senior Leadership Team	25	20
Total emoluments	411	362

Senior Leadership Team members are ordinary members of the defined contribution Social Housing Pension Scheme on the same basis as that available to all staff. The Charitable Company did not make any contribution to any individual pension arrangements on their behalf. The notice period for termination of their contracts is three months. No pension contributions were made on behalf of any non-executive Director.

7. Net expenditure/ income before tax

	2024	2023
	£'000	£'000
Net expenditure/income before taxation after charging:		
Fees for the audit of the Company's financial statements	14	10

Audit fees are reviewed on an annual basis.

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2024****8. Taxation**

The Charitable Company is a charity for tax purposes and is therefore not subject to corporation tax on its charitable activities. There was no non-charitable income in the year.

9. Debtors: amounts falling due within one year

All debts are due within one year.

	2024	2023
	£'000	£'000
Rent and service charges	1,344	375
Less: provision for bad and doubtful debts	<u>(178)</u>	<u>(149)</u>
	1,166	226
Other debtors	108	310
Trade debtors	<u>63</u>	<u>3</u>
	<u>1,337</u>	<u>539</u>

10. Cash at bank and in hand

	2024	2023
	£'000	£'000
Cash at bank and in hand	<u>1,414</u>	<u>1,970</u>

11. Creditors falling due within one year

	2024	2023
	£'000	£'000
Client accounts		
Service charge and client funds	49	49
Trade creditors	482	109
Rent and service charges received in advance	731	216
Owed to Group undertakings	42	487
Other creditors	66	56
Accruals	<u>952</u>	<u>136</u>
	<u>2,322</u>	<u>1,053</u>

Amounts owed to Group undertakings are payable on a quarterly basis based on the management agreements.

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2024****12. Provisions for Liabilities and Charges**

	2024	2023
	£'000	£'000
Provisions for Liabilities and Charges	-	34

13. Parent undertaking and ultimate parent undertaking

The immediate parent is Sovereign Network Homes Limited, a company incorporated in England and registered with the Homes England (registration no. L4825). The ultimate parent undertaking and controlling party is Sovereign Network Group.

Sovereign Network Group consolidates the financial statements of all the Group undertakings at 31 March 2024. The consolidated financial statements of Sovereign Network Group are available from Sovereign House, Basing View, Basingstoke, RG21 4FA.

14. Related parties

FRS102 allows the exemption to not disclose transactions relating to entities that form part of the group headed by SNG. At 31 March 2024, the total rent and service charge the Charitable Company received from tenant Trustees members' amount to £45,813 (2023: £36,304). The tenant Trustee members all of whom have paid rents and service charge to the Charitable Company at arm's length had £4,990 as balance at the year end. They are listed below as follows:

- Mr. Dee Alapafuja
- Mr. Steven Warren
- Mr. Adebayo Ajibade
- Mr. Olu Ajisebutu
- Mr. Paul Brett
- Dr Daniel Cromb
- Kieran Godwin
- Mr. James Pollard

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2024****15. Other directorships**

Trustees had the following external directorships, not including directorships of subsidiaries Sovereign Network Group. There were no transactions with any of the entities listed below.

Trustees Member	Other entities	Position
Paul Brett	Pontos Subsea Limited	Director & Employee
Tazeem Abbas	Caldew School Crosskit Limited The Tranquil Otter Limited The Tranquil Otter Investments Limited	Director Director Secretary Director



BDO UK LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

SW9 Community Housing
6 Stockwell Park Walk
London, SW9 0FG

www.sw9.org.uk 
info@sw9.org.uk 
0207 326 3700 

Dear Madams/Sirs

Financial Statements of SW9 Community Housing for the year ended 31 March 2024

We confirm that the following representations given to you in connection with your audit of the Charitable Company's financial statements (the "financial statements") for the year ended 31 March 2024 are made to the best of our knowledge and belief, and after having made appropriate enquiries of other directors and officials of the Charitable Company.

We have fulfilled our responsibilities as directors for the preparation and presentation of the financial statements as set out in the terms of the audit engagement letter, and in particular that the financial statements give a true and fair view of the financial position of the Charitable Company as at 31 March 2024 and of the results of the Charitable Company's operations and cash flows for the year then ended in accordance with applicable financial reporting framework and for making accurate representations to you.

We have provided you with unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence. In addition, all the accounting records of the Charitable Company have been made available to you for the purpose of your audit and all the transactions undertaken by the Charitable Company have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all meetings of management and non-executives have been made available to you.

Going concern

We have made an assessment of the Charitable Company's ability to continue as a going concern for a period being at least twelve months from the date on which the financial statements were approved for release. The board reviewed and approved the associated forecasts and financial statements disclosures at its meeting on Tuesday, 9th July 2024.

As a result of our assessment we consider that the Charitable Company is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis.

We have evaluated the suitability and feasibility of our future plans as disclosed in the financial statements, Note 1, and we confirm that nothing has come to our attention which may hinder the suitability or feasibility of our future plans.

In making our assessment we did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on the Company's ability to continue as a going concern.

Laws and regulations

In relation to those laws and regulations which provide the legal framework within which our business is conducted and which are central to our ability to conduct our business, we have disclosed to you all instances of possible non-compliance of which we are aware and all actual or contingent consequences arising from such instances of non-compliance.

Post balance sheet events

There have been no events since the balance sheet date which either require changes to be made to the figures included in the financial statements or to be disclosed by way of a note. Should any material events of this type occur, we will advise you accordingly.

Fraud and error

We are responsible for adopting sound accounting policies, designing, implementing and maintaining internal control, to, among other things, help assure the preparation of the financial statements in conformity with generally accepted accounting principles and preventing and detecting fraud and error.

We have considered the risk that the financial statements may be materially misstated due to fraud and have made the results of our assessment available to you.

To the best of our knowledge we are not aware of any fraud or suspected fraud involving management or employees. Additionally, we are not aware of any fraud or suspected fraud involving any other party that could materially affect the financial statements.

To the best of our knowledge we are not aware of any allegations of fraud or suspected fraud affecting the financial statements that have been communicated by employees, former employees, analysts, regulators or any other party.

Misstatements

You have not advised us of any unadjusted misstatements in the financial statements or other information in the annual report.

Related party transactions

We have disclosed to you the identity of all related parties and all the related party relationships and transactions of which we are aware. We have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable accounting framework.

To the best of our knowledge there are no undisclosed side agreements in any of the related party transactions of the entity.

Other than disclosed in note 14 to the financial statements, there were no loans, transactions or arrangements between the Charitable Company and the Charitable Company's directors and their connected persons at any time in the year which were required to be disclosed.

The disclosures in the financial statements concerning the controlling party of the Charitable Company are accurate.

Taxation

We confirm that we have complied with all relevant tax laws and regulations in respect of all jurisdictions that we operate in.

Carrying value and classification of assets and liabilities

We have no plans or intentions that may materially affect the carrying value or classification of assets or liabilities reflected in the financial statements.

Accounting estimates

We confirm that the methods, significant assumptions and the data used in making the accounting estimates and the related disclosures are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.

The Charitable Company has satisfactory title to all assets, and there are no liens or encumbrances on the assets except for those disclosed in the financial statements.

Litigation and claims

We have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements and these have been disclosed in accordance with the requirements of accounting standards.

We have disclosed to you all known contingencies and guarantees whose effect should be considered when preparing the financial statements and these have been disclosed and accounted for and disclosed in accordance with the requirements of accounting standards.

Serious incident reports

We confirm that no serious incident reports have been made to the Charity Commission during the period or since the end of the period.

Charity income

All grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions during the period in the application of such income.

Other Information

We have informed you of all of the documents that we expect to issue that may comprise other information. The financial statements and any other information obtained by you prior to the date of the auditor's report are consistent with one another, and the other information does not contain any material misstatements.

Confirmation

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

We confirm that the financial statements are free of material misstatements, including omissions.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

A handwritten signature in black ink, consisting of a large, stylized loop followed by a few smaller strokes.

(Signed on behalf of the board of directors)

Date:

Signed on 8 Oct 2024, 9:34 PM BST

SW9 COMMUNITY HOUSING

England & Wales - Charity number 1170586

Accounts

SW9 COMMUNITY HOUSING
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(Charity No. 1170586)
(Company No. 09574528)

SW9 COMMUNITY HOUSING

FINANCIAL STATEMENTS

For the year ended 31 March 2023

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SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2023

THE TRUSTEES, EXECUTIVE OFFICER, AND ADVISORS

The members of SW9 Community Housing are its Trustees for the purpose of charity law. The Trustees, executive officer, and advisors who were in office during the year and up to the date of signing the financial statements were:

Trustees	Dee Alapafuja Adebayo Ajibade Andrew Sternberg Benjamin Peart (resigned 11 May 2022) Colin Faulkner (resigned 7 September 2022) Daniel Cromb Daniel Garza James Andrew Bryan (Cllr.) (appointed 30 May 2023) James Knoll-Pollard (appointed 24 May 2022) Kieran Godwin Olukayode Ajisebutu Paul Brett Steven Warren Tazeem Abbas
Secretary	Sarah Patrice
Executive Officer	Delroy Rankin
Registered office	6 Stockwell Park Walk London SW9 0FG
Independent auditor	BDO LLP Chartered Accountants and Statutory Auditors 55 Baker Street London W1U 7EU
Solicitors	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES
Bankers	HSBC West End Business Banking Centre, 16 King Street Covent Garden, London WC2E 8JF
Registrations	Company No. 09574528 Charity No. 1170586

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2023

Continued

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2023

The Trustees are pleased to present their annual Directors' report together with the financial statements of the Charity for the year ending 31 March 2023 which are also prepared to meet the requirements for a Directors' Report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act "2006", the Memorandum and Articles of Association, 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).

Chair's Report

Over the past financial year, we find ourselves in a world still healing from the pandemic, grappling with economic recovery, the rapid evolution of work, and persistent challenges around the cost of living. These developments form the backdrop of SW9 Community Housing's ['SW9'] activities, as we continue to focus on delivering the services needed by our residents.

I would like to extend my gratitude to our residents - tenants, leaseholders, and the wider community - for their resilience and adaptability. Your active involvement and commitment to our community, despite the ongoing challenges, have been truly inspiring. For those who have recently joined us, I warmly welcome you to our thriving community in Stockwell and Brixton.

Our commitment to engagement and communication with residents has been deepened this year. Our RISE programme has continued to evolve, providing more diverse and accessible ways for residents to participate in community activities, even amidst the lingering economic constraints affecting all of us.

In March of this year, we commemorated International Women's Day through our exhibition and video showcase. For this year's theme, Embrace Equity, SW9 Community Engagement colleagues showcased several global female sporting stars. For Easter, our popular Easter Egg Hunt for our younger residents and their families, and the Easter Hampers deliveries to 100 of our most vulnerable residents, took place. These events often lead to a fun and engaging way to interact with our community.

For Eid Mubarak, we invited the local Imam from Brixton Mosque to give an overview on the cultural and spiritual meaning behind the celebration, along with an enjoyable buffet and various craft activities for residents and staff to participate in. And finally, this year we witnessed the proactive involvement of the JESSUP Committee Group, a group of residents who organise and promote their own engagement initiatives. Among these efforts is the forthcoming Tabletop Sale, scheduled for early July; an event that is eagerly anticipated by residents and staff alike. These activities and more, underscore our ongoing commitment to fostering a vibrant, inclusive, and engaged community at SW9.

As a Charity, we strive to provide opportunities for personal development, equipping residents with tools and experiences to shape their futures and those of their families. It brings me immense pride to note that most of these services were offered for free, testifying to our commitment to accessibility and inclusivity.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2023

Continued

Chair's Report (continued)

A special note of thanks goes to Network Homes. Their expertise and unwavering support have been instrumental in the ongoing regeneration of the Stockwell Park Estate, making it a sought-after residential location.

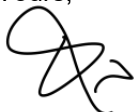
The adaptation of SW9's operations has been remarkable during these unusual times. We have welcomed new talented colleagues, who have enabled us to maintain our services and support to the vulnerable members of our community. We recognise the profound effects from the economic downturn and will continue our efforts to help our residents navigate these challenges.

Residents may be aware of the merger announcement between Network Homes (our parent organisation) and Sovereign Housing Association. This is potentially a significant change and both merger partners have provided assurances and clarity as to SW9's continued position within the larger group and the potential positive impact on resident services.

In conclusion, I wish to express my appreciation to my fellow trustees, particularly the newcomers, and the management and staff of SW9, for their tireless efforts and dedication. For more information on our local initiatives, please visit www.sw9.org.uk or contact us at 0207 326 3700.

To our residents, I reiterate that your well-being and development remain our top priority. Thank you for being an integral part of SW9 Community Housing.

Yours,



Dee Alapafuja
Chair, SW9 Community Housing

Signed on 14 Sep 2023, 9:37 PM BST

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2023

Continued

Our purpose and activities

The purposes of the Charity are:

- deliver high quality housing, repairs, and support services;
- work in partnership with our parent organisation, Network Homes Limited, in the delivery of the physical regeneration of Stockwell Park and surrounding street properties;
- demonstrate high standards of governance, promoting the benefits of tenant management; and
- further the sustainability and diversity of the community.

SW9 Community Housing ("the charitable company" / "the Charity") remains dedicated to its primary function of delivering property management and maintenance services on behalf of Network Homes Limited, the Landlord. This is achieved through a steadfast 25-year Management Agreement, which stipulates that we consistently strive to provide top-tier housing, support, and repairs services for the residents of Stockwell Park and its surrounding areas - the beneficiaries within our Area of Benefit.

As per the terms of the Management Agreement, the charitable company holds a fraction of the annual rental income from tenants residing in our managed properties. These accommodation units are catered towards individuals with low to moderate incomes, who are in need of housing. The range of properties managed by the charitable company varies widely, spanning from single person residences to larger family homes. We also oversee the operation of specialist accommodation designed for those in need of additional support or personal care. Moreover, our efforts in community development and engagement are steadfast, to guarantee that Stockwell Park continues to thrive as a multicultural and sustainable community.

We extend our services to tenants who have purchased long leases for their homes, whether through shared ownership or outright market value purchase.

As of the last count, the charitable company manages 1,718 homes. The breakdown is as follows: 900 are general needs homes, 630 are leasehold homes, 65 are shared ownership properties, 48 are supported housing, 40 are classified as older persons' housing, and 35 are affordable rent. These numbers are anticipated to grow in the 2023-24 fiscal year as Network Homes Limited, a Registered Provider with Homes England and the parent company of the charitable company, continues to construct new homes within Stockwell Park.

Our ongoing vision is guided by the principles of tenant management, local control, and accountability. We remain committed to enabling tenants and residents to actively influence the services we provide through our Trustee board, residents' forums, and community development groups.

One of the charitable company's core philanthropic goals is to enhance the quality of life for tenants of the Stockwell Park Estate and surrounding street properties. We achieve this by providing enriching, stimulating, and accessible activities, in addition to employment and welfare advice by referring tenants to stakeholder partners.

We are determined to motivate every member of our community to partake in various activities and attend community events held throughout the year, regardless of their tenure type. These activities are either free or heavily subsidised to guarantee their affordability and availability to all members of our community.

Our charitable company continues to strengthen its relationships with other local organisations that provide supplementary services to the residents of Stockwell Park and the surrounding street properties. We acknowledge and appreciate the significant contributions these organisations make towards advancing our aims and objectives, especially for our most vulnerable residents.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2023

Continued

Volunteers

The dedication and commitment demonstrated by the members of the Board of Directors and Committees in the year ending 31 March 2023 has been exceptional. They did not receive any compensation for their valuable work for the charitable company. Their altruism and dedication have been pivotal in the accomplishment of our mission and strategic goals.

Moreover, the charitable company is incredibly grateful for the support of numerous residents and friends who have volunteered their time and energy to aid in various projects and community activities. Their contributions ranged from assisting with specific initiatives to helping pack food parcels and hampers for our most vulnerable residents.

The selflessness and community spirit demonstrated by these volunteers are not just integral to our operations; they embody the core values of our charitable company. They stand as a testament to the strength and unity of our community. These individuals have been instrumental in fostering an inclusive, supportive environment that benefits all residents of Stockwell Park and surrounding street properties.

We extend our heartfelt appreciation to all these dedicated volunteers. Their continued support has been invaluable in the face of the year's challenges and has played an essential role in ensuring the successful execution of our mission and strategic objectives. We look forward to nurturing these relationships and welcoming new volunteers in the year to come.

Achievement and Performance

The charitable company provided a variety of related services to 1,718 homes. The number of homes according to tenure type is shown below:

General needs:	900
Leaseholders:	630
Shared Ownership:	65
Supported Housing:	48
Older Persons' Housing:	40
Affordable Rent:	35

Despite the persistent effects of the pandemic on the general economy and the continued increase in Universal Credit claimants, we have managed to maintain a healthy financial state. Net rental income as a percentage of rents increased to 98.6% for the fiscal year ending on 31 March 2023. To support those facing financial challenges, the charitable company provided aid to 104 residents, and had 1 eviction due to non-payment of rent. The percentage of tenants in arrears was 31%.

Our primary focus continues to be the provision of high-quality housing services and robust community engagement and development. Customer satisfaction remains our paramount priority. During the fiscal year ending 31 March 2023, we reported a satisfaction figure of 70% and we are hoping to improve this in the coming year.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2023

Continued

Achievement and Performance (continued)

Performance in other areas continued to improve for the period ending 31 March 2023. The number of days taken to re-let a property decreased to 41 days, an improvement on the previous year's figure of 53.9 days.

Expenditure, especially on repairs and maintenance, the largest single budget item, is meticulously monitored. Towards the end of the year under review, the Charity negotiated an 11-month contract with KNK Group Limited as SW9's principal contractor for the provision of responsive repair services. This is an interim arrangement to allow a full procurement exercise to take place for the substantive appointment of a main contractor for responsive repairs.

The social housing sector's emphasis on Health and Safety compliance remains more crucial than ever, particularly regarding building and fire safety. The charitable company has continued to work alongside Network Homes Limited (the landlord) to improve fire safety measures at a number of the residential buildings under its management. Recladding works continued to take place with Robsart Street having started during the year and still in progress at this time. The cost of these works will be paid for by Central Government. 100% of the properties under management have a valid Fire Risk Assessment.

Community Engagement

SW9's RISE programme of engagement opportunities continued to offer residents a myriad of ways of getting involved. These include:

- Resident improvement panel
- Street and block champions
- Accredited training
- Employment and education programme and grants
- Family activities
- Art exhibitions
- Various resident's meetings e.g. meet and greets, street properties
- Eat well and digital inclusion scheme
- Homework club
- Easter and Christmas hamper project
- Weekly lunches at our older person scheme
- Collaborate working with resident panels

Throughout the year ending 31 March 2023, 84 opportunities of engagement were made available to residents. In total, 2,534 residents got involved with the Charity. Online training was introduced towards the end of 2022 and saw 32 residents sign up to various training opportunities. The new year period seems to be when interest in training spikes.

A new committee group was developed during this year, called JESSUP. This group has already contributed to a number of activities such as the hamper projects for Christmas and have big plans for the following year.

- The SW9 Improvement Panel has also been engaging with the Estate Services team in assisting with procurement of SW9's grounds maintenance and window cleaning contract.

SW9 COMMUNITY HOUSING

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Next year we plan to introduce monthly block meetings giving residents an opportunity to discuss key issues with SW9 that affect them directly.

Financial Review

The main source of income reported by the charitable company for the year ending 31 March 2023 on its charitable activities was £10,948k (2022: £9,466k).

Total expenditure in the year was £10,873k (2022: £9,264k), of which £1,228k was charged to the Statement of Financial Activities under major repairs and routine maintenance.

The second highest area of expenditure for the charitable company is Employee Costs. Employees are key to the ongoing success of the business and therefore the Trustees will continue to approve expenditure for investment in staff development. Employee costs account for 13% of expenditure.

The charitable company recorded a surplus of £76k during the year, which was 62% lower than the previous year (2022: £202k). There have been increases in management costs as well as service costs in the year.

The charitable company is financed using its positive cash flow and retained reserves, which are not distributable. The charitable company has no loan facilities from banks or other lending institutions. The trustees consider the charitable company has the capacity to continue to operate without requiring external finance.

The trustees are committed to ensuring the future financial stability of the charitable company and continually review the financial position and consider any changes required.

The charitable company receives no other income apart from its charitable activities, and therefore costs must be met as part of the charitable company's rental income.

The charitable company endeavours to put value for money at the heart of everything it does by being prudent in its allocation of funds and creating the environment where management and staff remain cost conscious. The charitable company strives to get the balance right between costs, performance, and quality, this is particularly important at this time when the social housing sector is consolidating and cost cutting.

The framework adopted by the charitable company includes:

- driving down costs;
- improving our services;
- cutting waste; and
- increasing customer satisfaction.

Economic and operating environment

Some of the risks cited in previous years began to crystallise during the year 2022-23. The UK has weathered a series of profound and ongoing macroeconomic events, including the repercussions of Brexit, the Covid-19 pandemic, and the after-effects of Russia's incursion into Ukraine. These have created an

SW9 COMMUNITY HOUSING

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Continued

Economic and operating environment (continued)

incredibly unpredictable operating climate for the housing sector. Elevated inflation rates, a strained labour market, and the lingering effects on supply chains have escalated operating costs for housing management service providers. Simultaneously, there has been a surge in borrowing costs due to a significant increase in central bank interest rates. Alongside this, the revenue sources for service providers are confronting heightened uncertainty, attributed to substantial challenges in the housing market and governmental considerations to cap increases in social housing rents. The potential for additional unanticipated disturbances cannot be ruled out.

Persistently High Inflation and recession risk

During a Bank of England press conference in May 2023, Governor Andrew Bailey addressed concerns regarding the bank's handling of inflation and interest rate increases, acknowledging the large shocks hitting the UK and global economy, including the war in Ukraine and its effect on energy and food prices. The UK and global economies have been hit by *two* once-in-a-century shocks in rapid succession – the pandemic and a major European war – which have significantly impacted prices due to the time it was taking for the shock to work through the system [[Monetary Policy Report - May 2023 | Bank of England](#)].

The topic of the effectiveness of monetary policy in taming inflation was also discussed. The bank argued that it had to adapt its view of the impact of base rate increases to the current state of the mortgage market and that it was aware of the impact of inflation on households, particularly those with mortgages, and stressed that tackling inflation was crucial as it would otherwise be even worse for people.

The Bank of England Governor also addressed the struggles of those least well off in the current inflationary environment, acknowledging the burden placed on individuals due to rising costs of essential goods like food and energy. He expressed sensitivity towards these households, emphasising the need to deal with the substantial hit to national income caused by external shocks.

The set of economic circumstances described will likely have several effects on both social housing tenants and the private leasehold sector.

Impact on Social Housing Residents

SW9 experienced a continued increase in general costs during the year under review with rising inflation increasing the costs of materials for repairs and maintenance. The Charity is acutely aware of residents' expectations for excellent services and for this reason SW9 has been resolute to ensure that refurbishment activity should not be reduced, and where necessary and justified, representations were made to Network Homes as the landlord and parent organisation, for additional capital funding.

SW9's tenants, like all tenants in social housing, have affordability issues with many residents finding themselves in-work but unable to meet their outgoings. Often those least well off, are disproportionately affected by the rising costs of food, energy, and other essentials, potentially leading to an increase in rent arrears and evictions.

The same economic uncertainty and hardship adds further pressure on the demand for social housing as more people find themselves unable to afford private rentals or homeownership.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2023

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Private Leaseholders

A significant proportion of SW9's property under management is privately leased and these residents will have been affected by rising service charges. Higher inflation has led to increased service charges as the cost of maintaining buildings has increased. Without doubt, this has led to affordability issues for leaseholders.

Financial strain on leaseholders, particularly those with variable-rate mortgages, has made it more difficult for these residents to meet their housing costs.

There are the secondary 'knock-on' effects of a slowing housing market, if the costs associated with homeownership become unaffordable for many. This could slow down the housing market, reducing property sales and potentially affecting house prices.

Overall, both type of residents, social housing tenants and private leaseholders, continue to face significant challenges in this economic climate. Policymakers and housing providers are considering how to support both tenants and leaseholders, particularly those most vulnerable to financial shocks.

SW9's Income Team has been busy throughout this period supporting residents in a myriad of ways, including: providing advice and support to residents that are struggling financially, liaising with universal credit and housing benefit on behalf of residents, making universal credit, housing benefit, discretionary housing payment, and hardship fund applications. The team assists residents with income and expenditure calculations to enable residents to better manage their personal finances. The Income Team also signpost residents to food bank referrals, SW9 food bag provisioning, and other supporting agencies such as turn2us, Money Helpers, Centre-70, Money Matters, Every Pound Counts, Household Support Scheme, Water Help Scheme, as well as the Citizen Advice Bureau.

Investment Powers and Policy

The Trustees, having regard to the liquidity requirements of the charitable company, have kept available funds in a money market interest-bearing account. Due to historic low interest rates the monies on deposit achieved an average of 0.5% interest against a Consumer Price Index of 1.9% for the year.

Reserve Policy

The reserves of the charitable company are unrestricted funds as shown on page 26. The total funds held by the charitable company at the end of the year are £1,422k, which are available for general charitable use.

The charitable company policy is to maintain reserves equivalent to three months operating costs. Average monthly operating costs are £503k; therefore, the reserves retained will be set at £1,510k.

When surpluses exceed £1,510k, the trustees will decide how much of the excess can be used for community benefit projects. Apart from effective management of the major contracts of the business, the reserves will be increased as a result of the additional units of stock. The risks associated with the level of reserves will be managed by the production and scrutiny of financial information and ensuring that robust processes and controls are adhered to.

The trustees will review the Reserves Policy on an annual basis.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2023

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Plans for the Future Period

The trustees of the charitable company are committed to provide a first class, resident-led housing repairs service, and support services to the residents of the Stockwell Park Estate and surrounding street properties. There are several key business priorities the trustees and management consider as important for 2023-24. They include:

- **Potential Merger of our parent organisation, Network Homes and Sovereign Housing Association**

With roots firmly entrenched in community resident-led housing, and with aims and objectives clearly defined, the Charity must consistently demonstrate the value of locally delivered services which are accountable to the service users. With the recent announcement of a potential merger between our parent, Network Homes and Sovereign Housing Association which will create an amalgamated organisation with over 82,000 homes spread across the South of England, the Charity is in a unique position to demonstrate to the new parent organisation the importance of such entities like SW9 Community Housing. If the merger proceeds, the effect on SW9 will be minimal. There is a legally binding agreement, which will remain in place until 2041.

- **Service Improvement**

With the £210-million regeneration of the estate and street properties close to completion, the trustees and management now place the highest priority on transitioning the customer experience. The challenge for the Charity is to ensure its working practices are fit for the present and adaptable for the future. Resident satisfaction ratings are beginning to show the return on investment made by the Charity in the development and implementation of its Service Improvement Plan together with the increase in staff resources in key areas within the business. The Charity recognises it still has some way to go to achieve top quartile performance it previously attained prior to the pandemic across the business streams, however it does remain committed to the continued transformation of the business by embedding recent service improvements, increasing agile working arrangements to attract the brightest and best people together with the further innovative technology systems to maximise productivity, improve efficiency, and deliver great outcomes for residents.

- **Options Review Agreement**

The Options Review Agreement is a legally binding agreement signed in 2016 between SW9 and Network Homes. It is an agreed process that establishes whether SW9 could become a viable stand-alone registered housing provider. The review required a stock valuation to be undertaken to establish the Red Book (EUV-SH) price of a stock based on a willing buyer and willing seller. The Trustees of the Charity have received the valuation report and will make a decision on the independence option in due course following consultation with the residents living within the area of benefit.

If Trustees decide it is not a viable proposition to seek independence, the current arrangements will remain undisturbed whereby Network Homes remains as landlord and SW9 remain as the managing agent, and the Management Agreement will continue.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2023

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- **Procurement of a new repairs contractor and the introduction of a property maintenance platform**

The Charity's decision to procure a new long-term responsive repairs contractor as part of its Service Improvement strategic plan and Value for Money initiative will commence in 2023. The Charity will also join a leading property software maintenance platform that provides solutions and makes it easier for landlord and managing agents to find reliable trade services and the management of property repairs and maintenance. The Charity will also explore if establishing a small directly employed repairs and maintenance team could deliver both sustained value for money and on-going incremental levels of customer satisfaction.

Good Governance and Strong Leadership

The Charity recognises the vital importance of strong and visionary leadership from Board and senior management. The culture of the organisation is set by the leadership and the Charity will continue to invest in developing the leadership capacity of the Board, and Executive Management team. Within the next 18-months 65% of the existing trustees will step down having completed their 9-year terms. The focus on succession planning has already begun and the success of the Charity's objectives over the coming years will partly depend on the success in attracting and training our future Trustees, with a commitment to ensure that the composition of the Board of Trustees reflects the diversity of the community it serves.

- **Review the Charity's costs and greater drive to deliver increased value**

The Charity will continue to promote its Value for Money [VfM] strategy and ensure it is consistently understood across the organisation. In addition to examining cost-reduction, the organisation will adopt a strategic ambition to set the bar high and explore all possibilities, rather than settling for marginal gains. The Charity will examine those costs that have seemed too difficult to tackle, such as property management, establishment inefficiencies, and complex legacy operations. Being creative means looking beyond what has always been done and asking 'Why?' and 'What?' are the alternatives.

Principal Risks and Uncertainties

The Trustees have considered the principal risks and uncertainties facing the charitable company. The main financial impact of risk is of an unforeseen fall in income or increase in expenditure. The fall in income arises as a direct consequence of a probable increase in rent arrears resulting from rising inflation and rising costs of living, the expected economic downturn (or recession) causing some residents to claim Universal Credit. Additional expenditure due to budget overruns or unplanned events are also liable to occur.

The Trustees have also considered non-financial risks including building health and safety compliance, which is deemed paramount, and any potential breach is a principal risk. The Charity's Risk Register is reviewed by all trustees twice per year and considered by the relevant committee four times per year.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2023

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Structure, Governance and Management

The charitable company was set up following the decision by Network Housing Group and its social landlord entities to amalgamate into one single social landlord, Network Homes Limited. The charitable company is a resident-led, locally managed, non-asset holding entity that provides a range of property management and maintenance services on behalf of Network Homes Limited following the stock transfer from the London Borough of Lambeth in March 2007.

The charitable company was incorporated on 5 May 2015 under the name of Stockwell and Brixton LMO. Stockwell and Brixton LMO changed its name to SW9 Community Housing on 15 August 2015. On 29 March 2016 Network Homes Limited paid £5,193 to the charitable company as initial funding. The charitable company became active from 1 April 2016. The charitable company is limited by guarantee and governed by its Memorandum and Articles of Association dated 28 March 2016.

Appointment of Trustees

The Trustees, as set out on page 1, comprise of non-executive board members and are responsible for managing the affairs of the charitable company. The board of Trustees is usually composed of:

- 10 residents (5 leaseholders & 5 tenants);
- 2 independent individuals appointed for their skills, knowledge and/or experience; and
- 1 local authority appointee.

The appointment of residents as Trustees and Company Members is via an open and democratic election process. These positions are publicised, and applications received and considered by the current members of the Trustees group of the charitable company. If there are more eligible tenant nominations than vacancies arising, an election process is held in accordance with the Articles. The Trustees make recommendations to the Board of Network Homes Limited for approval of those individuals to the SW9 Board. The appointments of the two 'independent' trustees are agreed by the Trustees themselves, while the local authority representative is appointed by the London Borough of Lambeth.

Procedures are in place to identify and recruit suitably skilled trustees to provide strength, balance, and diversity of thought to the board of the charitable company. Areas of expertise considered include social housing, finance, legal, marketing and communications, community engagement, procurement, and development.

Whilst resident Trustees do occupy properties within the Area of Benefit (Stockwell Park and surrounding street properties) they are occupied on the same terms as other residents in similar circumstances, and they are not able to use their position within the charitable company to any unfair advantage.

Trustee Induction and Training

New trustees complete an induction and training programme. During the induction they are briefed on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and their legal obligations generally. Trustees are introduced to the content of the Memorandum and Articles of Association, the Board structure, committees and decision-making processes, the business plan and recent financial performance of the charitable company. Trustees are also encouraged to spend a day with

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2023

Continued

Trustee Induction and Training (continued)

management and staff and other trustees and to also attend external training events to develop their knowledge and skills, as needed.

Organisation

The board of Trustees, which can have up to 13 members, determine the policy and strategy for the charitable company. The board meets a minimum of four times per year. There are sub-committees covering; finance, risk and audit, services; and human resources and remuneration, which normally meet a minimum of four times a year in addition to the board meetings. These committees have been established with delegated authority from the Board to review matters in detail and they report back to each board meeting as appropriate.

Day to day management of the charitable company is delegated to the Senior Leadership Team which is comprised of the:

- executive Director;
- director of Finance and Resources;
- head of Neighbourhood & Estate Services; and
- head of Corporate Services.

Related Parties

None of the trustees receive remuneration or other direct benefit from their work with the charitable company. Any connection between a trustee and senior manager of the charitable company with a supplier or any contracted company must be disclosed to the full board of Trustees and Company Secretary. In the current year no such party transactions were reported.

All resident Trustees live in homes under the management of the charitable company. Generally, this does not affect their capacity to make independent and fair decisions, but if there is a specific situation where there may be conflicted interests, Trustees will remove themselves from meetings in accordance with the requirements of the Articles of Association and their legal duties and responsibilities.

Network Homes Limited is the 'Parent' of the charitable company, which is not wholly owned. The charitable company operates as an autonomous entity but receives some corporate service assistance such as regulatory and statutory compliance oversight, internal audit, information systems, rent accounting, procurement, asset management and development services, from Network Homes Limited.

Pay Policy for Senior Staff

The charitable company operates a spot salary for all staff including senior managers. The spot salaries are independently benchmarked every three years against other social housing organisations in London.

The remuneration benchmark is the mid-point of the range paid for similar roles adjusted for a weighting of up to 2.5%. If recruitment has proven difficult in the recent past a market supplement is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.

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Continued

Pay Policy for Senior Staff (continued)

The spot salaries are reviewed annually and generally an inflationary increase is applied. This is dependent upon the financial success of the charitable company, and also increases being offered by the parent, Network Homes Limited, and other social housing providers in London.

The charitable company's Executive Director holds no equity interest and although he does not have the legal status of director, he acts as chief officer within the authority delegated to him by the Trustees.

Directors' and Officers' liabilities insurance is in place.

Risk Management

The trustees have a risk management strategy which comprises:

- a bi-annual review of the principal risks and uncertainties that the charitable company faces;
- the establishment of policies, systems, and procedures to mitigate those risks identified in the bi-annual review;
- to take guidance and direction through horizon scanning of committees and board as to identifiable risks; and
- the implementation of procedures designed to minimise or manage any potential impact on the charitable company should those risks materialise.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes."

In relation to the above the charitable company confirms that it has not directly solicited for funds through fundraising for the year ended 31 March 2022 and has not had any involvement of commercial participators or professional fund-raisers, or third parties.

The charitable company has not received any complaints in relation to fundraising activities nor does it consider it necessary to design specific procedures to monitor such activities since it does not approach any individuals for funds.

The charitable company does not have any undertaking to be bound by any regulatory scheme, however the Charity is a member of Fundraising Regulator's Code of Fundraising Practice and complies with the relevant codes of practice. The charitable company does not consider it necessary to comply with any voluntary code of practice.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2023

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Significant Risks 2022-23

The charitable company has identified a list of strategic level risks, of which the following risks have been identified as having the highest priority. To mitigate these risks, the Trustees have control measures and policies in place to ensure regulations and guidelines are adhered to and followed.

Risk Description	Ownership	Control Measures
<p>Energy Price Rises rise in energy costs leading to strain on household budgets.</p> <p>Impact On Residents: Instability of utility prices in wholesale market leading to higher energy costs & increased subsidy from SW9, impacting SW9 surplus & reserves.</p> <p>Impact on the Charity: Instability of utility prices in the wholesale market leading to higher energy costs & increased subsidy from the Charity, impacting surplus & reserves.</p> <p>Insufficient understanding of financial effects of gas & electricity import tariffs leading to poor purchasing decisions & higher costs.</p>	<p>Senior Leadership Team / Services Committee</p>	<p>Signposting:</p> <ul style="list-style-type: none"> • To grants, funds, and advice on managing money. • Tariff checking with energy suppliers. • Price comparison organisations. • Additional help from utility supplier or independent sources. <p>Current assumptions on Import tariffs based on known current tariffs.</p> <ul style="list-style-type: none"> • Sensitivity analyses undertaken to understand effect of gas & electricity tariff variations. • Legal advice obtained from ACS re Utility/ Service Charges.
<p>Poor Operational Management Leading to poor performance; mismanagement of main contractor; poor systems integration; failure to deliver adequate quality of services to residents.</p>	<p>Senior Leadership Team / Services Committee</p>	<ul style="list-style-type: none"> • Effective contractor management via regular meetings with Seville/ and now KNK. • Also, soon to be with contractors TBG, AJS, and RJS. • Enforce internal controls: authorisation limits, approvals, & sign-off. • Actively manage existing disrepair cases: monthly meetings prior to NH Liaison meeting; preventative measures against new cases. • Broaden scope to any other litigation or legal issues. • Improve incoming telephone caller experience. • Ensure complaints system operates in accordance with policy; cases escalated when appropriate. • Manage responses to the IOC raised by Network Homes.
<p>Leadership/ People Risk</p> <p>Failure to recruit & retain a workforce with a diverse range of experience in the right numbers, with the right</p>	<p>Senior Leadership Team / Human Resources Committee</p>	<p>Comprehensive workforce planning: Develop a robust workforce strategy that aligns with long-term goals & identifies required skills, behaviours, & competencies.</p> <p>Targeted recruitment campaigns: designed to attract candidates with diverse experiences & competencies. Utilise a mix of recruitment channels, such as: job boards,</p>

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2023

Continued

Risk Description	Ownership	Control Measures
<p>skills, behaviours, and competencies.</p>		<p>social media, professional networks, and partnerships with relevant organisations, to reach a wide pool of candidates.</p> <p>Employee development & training: Implement development and training to provide opportunities to acquire new skills, expand experiences, and enhance competencies.</p> <p>Performance management & feedback: Establish a robust management system to include regular feedback and performance discussions. Provide constructive feedback to employees to improve skills, behaviours, & competencies. Set clear expectations, establish performance goals, recognise & reward employees who demonstrate the desired skills & behaviours.</p> <p>Employee engagement & retention: Implement initiatives to enhance employee engagement & retention. Include creating a positive environment, fostering an open culture, offering competitive compensation & benefits packages, providing opportunities for career progression, & recognise and celebrate employee contributions.</p>
<p>Non-compliance; Health and Safety</p> <p>Risk of non-compliance with regulations and laws, such as health and safety, anti-discrimination, and data protection laws.</p>	<p>Senior Leadership Team / Board</p>	<p>Regular training & education for staff, regular audits of compliance, and implementing robust processes for managing and reporting compliance issues.</p> <p>Monthly risk meetings, to be apprised of progress with gas safety case risk management meetings. Gas Safety case to be placed on risk register with control measures & mitigations.</p> <p>Office-based / estate-based H&S measures informed by government guidance and government public health measures in relation to Coronavirus [COVID-19] pandemic.</p> <p>General strengthening of Health & Safety management systems across all operational areas. Increased monitoring and reporting of H&S activities occurring daily, weekly, and monthly.</p> <p>Operational meetings to include H&S with regular reporting. System of occupational Risk Assessments to inform management and staff of specific H&S issues and design mitigating actions.</p> <p>Briefing sessions and training programmes to increase workplace risk awareness culture. Review of SW9 H&S Policy with changes in high-level approach. Regular attendance at Network Homes' Health and Safety Panel meetings.</p>

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2023

Continued

Risk Description	Ownership	Control Measures
<p>Pandemic / other infections</p> <p>Risk of workplace exposure & commuting exposure and infection from COVID-19 cases.</p> <p>Risk of imbalance between maintaining productivity and providing a safe working environment.</p>	<p>Senior Leadership Team/ Finance Risk and Audit Committee</p>	<ul style="list-style-type: none"> • Support residents with signposting to relevant agencies, assisting UC claimants, arrears repayment plans, flexible payment agreements. • Budgets linked to business planning & objectives. • Proper costing procedures for service delivery. • Regular review of reserves and investments. • Refine in-house skills to interpret budgetary information and financial reports. • Manage disrepair cases to limit legal costs. • Regular financial stress testing & scenario testing. • Individual departmental expenditure accounts for clarity & control of expenditure.
<p>Settlement Agreement</p> <p>Failure to resolve differences over interpretation of the Management Agreement and associated agreements.</p>	<p>Senior Leadership Team/ Board</p>	<ul style="list-style-type: none"> • Settlement Agreement is at an advanced stage, positions on various aspects of the MA having been clarified. • 'Expert Determination' still an option if required.
<p>Risks from sustained high & rising inflation in the general economy.</p> <p>Reduced turnover due to arrears & bad debts from pressure on household incomes; overspends against budget; insufficient control of departmental budgets.</p>	<p>Director of Finance and Resources / Finance Risk & Audit Committee</p>	<ul style="list-style-type: none"> • Residents signposting to relevant agencies, assisting with Universal Credit applications, arrears repayment plans, flexible payment agreements. • Close monitoring of budgets linked to business planning & objectives. • Use of costing procedures for service delivery. • Regular review of reserves and investments. • Refine in-house skills to interpret budgetary information and financial reports. • Manage disrepair cases to limit legal costs. • Regular financial stress testing & scenario testing • Individual departmental expenditure accounts for clarity & control of expenditure.
<p>Risk to Services and Operations</p> <p>Failure to exert control over externally commissioned asset management activity.</p>	<p>Senior Leadership Team / Services Committee</p>	<ul style="list-style-type: none"> • Engage with NH Head of Compliance and M&E (Patrick Flynn). • Scrutinise budget proposals. • Access to relevant databases: gas, electric, asbestos, water safety. • Reports run regularly. • Joint budget setting process to identify inefficiencies. • Finance identified £70k capital costs eligible for paying back to SW9.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2023

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Continuous Improvement – Going Concern

The Board continues to assert a consistent process for recognising, evaluating, and controlling the significant risks confronting the organisation. This process remained active throughout the year under review, up to the date of this annual report, and is periodically evaluated by the Board. The Board has assessed the efficacy of the internal control systems, inclusive of the board assurance framework and endorses their suitability for the intended purpose. The Board is content with the evidence presented, substantiating that adequate control systems were in operation throughout the year. To the date of the signing of these financial statements, these systems were aimed at addressing the major risks impacting the organisation. No weaknesses were found that would have resulted in a material misstatement or loss necessitating disclosure in the financial statements.

The Charity Managers consistently recognise, evaluate, and take appropriate action on risks, which are managed and supervised through the risk register system. All risks are debated at regular review meetings, emphasising high-risk areas and their corresponding mitigations. The managers are utilising guidance from the Finance, Risk and Audit Committee to cultivate the alignment and cross-referencing of risks with operational activities. The Charity's risk management strategy undergoes an annual review in harmony with the corporate plan.

While the COVID-19 threat receded due to national vaccination campaigns, Quarter 4 unveiled other increased risks, notably, these were attributed to:

- An upsurge in day-to-day repair expenses, reflecting higher than expected, and longer than expected inflation in goods, services, and labour rates, accentuated by prioritised issues such as damp and mould; continued dialogues with Network Homes with focus on addressing challenges with older stock and scheduled maintenance works;
- Implementation of a 7% rent increase sanctioned by Network Homes in line with government directives, contributing to a significant budget elevation from 2022/23; approximately forty void properties are expected to impact the following financial year;
- Adjustments in staffing budgets to align with triennial benchmarking, supplemented by a £100k allocation for an Interim Operation post; increased contractual cost projections and a heightened provision for bad debts due to the inflationary impacts on cost of living and consequent pressures on household budgets.

The potential uncertainties evoked from news of the proposed merger of the parent organisation, were assuaged by assurances from the larger organisation due to become the new parent entity, expressing its support for the model of locally led housing management. The Board of SW9 is committed to advocating for decisions that best serve the interests of residents, irrespective of any future changes.

Trustees' Responsibilities in Relation to the Financial Statements

The Charity Trustees (who are also the directors of SW9 Community Housing for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Charity trustees to prepare financial statements for each year which give a true and fair view of the state and affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principals in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2023

Continued

Trustees' Responsibilities in Relation to the Financial Statements (continued)

- 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 Charity will continue in business.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trustees' Responsibility for Internal Control

The internal control function is carried out by the board and management of the Charity working in conjunction with the parent company, Network Homes Limited. The Trustees of the charitable company have overall responsibility for ensuring the effectiveness of their internal control. The Trustees recognise that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of Network Homes Limited's assets and interests.

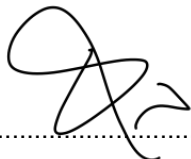
Statement as the Disclosure to our Auditor

In so far as the trustees are aware, at the time of approving our Trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware; and
- the Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Independent auditors

The report of the Trustees incorporating the strategic report was approved and authorised for issue by the Trustees on 12 September 2023 and were signed on its behalf by:



Dee Alapafuja, Chair

Signed on 14 Sep 2023, 9:38 PM BST



Paul Brett, Board Member; Chair of Finance Risk and Audit Committee

Signed on 18 Sep 2023, 7:09 AM BST

SW9 COMMUNITY HOUSING

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SW9 COMMUNITY HOUSING FOR THE YEAR ENDED 31 MARCH 2023

Continued

Opinion on the financial statements

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 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.

We have audited the financial statements of SW9 Community Housing ("the Charitable Company") for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

Conclusions related 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 Trustees are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other

SW9 COMMUNITY HOUSING

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SW9 COMMUNITY HOUSING FOR THE YEAR ENDED 31 MARCH 2023

Continued

Other information (continued)

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.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

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 misstatement in the Strategic report or 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company 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 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

SW9 COMMUNITY HOUSING

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SW9 COMMUNITY HOUSING FOR THE YEAR ENDED 31 MARCH 2023

Continued

Auditor's responsibilities for the audit of the financial statements (continued)

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the legal and regulatory frameworks and the sector in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding of the Charitable Company's policies and procedures regarding compliance with laws and regulations.

We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the financial reporting framework including but not limited to United Kingdom Generally Accepted Accounting Practice, the Charities Act 2011 and the Companies Act 2006 and tax legislation.

The Charitable Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be Data Protection Act 2018 and Bribery Act 2010.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- obtaining an understanding of the Charitable Company's policies and procedures relating to:
 - detecting and responding to the risks of fraud; and
 - internal controls established to mitigate risks related to fraud.
- review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and

SW9 COMMUNITY HOUSING

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SW9 COMMUNITY HOUSING FOR THE YEAR ENDED 31 MARCH 2023

Continued

Fraud (continued)

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be relating to management override of controls and improper income recognition.

Our procedures in respect of the above included:

- testing journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and income recognition.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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 by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC'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.

DocuSigned by:

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Philip Cliftlands (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
Date: 10 November 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

SW9 COMMUNITY HOUSING

STATEMENT OF FINANCIAL ACTIVITIES (Including income and expenditure account) For the year ended 31 March 2023

	Note	Total Funds 2023 £'000	Total Funds 2022 £'000
Income			
Income from charitable activities	2	10,948	9,466
Income from investing activities		1	-
Total Income		10,949	9,466
Expenditure			
Total expenditure on charitable activities	3	(10,873)	(9,264)
Net income before taxation		76	202
Taxation	8	-	-
Net income after taxation		76	202
<u>Reconciliation of funds</u>			
Total funds brought forward		1,346	1,144
Transfer to reserves			
Total funds carried forward		1,422	1,346

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure are derived from continuing activities.

For more information, please refer to the accounting policy on 'Fund accounting'.

SW9 COMMUNITY HOUSING

STATEMENT OF FINANCIAL ACTIVITIES (Including income and expenditure account) For the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Current assets			
Debtors	9	538	298
Cash and cash equivalents	10	1,970	2,792
		2,509	3,090
Creditors: amounts falling due within one year	11	(1,053)	(1,703)
Net current assets		1,456	1,387
Provisions for liabilities and charges	12	(34)	(41)
Total net assets		1,422	1,346
The funds of the Charity:			
Unrestricted funds		1,422	1,346
Total reserves		1,422	1,346

Notes on pages 27 – 36 form part of the financial statements.

The financial statements on pages 25 to 36 were approved and authorised for issue by the Trustees on 17th September 2023 and were signed on its behalf by:

Delroy Rankin, Executive Director



.....

Sarah Patrice, Secretary



.....

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

1. Accounting policies

SW9 Community Housing is incorporated in England and is registered under the Companies Act 2006 and the Charity Act 2011. The Charitable Company's registered address is 6 Stockwell Park Walk, London, SW9 0FG, United Kingdom.

Network Homes Limited is the immediate and ultimate parent and prepares consolidated financial statements for the Group undertakings at 31 March 2023. The consolidated financial statements of Network Homes Limited are available from Network Homes Limited, The Hive, 22 Wembley Park Boulevard, Wembley, Middlesex, HA9 0HP.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom applicable accounting standards, including, Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"), and 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 ('the SORP 2019'), and the Companies Act 2006.

The Charitable Company meets the definition of a public benefit entity under FRS 102 and the Charity commission guideline for England and Wales (section 7.1.5).

The Charitable Company's presentation currency is Great British Pounds. Amounts are presented in thousands unless stated otherwise.

Going concern

These financial statements are prepared on a going concern basis. The last three months of the year under review and the four months following, have shown periods of increased operational expenditure. Due to repeated national lockdowns during which repairs services were limited to emergencies, there was an accumulation of outstanding repairs. These repairs are currently being processed as we gradually begin providing a full range of services.

Income collection was adversely impacted in the first two months of the financial year. Weekly monitoring and reporting of income was introduced, with upwards weekly reporting to the Board. At the end of the year income collection produced favourable collection rates despite the challenges. Critically, our cash position remains strong and this position is not expected to deteriorate in the foreseeable future. The business environment is expected to remain challenging, but SW9 is well placed with adequate reserves to meet these challenges from a position of strength.

The Charity has reviewed its risk register and does not consider the organisation to be in a stress situation. The liquidity policy is to retain sufficient cash/cash-equivalent funds for the business to operate without any income for up to 3-months. Cash flow is monitored and reported monthly to the Finance Risk and Audit Committee.

The Charity has remained compliant with all statutory, regulatory and disclosure requirements throughout the lockdown, having agreed an extension of its filing deadline with Companies House and the Charity Commission. The extension was to afford additional time to correct accounting entries between SW9 accounting records and that of its parent organisation, Network Homes.

The Board is of the opinion that the risks and uncertainties identified should not threaten the sustainability and viability of SW9 as a going concern. Therefore, it is not appropriate to modify the key assumptions and judgements while preparing the financial statements and a material uncertainty does not exist.

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2023

1. Accounting policies – continued

Cash flow statement

The parent, Network Homes Limited produces a publicly available consolidated statement in which the Charitable Company's financial statements are included. It has therefore elected to apply the exemption from making disclosures in relation to cash flow statement in accordance with FRS 102.

Charitable activities

The Charitable Company aims to deliver high quality housing, support, estate and community services to residents and tenants living on the Stockwell Park Estate and surrounding street properties.

Income

Income is recognised when the Charitable Company has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably. Income represents rental and service charge income receivable and investment income from interest on money market deposits. Turnover excludes value added tax where applicable.

Rents and service charges

Income from rents and service charges are recognised by the Charitable Company on a receivable basis.

Fund accounting

The Charitable Company's funds consist of unrestricted funds which are available to spend on activities that further any of its purposes. The Charitable Company has not reported any restricted funds, however there is a designated contingency reserve of £250k set aside to mitigate any uncertain future events.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accrual basis and has been classified under the headings that aggregate all costs related to the category.

Support Costs

Support costs comprise staff costs incurred in relation to the furtherance of the Charitable Company's objectives and the costs have been apportioned on the basis of head count.

Governance Costs

Governance costs relate to expenditure incurred in the governance of the Charitable Company's assets and compliance with constitutional and statutory requirements.

Defined contribution scheme

The Charitable Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Charitable Company pays fixed contributions into an independent separate entity that administers the funds. Once the contributions have been paid the Charitable Company has no further payment obligations. The contributions are recognised as an expense in the Statement of Financial Activities when they are due.

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2023

Value added tax (VAT)

The Charitable Company is part of Network Homes Limited's VAT Group. Network Homes Limited is partially exempt in relation to VAT and accordingly is able to recover from HM Revenue and Customs part of the VAT incurred on expenditure. At the year-end VAT recoverable or payable is included in the Statement of Financial Position and irrecoverable VAT is accounted for in the Statement of Comprehensive Income within the relevant expense line of Network Homes Limited.

Taxation

The Charitable Company has charitable status and thereby is exempt from tax on its charitable activities.

Debtors

Trade debtors are recognised at the settlement amount due on 31 March 2023. Prepayments are valued at the amount prepaid.

Related parties

The Charitable Company discloses transactions with related parties which are not wholly owned within the same Group. The Charitable Company does not disclose transactions with members of the same Group that are wholly owned as allowed by FRS 102 paragraph 33.1A.

Financial Instruments

Financial asset represents financial resources available to the Charitable Company and these comprise cash at bank and in hand, trade debtors and other debtors. A financial liability is a financial claim on the Charitable Company's resources and comprises creditors, accruals and amount to parent undertaking.

The Charitable Company's financial instruments are all categorised as basic and are initially recognised at the amount receivable or payable including any related transaction costs and subsequently measured at the cash or other consideration expected to be paid or received.

Critical judgements and estimation uncertainty

The following are the significant management judgements and estimates applied in these financial statements:

Amounts due from Network Homes Limited

From 1st April 2016 SW9 took over the responsibility of managing and collecting rents from tenants. However, ownership rights and responsibilities relating to certain pre-existing debts and overpayments have not been fully concluded. Mutual agreement over these matters has not yet been achieved and as a result entitlement to certain rental debts and responsibilities associated with the settlement of historic overpayments remain uncertain.

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2023

2. Income from charitable activities

	Total Funds 2023 £'000	Total Funds 2022 £'000
Rental Income		
Rented accommodation	5,133	5,275
Sheltered accommodation	412	759
Leasehold accommodation	1,374	437
	6,919	6,471
Service Charges Receivable		
Rented accommodation	1,579	993
Sheltered accommodation	85	225
Leasehold accommodation	1,634	1,043
	3,298	2,261
Other social housing activities:		
Other Income	455	533
	10,672	9,265
Total social housing lettings		
	10,672	9,265
Non-social housing activities:		
Other income	276	201
	10,948	9,466
Total Income from charitable activities	10,948	9,466

Income from investing activities is disclosed separately in the Statement of Financial Activities and relates to interest on money market deposit.

All income in the current year and prior year relates to unrestricted funds.

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2023

3. Expenditure on charitable activities

2023	Management	Repairs	Services	Total
	£'000	£'000	£'000	£'000
Staff costs	804	190	189	1,183
Governance	51	-	-	51
Support	199	38	32	269
Recruitment	60	15	-	75
Training	39	7	7	53
Community engagement	-	-	54	54
Office costs	43	7	7	57
Management charge	3,492	-	-	3,492
Property maintenance	-	1,476	-	1,476
Provision of service to residents	-	-	2,565	2,565
Other operational costs	1,598	-	-	1,598
	6,286	1,733	2,854	10,873

2022	Management	Repairs	Services	Total
	£'000	£'000	£'000	£'000
Staff costs	733	216	191	1,140
Governance	85	-	-	85
Support	187	28	34	249
Recruitment	53	1	1	55
Training	24	4	4	32
Community engagement	-	-	72	72
Office costs	69	10	13	92
Management charge	3,217	-	-	3,217
Property maintenance	-	1,097	-	1,097
Provision of service to residents	-	-	1,810	1,810
Other operational costs	1,415	-	-	1,415
	5,783	1,356	2,125	9,264

Expenditures mainly relate to the provision of services to residents, property maintenance and fees payable to the parent company. Management charge of £3,492k (2022: £3,217k) relates to surplus rent payable to the parent company as detailed in the management agreement. This amount is calculated as 47% of the total rents and other rents receivable for the year less rent and service charge void losses.

All expenditure in the current and prior year relates to unrestricted funds.

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2023

4. Analysis of support and governance costs

	Support 2023 £'000	Governance 2023 £'000	Support 2022 £'000	Governance 2022 £'000
Finance	195	-	161	-
Human resources	74	-	87	-
Consultancy	-	43	-	53
Audit fees	-	8	-	32
Recruitment	-	-	1	-
	269	51	249	85

Finance support cost allocation is based on head count and all other support cost is apportioned based on actual costs.

5. Employee information

The monthly average number of persons employed during the year, including the Executive Officer, is based on an assumption that a full-time equivalent employee (FTE) works 35 hours and includes employees on both permanent and fixed term contracts:

	2023		2022	
	FTE	Head Count	FTE	Head Count
Office staff	50	62	42	56
Scheme-based staff	2	2	2	2
	52	64	44	58

Staff costs for the above employees were:

	2023 £'000	2022 £'000
Wages and salaries	1,677	1,443
Social security costs	165	136
Pensions costs	78	75
	1,920	1,655

The staff of the Charitable Company participates in the defined contribution scheme run by the Social Housing Pension Scheme. Pension costs are employer's cost payable to the Pension Trust.

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2023

5. Employee Information (continued)

The number of staff receiving remuneration in excess of £60,000 per annum at 31 March 2023 is as follows:

	2023	2022
£70,000 - £79,999	0	2
£80,000 - £89,999	1	0
£90,000 - £99,999	1	0
£100,000 - £109,000	0	0
£110,000 - £119,999	1	1

6. Directors' emoluments

The Directors are defined as members of the Trustees and the Executive Officers. The Trustees of the Charitable Company did not receive any remuneration in the year and there was no reimbursement of expenses.

Day-to-day management of the Charitable Company is delegated to the Senior Leadership team which is comprised of the following:

- Delroy Rankin, Executive Director
- Orane Lewis, Director of Finance and Resources
- Dipak Patel, Head of Corporate Services
- Felicity Dunmall, Head of Housing & Estates

Remuneration of key management personnel

	2023 £'000	2022 £'000
Aggregate emoluments payable to Senior Leadership Team	342	270
Pension contributions payable to Senior Leadership Team	20	19
Total emoluments	362	289

Senior Leadership Team members are ordinary members of the defined contribution Social Housing Pension Scheme on the same basis as that available to all staff. The Charitable Company did not make any contribution to any individual pension arrangements on their behalf. The notice period for termination of their contracts is three months. No pension contributions were made on behalf of any non-executive Director.

7. Net income before tax

	2023 £'000	2022 £'000
Surplus on ordinary activities before taxation is stated after charging:		
Fees for the audit of the Company's financial statements	10	10

Audit fees are reviewed on an annual basis.

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2023

8. Taxation

The Charitable Company is a charity for tax purposes and is therefore not subject to corporation tax on its charitable activities. There was no non-charitable income in the year.

9. Debtors: amounts falling due within one year

	2023	2022
	£'000	£'000
Rent and service charges	375	347
Less: provision for bad and doubtful debts	<u>(149)</u>	<u>(160)</u>
	226	187
Other debtors	310	65
Trade debtors	<u>3</u>	<u>46</u>
	<u>539</u>	<u>298</u>

All debts are due within one year.

10. Cash at bank and in hand

	2023	2022
	£'000	£'000
Cash at bank and in hand	<u>1,970</u>	<u>2,792</u>

11. Creditors falling due within one year

	2023	2022
	£'000	£'000
Client accounts		
Service charge and client funds	49	50
Trade creditors	109	201
Rent and service charges received in advance	216	211
Owed to Group undertakings	487	551
Other creditors	56	57
Accruals	<u>136</u>	<u>633</u>
	<u>1,053</u>	<u>1,703</u>

Amounts owed to Group undertakings are payable on a quarterly basis based on the management agreements.

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2023

12. Provisions for Liabilities and Charges

	2023	2022
	£'000	£'000
Provisions for Liabilities and Charges	<u>34</u>	<u>41</u>

13. Parent undertaking and ultimate parent undertaking

The immediate and ultimate parent undertaking and controlling party is Network Homes Limited, a Company incorporated in England and registered with the Homes England (registration no. L4825).

Network Homes Limited consolidates the financial statements of all the Group undertakings at 31 March 2023. The consolidated financial statements of Network Homes Limited are available from Network Homes Limited, The Hive, 22 Wembley Park Boulevard, Wembley, Middlesex, HA9 0HP.

14. Related parties

At 31 March 2023, the total rent and service charge the Charitable Company received from tenant Trustees members' amount to £36,304 (2022: £70,096). The tenant Trustee members all of whom have paid rents and service charge to the Charitable Company at arm's length had £4,990 as balance at the year end. They are listed below as follows:

- Mr Dee Alapafuja
- Mr Steven Warren
- Mr Adebayo Ajibade
- Mr Olu Ajisebutu
- Mr Paul Brett
- Mr Colin Faulkner
- Mr Benjamin Peart
- Dr Daniel Cromb
- Kieran Godwin
- Mr James Pollard

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2023

15. Other directorships

Trustees had the following external directorships, not including directorships of subsidiaries of Network Homes Limited. There were no transactions with any of the entities listed below.

Trustees Member	Other entities	Position
Benjamin Peart	Redeem Information Systems Limited	Director
Paul Brett	Pontos Subsea Limited	Director & Employee
Tazeem Abbas	Caldew School Crosskit Limited The Tranquil Otter Limited The Tranquil Otter Investments Limited	Director Director Secretary Director

SW9 COMMUNITY HOUSING

England & Wales - Charity number 1170586

Accounts

SW9 COMMUNITY HOUSING
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(Charity No. 1170586)
(Company No. 09574528)

SW9 COMMUNITY HOUSING

FINANCIAL STATEMENTS

For the year ended 31 March 2022

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SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2022

THE TRUSTEES, EXECUTIVE OFFICER, AND ADVISORS

The members of SW9 Community Housing are its Trustees for the purpose of charity law. The Trustees, executive officer, and advisors who were in office during the year and up to the date of signing the financial statements were:

Trustees	Dee Alapafuja Adebayo Ajibade Andrew Sternberg Benjamin Peart (resigned 11 May 2022) Colin Faulkner Daniel Cromb Daniel Garza Joshua Lindsey (resigned 23 April 2021) Kieran Godwin (appointed 15 Jun 2021) Olukayode Ajisebutu Paul Brett Steven Warren Tazeem Abbas (appointed 8 July 2021)
Secretary	Sarah Patrice
Executive Officer	Delroy Rankin
Registered office	6 Stockwell Park Walk London SW9 0FG
Independent auditor	BDO LLP Chartered Accountants and Statutory Auditors 55 Baker Street London W1U 7EU
Solicitors	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES
Bankers	HSBC West End Business Banking Centre, 16 King Street Covent Garden, London WC2E 8JF
Registrations	Company No. 09574528 Charity No. 1170586

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2022

Continued

The Trustees are pleased to present their annual Directors' report together with the financial statements of the Charity for the year ending 31 March 2022 which are also prepared to meet the requirements for a Directors' Report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act "2006", the Memorandum and Articles of Association, 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).

Chair's Report

Over the past financial year, and indeed currently, we continue to live through a most significant phase in world history. Many of the biggest challenges facing SW9 Community Housing ['SW9'] today are linked to health and work, from pandemic recovery to the rapidly evolving labour market and a cost of living crisis brought on by a succession of major events.

Ensuring residents have access to the right services, at the right time, remains vital to meeting the Charity's objectives. SW9 exists to provide complex services to residents, while delivering significant improvements and sustained positive change for all members of the community in which we live and work. On behalf of the Trustees, I should like to express my sincerest thanks to residents, both tenants and leaseholders and the community at large, for their endurance through the pandemic. Whether you are established residents, or new members of the community, thank you all for getting involved with the Charity during this past year.

Community engagement was strengthened by SW9's RISE programme of engagement opportunities which continued to offer residents a myriad of ways of getting involved. Throughout the year opportunities for engagement were made available to all residents, despite the pandemic which continued to hinder many planned activities.

I am proud of the range of activities SW9 delivered to residents, the vast majority of which were delivered for free and oriented around giving families opportunities they may not ordinarily have access to. It is a primary motivation for the Charity to offer individuals possibilities to develop personally, supporting both their future and that of their families.

If you are a new tenant or a leaseholder who joined SW9 during the past year, I extend a warm community welcome to you. Stockwell and Brixton are exciting places to live as testified by the many new residents who chose to make this community their home. The regeneration of the Stockwell Park Estate has been made possible through the continued support of Network Homes as landlord, whom I should like to thank for the considerable knowledge, expertise, and sustained commitment of its staff.

SW9's operations adapted well during unprecedented times. I am thrilled that we have talented new colleagues who joined recently enabling the organisation to continue to deliver core services and support our vulnerable residents. We do not underestimate the impact from the economic downturn and will continue to support residents through their difficulties.

In closing I would like to thank my fellow trustees particularly welcoming new members, as well as the management and staff of the Charity, for their hard work and dedication. To find out more about how we are "keeping it local", please visit our website www.sw9.org.uk or telephone 0207 326 3700.

Our residents are the reason we are here.

Yours,


Dee Alapafuja
Chair, SW9 Community Housing

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2022

Continued

Our purpose and activities

The purposes of the Charity are:

- Deliver high quality housing, repairs, and support services;
- Work in partnership with our parent organisation, Network Homes Limited, in the delivery of the physical regeneration of Stockwell Park and surrounding street properties;
- Demonstrate high standards of governance, promoting the benefits of tenant management; and
- Further the sustainability and diversity of the community.

The principal activity of SW9 Community Housing (“the charitable company”/” the Charity”) is to provide property management and maintenance services on behalf of Network Homes Limited, the Landlord, under a 25-year Management Agreement. In accordance with the Management Agreement between the charitable company and Network Homes Limited, one of the key purposes is to deliver first class housing, support, and repairs services to the residents of Stockwell Park and surrounding street properties, as defined by the Charity’s Area of Benefit.

To do this, the charitable company retains a percentage of the annual rental income paid by tenants living in properties under the management of the charitable company. The accommodation provided is for people on low or moderate incomes, and in housing need. The accommodation under the management of the charitable company ranges from single person accommodation up to large family dwellings. The charitable company also manages purpose-built specialist accommodation for those in need of support or personal care. It also provides community development and community engagement to ensure Stockwell Park remains a sustainable and vibrant multicultural environment.

The charitable company also provides services to tenants who have purchased their home on a long lease, either on a shared ownership basis or outright purchase at market value.

The total number of homes under the management of the charitable company is 1,718 of which, 900 are for general needs, 630 are leasehold homes, 65 are shared ownership properties while 48 are supported housing. 40 are classed as older persons’ housing and 35 are affordable rent. This number will increase in 2021-22 as further new homes are built on Stockwell Park by Network Homes Limited, a Registered Provider with Homes England, and parent company to the charitable company.

The vision that shapes the charitable company’s activities remains the promotion of tenant management, and local control and accountability. The charitable company encourages tenants and residents to actively influence the services provided through membership of its Trustee board, residents’ forums, and community development groups.

The charitable company also has the general charitable aim of contributing to the quality of life of tenants of the Stockwell Park Estate and surrounding street properties by expanding their horizons through the provision of exciting, challenging and accessible activities including employment and welfare advice through signposting tenants to stakeholder partners.

The charitable company endeavours to encourage all within the community to take part in activities and attend community events held throughout the year, irrespective of tenure type. These activities are either free or subsidised to ensure they are affordable and available to all.

The charitable company continues to foster links with other local organisations which provide additional services to the residents of Stockwell Park and surrounding street properties. The charitable company recognises the positive contribution other organisations can make to further its aims and objectives, for those most vulnerable residents.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2022

Continued

Volunteers

Members of the Board of Directors and Committees did not receive any remuneration for the work they carried out in the capacity of the charitable company in the year ending 31 March 2022. In addition, several residents and friends of the charitable company gave their time voluntarily in assisting with specific projects and community activities, including the packing of food parcels and hampers for vulnerable residents.

Achievement and Performance

The charitable company provided a variety of related services to 1,718 homes. The number of homes according to tenure type is shown below:

General needs:	900
Leaseholders:	630
Shared Ownership:	65
Supported Housing:	48
Older Persons' Housing:	40
Affordable Rent:	35

Due to the pandemic impacts on the general economy and the continued rollout of Universal Credit, net rental income as a percentage of rents owed fell to 96.64% in the financial year ending 31 March 2022. To help support those experiencing financial difficulty, the charitable company invested resources to help 77 residents and, as a direct result of early intervention, there were no evictions for the non-payment of rent. The percentage of tenants in arrears remains under 2%. This places the Charity in the top five London based social housing providers.

The focus of the charitable company remains the provision and delivery of quality housing services and community engagement and development. Improving levels of customer satisfaction is the major priority and the year ending 31 March 2022 was another year of continuous improvement, with an increase of 4% to 76%.

Performance in other areas continued to improve for the period ending 31 March 2022. Although the number of days taken to re-let an empty property had almost doubled to 53.9 days, this was largely due to the switch to a new main repairs contractor combined with the high number of voids created by new Thrayle House.

The charitable company monitors all expenditure, particularly repairs and maintenance which is the largest single budget. During the year under review the Charity signed a three-year contract with Seville.

Developments Limited to deliver responsive repair services to the properties under management, replacing Chigwell (London) who had been the principal repairs contractor for the previous 12 months.

Post the Grenfell tragedy, the social housing sector has continued to emphasise the need for Health and Safety compliance, particularly in terms of fire safety. The charitable company has continued to work alongside Network Homes Limited (the landlord) to improve fire safety measures at a number of the residential buildings under its management. Recladding works have completed at Park Heights, a fifteen and twenty storey tower block. A further building is due to undergo cladding replacement works during 2021-22. The cost of these works will be paid for by Central Government. 100% of the properties under the management have a valid Fire Risk Assessment.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2022

Continued

Community Engagement

SW9's RISE programme of engagement opportunities continued to offer residents a myriad of ways of getting involved. These include:

- Resident improvement panel
- Street and block champions
- Accredited training
- Employment and education programme and grants
- Family activities
- Art exhibitions
- Resident's meetings
- Eat well and digital inclusion scheme
- Homework club
- Calendar club
- Easter and Christmas hamper project
- Weekly lunches at our older person scheme
- Collaborate working with resident panels

Throughout the year ending 31 March 2022, 145 opportunities of engagement were made available to residents. In total 1,125 residents got involved with the Charity. These figures are impressive particularly as the pandemic continued to hinder many of the planned activities.

The individuals engaged via a total of 900 instances during this period, showing that many residents chose to take part in more than one activity. This figure reflects the trust that our residents had in us to deliver quality activities in a Covid-safe environment, with a huge number returning time and again.

The SW9 Improvement Panel have contributed greatly to service improvements withing SW9 through their programme of projects.

To date, the Improvement Panel have been involved in the following projects:

- Production of the Resident Engagement Strategy
- SW9 website mystery shopping
- Attending repairs and estates team meeting

Further projects the panel will be working towards include:

- Parking
- Service improvement plan
- Cost of living increase

Close contact is maintained with the Community Centre, run by the Community Trust, as well as our partners at Network Homes, with regular meetings held to discuss ways in which we can better support each other and deliver projects of shared importance.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2022

Continued

Financial Review

The main source of income reported by the charitable company for the year ending 31 March 2022 on its charitable activities was £9,466k (2021: £8,675k).

Total expenditure in the year was £9,264k (2021: £8,302K), of which £1,097k was charged to the Statement of Financial Activities under major repairs and routine maintenance.

The highest area of expenditure for the charitable company is Employee Costs. Employees are key to the ongoing success of the business and therefore the Trustees will continue to approve expenditure for investment in staff development. Employee costs account for 12% of expenditure.

The charitable company recorded a surplus of £202k during the year, which was 46% lower than the previous year (2021: £373k). There have been increases in management costs as well as service costs in the year.

The charitable company is financed using its positive cash flow and retained reserves, which are not distributable. The charitable company has no loan facilities from banks or other lending institutions. The trustees consider the charitable company has the capacity to continue to operate without requiring external finance.

The trustees are committed to ensuring the future financial stability of the charitable company and continually review the financial position and consider any changes required.

The charitable company receives no other income apart from its charitable activities, and therefore costs must be met as part of the charitable company's rental income.

The charitable company endeavours to put value for money at the heart of everything it does by being prudent in its allocation of funds and creating the environment where management and staff remain cost conscious. The charitable company strives to get the balance right between costs, performance and quality, this is particularly important at this time when the social housing sector is consolidating and cost cutting.

The framework adopted by the charitable company includes:

- driving down costs;
- improving our services;
- cutting waste; and
- increasing customer satisfaction.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2022

Continued

Economic and operating environment

The period 2021-22 has been a financial year of phenomenal events and change. SW9 is not complacent about the continuing risks from the pandemic even though the year has seen an overall lessening of dangers. We have seen the rise of economic threats from resurgent inflation and risk of recession. These threats will impact SW9's operations as well as residents and their families in the local community, dangers which the management and board are fully cognisant of.

It is clear the country has very significant economic problems to address whilst at the same time emerging from a once in one-hundred year pandemic and following the financial crash of 2008-09 with the ensuing global financial crisis. The operating environment for the housing sector is extremely difficult as cited in cogent terms by the housing regulator in its Quarterly Survey for Q4 January to March 2022.

Inflation and risk of recession

Continuing global inflationary pressures intensified following Russia's invasion of Ukraine which further aggravated supply shocks from the UK's exit from the European Union, the economic impacts of the pandemic, and from the draconian pandemic lockdown policies in China. (<https://www.bankofengland.co.uk/monetary-policy-report/2022/may-2022> © Bank of England 2022). In line with experiences of most businesses in the country, SW9 contended with increases in costs of labour and materials which rose sharply in the housing sector. A special mid-term adjustment was agreed with SW9's main contractor for repairs and voids refurbishment, equating to an overall increase in rates of roughly 11%.

SW9's residents are experiencing a cost of living crisis which has consumed the general population with household disposable incomes projected to fall in 2022 by the second largest amount since records began in 1964. Further increases are expected in household energy prices with a projected large increase in October when the energy price cap is next reset. Higher food and goods prices are also expected following the war in Ukraine.

Tightening of the labour market has made recruitment very difficult, with SW9 experiencing many instances of candidates pulling out of the recruitment process to accept competing offers.

Impact of Monetary policy

Quantitative easing [QE] has been a primary monetary policy lever since the global financial crisis of 2009 and over time, the stock of BoE purchased assets has grown to almost £900bn. What is notable is that almost half of this amount was accumulated relatively recently to support the UK economy following the pandemic. If Bank Rate rises are insufficient to control inflation, the other available monetary policy tool would be to reduce the supply of money or Quantitative Tightening [QT] a policy environment which central banks have little experience of.

SW9's financial situation is closely monitored as the economy encounters uncertain times. Flexibility will be needed to allow any increasing risks to be effectively managed. SW9's board is fully cognisant of the risks and the corporate risk register is reflective of the board's horizon scanning. The Charity has shown resilience during the first 2 years of the pandemic, when income remained reasonably stable, and business plans proved to be robust, supported by SW9's close association with its parent organisation, Network Homes, whose significant investment in IT systems enabled the majority of SW9 staff to seamlessly work from home during periods of lockdown. We have therefore been able to maintain essential services to our residents.

We are mindful of the significant economic impact on residents, which is likely to be severe and lasting. Although we have adapted well as a business, we understand that many of our residents are (and will be) facing financial stresses. Our compassionate approach has been adopted to support all those who need help through these difficult times. As a resident-led organisation with a focus on local geography, SW9 will continue to provide good quality services to the Stockwell Park Estate and to its managed street properties.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2022

Continued

Economic and operating environment (continued)

We are a charity that was established with the very objective to put residents and the local community first, and this we will continue to do. Our priority at SW9 is to ensure that residents, staff, and the people we all care for remain safe and protected.

Coronavirus pandemic

The spring of 2021 saw a re-opening of the economy but in difficult circumstances for the Charity, as for most businesses and organisations. The second wave of the Covid pandemic had subsided and on 23 March, to mark one year exactly after the first lockdown, there was the solemn moment of 2-minutes silence held to remember all those who had died from COVID-19.

The year in review saw the continued rollout of the vaccination programme. The Charity adopted a cautious approach throughout this time being fully aware of continuing risks to staff and residents. England's ban on rental property evictions expired and the Joseph Rowntree Foundation warned that as many as a million people faced losing their homes in the coming months. SW9 is pleased to report that no eviction notices were issued for rent arrears.

The legal compulsion to self-isolate ended from late February 2022. At the time of writing this report, there has been an uptick in cases of the Omicron sub-variants BA.4 and BA.5 which are being monitored by the UK Health Security Agency. The previous year's financial results recorded considerable uncertainty surrounding the prospective effectiveness of vaccines. That position became clearer as the vaccination programme decoupled the link between infection and hospitalisations and deaths.

SW9's Income Team act as welfare benefits advisers by signposting residents to resolve benefits issues, maximise their income and improve their financial situation. Using knowledge and experience acquired over many years, our staff ensure that SW9 respond dynamically to government changes being made to welfare benefits and assistance programmes. Our focus is on tenancy sustainment to make a real difference to our customers' lives, even in the most difficult circumstances.

Our judgement is that negative impacts arising from a general and prolonged economic downturn can and will, be managed. Good governance and an agile management team will be the foundation of rapid decision making to protect the Charity's position.

Investment Powers and Policy

The Trustees, having regard to the liquidity requirements of the charitable company, have kept available funds in a money market interest-bearing account. Due to historic low interest rates the monies on deposit achieved an average of 0.5% interest against a Consumer Price Index of 1.9% for the year.

Reserve Policy

The reserves of the charitable company are unrestricted funds as shown on page 26. The total funds held by the charitable company at the end of the year are £1,346k, which are available for general charitable use.

The charitable company policy is to maintain reserves equivalent to three months operating costs. Average monthly operating costs are £503k; therefore, the reserves retained will be set at £1,510k.

When surpluses exceed £1,510k, the trustees will decide how much of the excess can be used for community benefit projects. Apart from effective management of the major contracts of the business, the reserves will be increased as a result of the additional units of stock. The risks associated with the level of reserves will be managed by the production and scrutiny of financial information and ensuring that robust processes and controls are adhered to.

The trustees will review the Reserves Policy on an annual basis.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2022

Continued

Plans for the Future Period

The trustees of the charitable company are committed to provide a first class, resident-led housing repairs service, and support services to the residents of the Stockwell Park Estate and surrounding street properties. There are five key business objectives the trustees and management consider a priority for 2022-23. They are:

- **Customer Service Improvement Plan**

With roots firmly entrenched in community-led housing, and with aims and objectives clearly defined, the Charity must consistently demonstrate the value of resident-led, local estate based services. Resident satisfaction ratings stagnated during and following the pandemic, and in some areas declined since a high point in 2019. With the physical regeneration of the estate and street properties near completion and following £210-million of inward investment overseen by the parent organisation, Network Homes, the trustees and management now place the highest priority on transitioning the customer experience. The challenge for the Charity is to ensure its working practices are fit for the present and adaptable for the future. The use of technology to maximise productivity, improve efficiency, and deliver great services will play a key role in the journey of service improvement.

- **Options Review Agreement**

The Options Review Agreement is a legally binding agreement between SW9 and Network Homes. The review is underway to establish whether SW9 could become a viable stand-alone registered housing provider, independent of Network Homes. Both SW9 and Network Homes have jointly commissioned various consultants to assist with the process.

Trustees know and respect that they cannot alone make a significant decision about SW9 becoming independent. That ultimate decision rests with residents by way of a ballot. If Trustees decide it is not a viable proposition to seek independence, or a ballot takes place, but the Trustees and management are not successful in securing resident support, then the current arrangements whereby Network Homes remains the landlord and SW9 remain the managing agent, will continue.

- **Expand our Digital Inclusion and self-service**

As part of our digital inclusion programme, the Charity will continue to encourage customers to access services on-line. The Charity still has an ambitious target to facilitate 80% of transactions online by the end of 2022. The Charity will continue to maximise the benefit of its relationship with the parent, Network Homes by participating with information technology initiatives which add value to the customer experience and drive up back-office efficiency. The Charity will continue to benefit from these projects at no additional cost, as it is already included within the Surplus Rent paid to the parent quarterly in arrears.

Increase the provision of social rented housing within the locality

The Charity will explore how it can best use its reserves and balance sheet capacity to increase the provision of social rented housing within the local area by taking advantage of Affordable Housing initiatives targeted at small community organisations. The Charity will work with other sector partners to secure funding to accomplish its objective to own property assets and provide social rented housing to those in most need.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2022

Continued

Plans for the Future Period (continued)

- **Review the Charity's costs and greater drive to deliver increased value**

The Charity will have a clear Value for Money [VfM] strategy and ensure it is consistently understood across the organisation. It will align costs to the strategy and differentiate between the strategically-critical good costs from the non-essential bad costs. In addition to examining cost-reduction in terms of benchmarks, SW9 will adopt a strategic ambition to set the bar high and explore all possibilities, rather than settling for marginal gains. The Charity will examine those costs that have seemed too difficult to tackle, such as property, structural inefficiency, and complex legacy operations. Being creative means looking beyond what's always been done and asking why and what are the alternatives.

Principal Risks and Uncertainties

The Trustees have considered the principal risks and uncertainties facing the charitable company. The main financial impact of risk is of an unforeseen fall in income or increase in expenditure. The fall in income arises as a direct consequence of a probable increase in rent arrears resulting from rising inflation and rising costs of living, the expected economic downturn (or recession) causing some rent payers to claim Universal Credit. Additional expenditure due to budget overruns or unplanned events are also liable to occur.

The Trustees have also considered non-financial risks including building health and safety compliance, which is deemed paramount, and any potential breach is a principal risk. The charity's Risk Register is reviewed by all trustees twice per year and considered by the relevant committee four times per year.

Structure, Governance and Management

The charitable company was set up following the decision by Network Housing Group and its social landlord entities to amalgamate into one single social landlord, Network Homes Limited. The charitable company is a resident-led, locally managed, non-asset holding entity that provides a range of property management and maintenance services on behalf of Network Homes Limited following the stock transfer from the London Borough of Lambeth in March 2007.

The charitable company was incorporated on 5 May 2015 under the name of Stockwell and Brixton LMO. Stockwell and Brixton LMO changed its name to SW9 Community Housing on 15 August 2015. On 29 March 2016 Network Homes Limited paid £5,193 to the charitable company as initial funding. The charitable company became active from 1 April 2016. The charitable company is limited by guarantee and governed by its Memorandum and Articles of Association dated 28 March 2016.

Appointment of Trustees

The Trustees, as set out on page 1, comprise of non-executive board members and are responsible for managing the affairs of the charitable company. The board of Trustees is usually composed of:

- 10 residents (5 leaseholders & 5 tenants);
- 2 independent individuals appointed for their skills, knowledge and/or experience; and
- 1 local authority appointee.

The appointment of residents as Trustees and Company Members is via an open and democratic election process. These positions are publicised, and applications received and considered by the current members of the Trustees group of the charitable company. If there are more eligible tenant nominations than vacancies arising, an election process is held in accordance with the Articles. The Trustees make recommendations to the Board of Network Homes Limited for approval of those individuals to the SW9 Board. The appointments of the two 'independent' trustees are agreed by the members of the Trustees, while the local authority representative is appointed by the London Borough of Lambeth.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2022

Continued

Appointment of Trustees (continued)

Procedures are in place to identify and recruit suitably skilled trustees to provide strength, balance, and diversity of thought to the board of the charitable company. Areas of expertise considered include social housing, finance, legal, marketing and communications, community engagement, procurement, and development.

Whilst the resident Trustees do occupy properties within the Area of Benefit (Stockwell Park and surrounding street properties) they are occupied on the same terms as other residents in similar circumstances, and they are not able to use their position within the charitable company to any unfair advantage.

Trustee Induction and Training

New trustees complete an induction and training programme. During the induction they are briefed on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and their legal obligations generally. Trustees are introduced to the content of the Memorandum and Articles of Association, the Board structure, committees and decision-making processes, the business plan and recent financial performance of the charitable company. Trustees are also encouraged to spend a day with management and staff and other trustees and to also attend external training events to develop their knowledge and skills, as needed.

Organisation

The board of Trustees, which can have up to 13 members, determine the policy and strategy for the charitable company. The board meets a minimum of four times per year. There are sub-committees covering; finance, risk and audit; services; and human resources and remuneration, which normally meet a minimum of four times a year in addition to the board meetings. These committees have been established with delegated authority from the Board to review matters in detail and they report back to each board meeting as appropriate.

Day to day management of the charitable company is delegated to the Senior Leadership Team which is comprised of the:

- Executive Director;
- Head of Finance and Resources;
- Head of Housing & Estate Services; and
- Head of Corporate Services.

Related Parties

None of the trustees receive remuneration or other direct benefit from their work with the charitable company. Any connection between a trustee and senior manager of the charitable company with a supplier or any contracted company must be disclosed to the full board of Trustees and Company Secretary. In the current year no such party transactions were reported.

All resident Trustees live in homes under the management of the charitable company. Generally, this does not affect their capacity to make independent and fair decisions, but if there is a specific situation where there may be conflicted interests, Trustees will remove themselves from meetings in accordance with the requirements of the Articles of Association and their legal duties and responsibilities.

Network Homes Limited is the 'Parent' of the charitable company, which is not wholly owned. The charitable company operates as an autonomous entity but receives some corporate service assistance such as regulatory and statutory compliance oversight, internal audit, information systems, rent accounting, procurement, asset management and development services, from Network Homes Limited.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2022

Continued

Pay Policy for Senior Staff

The charitable company operates a spot salary for all staff including senior managers. The spot salaries are independently benchmarked every three years against other social housing organisations in London.

The remuneration benchmark is the mid-point of the range paid for similar roles adjusted for a weighting of up to 2.5%. If recruitment has proven difficult in the recent past a market supplement is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.

The spot salaries are reviewed annually and generally an inflationary increase is applied. This is dependent upon the financial success of the charitable company, and also increases being offered by the parent, Network Homes Limited, and other social housing providers in London.

The charitable company's Executive Director holds no equity interest and although he does not have the legal status of director, he acts as chief officer within the authority delegated to him by the Trustees.

Directors' and Officers' liabilities insurance is in place.

Risk Management

The trustees have a risk management strategy which comprises:

- a bi-annual review of the principal risks and uncertainties that the charitable company faces;
- the establishment of policies, systems, and procedures to mitigate those risks identified in the bi-annual review;
- to take guidance and direction through horizon scanning of committees and board as to identifiable risks; and
- the implementation of procedures designed to minimise or manage any potential impact on the charitable company should those risks materialise.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2022

Continued

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fund raising as “soliciting or otherwise procuring money or other property for charitable purposes.”

In relation to the above the charitable company confirms that it has not directly solicited for funds through fundraising for the year ended 31 March 2022 and has not had any involvement of commercial participators or professional fund-raisers, or third parties.

The charitable company has not received any complaints in relation to fundraising activities nor does it consider it necessary to design specific procedures to monitor such activities since it does not approach any individuals for funds.

The charitable company does not have any undertaking to be bound by any regulatory scheme, however the Charity is a member of Fundraising Regulator’s Code of Fundraising Practice and complies with the relevant codes of practice. The charitable company does not consider it necessary to comply with any voluntary code of practice.

Significant Risks 2021-22

The charitable company has identified a list of strategic level risks, of which the following risks have been identified as having the highest priority. To mitigate these risks, the Trustees have control measures and policies in place to ensure regulations and guidelines are adhered to and followed.

Risk Description	Ownership	Control Measures
<p>Energy Price Rises (new risk from Q3 2021-22)</p> <p>Impact On Residents: rise in energy costs leading to strains on household budgets already exacerbated by the general increase in costs of living.</p> <p>Impact on the Charity: Instability of utility prices in the wholesale market leading to higher energy costs & increased subsidy from the Charity, impacting surplus & reserves. Inadequate investigation into the financial effects of variation in gas & electricity import tariffs leading to poor purchasing decisions & even higher costs.</p>	<p>Senior Leadership Team / Services Committee</p>	<p>Signposting of residents to government assistance programmes & external organisations offering support and advice:</p> <p>Energy Bill Rebate, Warm Home Discount, Household Support Fund, Debt Advice and Support, National Debtline, StepChange (debt charity)</p> <p>Close working with NH energy procurement team, to include tariff checking with energy suppliers, analyses using price comparison organisations, additional help and support from utility supplier or independent sources.</p> <p>Ensure that current assumptions on import tariffs are based on known current tariffs.</p> <p>Undertake sensitivity analyses illustrating the impact on the Charity from gas & electricity tariff variations.</p>
<p>Poor Operational Management Leading to Poor Performance</p> <p>Mismanagement of main Responsive Repairs & Voids Refurbishment contractor; poor systems integration; failure to deliver adequate quality of services to residents.</p>	<p>Senior Leadership Team / Services Committee</p>	<p>Monitor & improve performance of main contractor Seville through forum of regular contract meetings.</p> <p>Firmly enforce control systems for approvals & sign-off.</p> <p>Actively manage disrepair cases.</p> <p>Improve the experience for residents’ incoming telephone calls to the Repairs Department.</p>

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2022

Continued

Risk Description	Ownership	Control Measures
<p>Leadership/ People Risk</p> <p>Failure to recruit, retain, and engage a diverse workforce in the right numbers with the right skills, behaviours, and experience.</p>	<p>Senior Leadership Team / Human Resources Committee</p>	<p>Workforce plan aligned to corporate objectives & delivery of plan overseen by SLT.</p> <p>Shape staff recruitment strategy & staff retention strategy to business needs.</p> <p>Regular & focussed updates from HR colleagues e.g., recruitment tracker weekly update.</p> <p>HR colleagues arrange & attend all interviews.</p> <p>Job advertisements placed with a wider range of relevant media.</p> <p>Regular team meetings, leadership & mentoring programmes to encourage team building.</p> <p>Resilience building through cross-training and alternating distribution of duties.</p> <p>Access to independent occupational health service; and Employee Assistance Programme.</p> <p>Ongoing training provided to managers.</p> <p>Robust use of probationary process for new starters; enforcement of regular one-to-one meetings for all staff.</p> <p>Temporary positions likely to be vacant for more than 3-months filled by fixed term contract employees.</p>
<p>Health and Safety</p> <p>Risk of serious health & safety breach or non-compliance with health & safety laws & regulations.</p>	<p>Senior Leadership Team / Board</p>	<p>Regular & succinct reports to board and committees.</p> <p>Servicing of fire extinguishers, weekly fire alarm tests, fire evacuation drills, electrical installation test, compartmental checks.</p> <p>Gas Safety case to be placed on the risk register with control measures & mitigations; thorough review before planned 3-yearly HSE visit in July; Repairs Manager to be included in monthly meetings & brought up to speed with system of risk management procedures, meetings, and key issues.</p> <p>Office-based / estate-based H&S measures informed by government guidance and government public health measures in relation to Coronavirus [COVID-19] pandemic.</p> <p>General strengthening of Health & Safety management systems across all operational areas.</p> <p>Increased monitoring and reporting of H&S activities occurring daily, weekly, and monthly.</p> <p>Operational meetings to include Health and Safety with regular reporting to those meetings.</p>

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2022

Continued

Risk Description	Ownership	Control Measures
		<p>System of Occupational Risk Assessments to inform management and staff of specific H&S issues and design mitigating actions.</p> <p>Briefing sessions and training programmes to increase workplace risk awareness culture.</p> <p>Review of SW9 H&S Policy with changes in high-level approach.</p> <p>Regular reporting attendance to Network Homes' Health and Safety Panel meetings.</p>
<p>Risk of workplace & commuting exposure to infection from COVID-19 disease</p> <p>Risk of imbalance between maintaining productivity and providing a safe working environment.</p> <p>Impact of COVID-19 on ability to operate and maintain safe, high quality services to residents and the Estate during the pandemic.</p>	<p>Senior Leadership Team/ Finance Risk and Audit Committee</p>	<p>Workplace, Office, & Management Mitigations</p> <p><u>NATIONAL VACCINE PROGRAMME</u>: encouragement to staff to get vaccinated and reduce the risk of death & serious symptoms.</p> <p><u>REPETITION OF BASIC MESSAGE</u>: ventilation, hands-face-space, mask-wearing, & general hygiene. Manage number of office based staff using blended/ hybrid working patterns.</p> <p><u>REDUCED CONTACT & MIXING</u>: Colleagues working from home when required to do so; face-to-face meetings minimised; and in-person meetings minimised.</p> <p><u>HEALTH</u>: Promote vaccine take-up, wellbeing and mental health support offered to all colleagues, focus on mental well-being at regular one-to-one meetings.</p> <p><u>MANAGEMENT</u>: weekly meetings of SLT, weekly All Staff Meetings, 4-weekly meetings with nominated board member for Health and Safety, regular meetings with Board and FRA Committee, regular updates from Human Resources to all staff.</p>
<p>Litigation risk</p> <p>Failure to resolve differences over interpretation of the Management Agreement and associated agreements.</p>	<p>Senior Leadership Team/ Board</p>	<p>Ensure framework for dispute resolutions is being followed.</p> <p>Board and management have open access to legal advice to inform discussions and negotiations.</p> <p>Maintain close working between board, officers, and legal advisors.</p> <p>Remain engaged in collaborative working with all parties, to continuously deliver high quality services.</p> <p>Manage disrepair caseload using legal expertise. Reduce the caseload through proactive preventive operational measures deployed to minimise new cases from emerging.</p>

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2022

Continued

Risk Description	Ownership	Control Measures
<p>Risks from sustained rising inflation in the general economy</p> <p>Increased arrears & bad debts from pressure on household incomes; overspends against budget; ineffective financial management support to departments.</p>	<p>Head of Finance / Finance Risk & Audit Committee</p>	<p>Residents signposting to relevant agencies, assisting with Universal Credit applications, arrears repayment plans, flexible payment agreements.</p> <p>Close monitoring of budgets linked to business planning & objectives.</p> <p>Use of costing procedures for service delivery.</p> <p>Regular review of reserves and investments.</p> <p>Refine in-house skills to interpret budgetary information and financial reports.</p> <p>Manage disrepair cases to limit legal costs.</p> <p>Regular financial stress testing & scenario testing</p> <p>Individual departmental expenditure accounts for clarity & control of expenditure.</p>
<p>Risk to Services and Operations</p> <p>Failure to exert control over externally commissioned asset management activity.</p>	<p>Senior Leadership Team / Services Committee</p>	<p>Assisted by dedicated M&E Team at Network Homes.</p> <p>Promote closer partnership working with Network's Development and Asset Management teams.</p> <p>Appropriate budget setting process with transparency over costs.</p> <p>Accessible databases for accurate and timely information.</p> <p>Action plans for latent defects and other works on refurbished blocks.</p> <p>Development contractor to have on-site operative for 12-month post completion period.</p>
<p>Data Protection risk; governance and compliance risk</p> <p>Failure to implement Data Protection/ Information Governance principles and practices;</p> <p>Failure to implement Housing Standards including: the Decent Homes Standard, Fitness for Habitation Act, Regulator of Social Housing Economic and Consumer Standards.</p>	<p>Head of Corporate Services / Finance Risk & Audit Committee</p>	<p>Develop and maintain 'Accountability Principle' (Article 5(2) GDPR to demonstrate compliance.</p> <p>Maintain clear understanding of data protection risk identification, impact on corporate objectives and impact on stakeholder expectations.</p> <p>Establish and deploy data protection risk and control assessments.</p> <p>Establish and deploy training and refresher training programme.</p> <p>Regular reminders and good practice guidance at staff meetings.</p> <p>Programme of annual assessment to test compliance with the Charity's own rules, regulations of the Charities Commission, and housing standards of the Regulator of Social Housing.</p>

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2022

Continued

Continuous Improvement – Going Concern

The Spring of 2021 saw a re-opening of the economy but in difficult circumstances for SW9. A vaccination programme began amidst evidence of a third wave of the pandemic and the Summer of 2021 saw an end to all social contact restrictions. The Charity understandably adopted a cautious approach throughout this time being fully aware of continuing risks to staff and residents. Because of a backlog of repairs which had accumulated during previous lockdowns when services were limited to emergencies, for a time SW9 struggled to process and complete repairs. However, despite a deterioration in several key performance indicators, we gradually began to deal with the backlog and provide a full range of services. Income collection proved to be remarkably resilient with tenant arrears being only fractionally over target for the year under review.

The Charity has reviewed its risk register and does not consider the organisation to be in a stress situation. The liquidity policy is to retain sufficient cash/cash-equivalent funds for the business to operate without any income for up to 3-months. Cash flow is monitored and reported monthly to the Finance Risk and Audit Committee.

During Quarter 4 of the last financial year there was escalation of risks in certain areas including the risk of financial exposure from under recovery of energy costs. This risk is being mitigated by efficient purchasing of energy from the wholesale market and regular sensitivity analyses provide to the board.

Our cash position remains strong and this position is not expected to deteriorate in the foreseeable future. The business environment is expected to remain challenging, but SW9 is well placed with adequate reserves to meet these challenges from a position of strength.

On this basis the Board has reasonable expectations that the Charity has adequate resources to continue its operations for the foreseeable future, being a period of at least 12 months from the date of approval of the accounts.

The Board therefore continues to adopt the going concern basis in preparing the financial statements.

Trustees' Responsibilities in Relation to the Financial Statements

The Charity Trustees (who are also the directors of SW9 Community Housing for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Charity trustees to prepare financial statements for each year which give a true and fair view of the state and affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principals in the Charities SORP (FRS 102);
- 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 Charity will continue in business.

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

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2022

Continued

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trustees' Responsibility for Internal Control

The internal control function is carried out by the parent company, Network Homes Limited. The Trustees of the charitable company have overall responsibility for ensuring the effectiveness of their internal control. The Trustees recognise that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of Network Homes Limited's assets and interests.


Statement as the Disclosure to our Auditor

In so far as the trustees are aware, at the time of approving our Trustees' annual report:

- there is no relevant Information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware; and
- the Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Independent auditors

The report of the Trustees incorporating the strategic report was approved and authorised for issue by the Trustees on 12 July 2022 and were signed on its behalf by:



Dee Alapafuja, Chair



Paul Brett, Board Member; Chair of Finance Risk and Audit Committee

SW9 COMMUNITY HOUSING

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SW9 COMMUNITY HOUSING FOR THE YEAR ENDED 31 MARCH 2021

Continued

Opinion on the financial statements

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 2022 and of its incoming resources and application of resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of SW9 Community Housing ("the Charitable Company") for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

Conclusions related 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.

SW9 COMMUNITY HOUSING

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SW9 COMMUNITY HOUSING FOR THE YEAR ENDED 31 MARCH 2021

Continued

Other information

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

Other Companies Act 2006 reporting

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

- the information given in the Report of the Trustees, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Report of the Trustees, have been prepared in accordance with applicable legal requirements.

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 misstatement in the Strategic report or the Trustee's 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 by the Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charitable Company 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.

SW9 COMMUNITY HOUSING

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SW9 COMMUNITY HOUSING FOR THE YEAR ENDED 31 MARCH 2021

Continued

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company 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 Trustees determines 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

- We obtained an understanding of the legal and regulatory frameworks through our accumulated knowledge and consideration of sector information that is applicable to the Charitable Company. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the financial reporting framework including but not limited to United Kingdom Generally Accepted Accounting Practice, the Charities Act 2011, the Companies Act 2006, Data Protection Act 2018, Bribery Act 2010 and tax legislation.
- We understood how the Charitable Company is complying with those legal and regulatory frameworks by making enquiries to management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of minutes.
- We assessed the susceptibility of the Charitable Company's financial statements to material misstatement, including how fraud might occur by discussing with management where it is considered there was a susceptibility of fraud relating to management override of controls and improper income recognition. In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain manual journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition.

SW9 COMMUNITY HOUSING

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SW9 COMMUNITY HOUSING FOR THE YEAR ENDED 31 MARCH 2021

Continued

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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 by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC'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.

DocuSigned by:

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Philip Cliftlands (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date 22 August 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

SW9 COMMUNITY HOUSING
STATEMENT OF FINANCIAL ACTIVITIES
(Including income and expenditure account)
For the year ended 31 March 2022

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure are derived from continuing activities.

For more information, please refer to accounting policy on 'Fund accounting'.

	Note	Total Funds 2022 £'000	Total Funds 2021 £'000
Income			
Income from charitable activities	2	9,466	8,675
Income from investing activities		-	-
Total Income		9,466	8,675
Expenditure			
Total expenditure on charitable activities	3	(9,264)	(8,302)
Net income before taxation		202	373
Taxation	8	-	-
Net income after taxation		202	373
<u>Reconciliation of funds</u>			
Total funds brought forward		1,144	771
Transfer to reserves			
 Total funds carried forward		 1,346	 1,144

SW9 COMMUNITY HOUSING

STATEMENT OF FINANCIAL POSITION

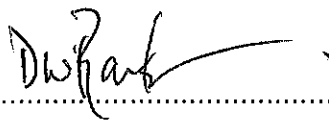
As at 31 March 2022

	Note	2022 £'000	2021 £'000
Current assets			
Debtors	10	298	554
Cash and cash equivalents	11	2,792	4,095
		3,090	4,649
Creditors: amounts falling due within one year	12	(1,703)	(3,151)
Net current assets		1,387	1,498
Provisions for liabilities and charges	13	(41)	(354)
Total net assets		1,346	1,144
The funds of the charity:			
Unrestricted funds		1,346	1,144
Total reserves		1,346	1,144

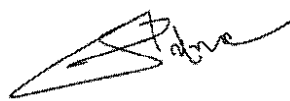
Notes on pages 27 – 37 form part of the financial statements.

The financial statements on pages 25 to 37 were approved and authorised for issue by the Trustees on 12 July 2022 and were signed on its behalf by:

Delroy Rankin, Executive Director



Sarah Patrice, Secretary



SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

1. Accounting policies

SW9 Community Housing is incorporated in England and is registered under the Companies Act 2006 and the Charity Act 2011. The Charitable Company's registered address is 6 Stockwell Park Walk, London, SW9 0FG, United Kingdom.

Network Homes Limited is the immediate and ultimate parent and prepares consolidated financial statements for the Group undertakings at 31 March 2022. The consolidated financial statements of Network Homes Limited are available from Network Homes Limited, The Hive, 22 Wembley Park Boulevard, Wembley, Middlesex, HA9 0HP.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom applicable accounting standards, including, Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"), and 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 ('the SORP 2019'), and the Companies Act 2006.

The Charitable Company meets the definition of a public benefit entity under FRS 102 and the Charity commission guideline for England and Wales (section 7.1.5).

The Charitable Company's presentation currency is Great British Pounds. Amounts are presented in thousands unless stated otherwise.

Going concern

These financial statements are prepared on a going concern basis. The Charity understandably adopted a cautious approach throughout the pandemic difficulties taking account of continuing risks to staff and residents. A backlog of repairs had accumulated during previous lockdowns when services were limited to emergencies, and for a time SW9 struggled to process and complete repairs. There was a deterioration in several key performance indicators whilst operations gradually began to deal with the backlog and provide a full range of services. Due to the foregoing, complaints and customer satisfaction indices were adversely impacted.

Income collection proved to be remarkably resilient given the circumstances, with tenant arrears being only fractionally over target for the whole year. Our cash position remains strong and this position is not expected to deteriorate in the foreseeable future. The business environment is expected to remain challenging, but SW9 is well placed with adequate reserves to meet these challenges from a position of strength.

The Charity has reviewed its risk register and does not consider the organisation to be in a stress situation. The liquidity policy is to retain sufficient cash/cash-equivalent funds for the business to operate without any income for up to 3-months. Cash flow is monitored and reported monthly to the Finance Risk and Audit Committee.

The Board is of the opinion that the risks and uncertainties identified should not threaten the sustainability and viability of SW9 as a going concern. Therefore, it is not appropriate to modify the key assumptions and judgements while preparing the financial statements and a material uncertainty does not exist.

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2022

1. Accounting policies – continued

Cash flow statement

The parent, Network Homes Limited produces a publicly available consolidated statement in which the Charitable Company's financial statements are included. It has therefore elected to apply the exemption from making disclosures in relation to cash flow statement in accordance with FRS 102.

Charitable activities

The Charitable Company aims to deliver high quality housing, support, estate and community services to residents and tenants living on the Stockwell Park Estate and surrounding street properties.

Income

Income is recognised when the Charitable Company has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably. Income represents rental and service charge income receivable and investment income from interest on money market deposits. Turnover excludes value added tax where applicable.

Rents and service charges

Income from rents and service charges are recognised by the Charitable Company on a receivable basis.

Fund accounting

The Charitable Company's funds consist of unrestricted funds which are available to spend on activities that further any of its purposes. The Charitable Company has not reported any restricted funds, however there is a designated contingency reserve of £250k set aside to mitigate any uncertain future events.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accrual basis and has been classified under the headings that aggregate all costs related to the category.

Support Costs

Support costs comprise staff costs incurred in relation to the furtherance of the Charitable Company's objectives and the costs have been apportioned on the basis of head count.

Governance Costs

Governance costs relate to expenditure incurred in the governance of the Charitable Company's assets and compliance with constitutional and statutory requirements.

Defined contribution scheme

The Charitable Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Charitable Company pays fixed contributions into an independent separate entity that administers the funds. Once the contributions have been paid the Charitable Company has no further payment obligations. The contributions are recognised as an expense in the Statement of Financial Activities when they are due.

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2022

Value added tax (VAT)

The Charitable Company is part of Network Homes Limited's VAT Group. Network Homes Limited is partially exempt in relation to VAT and accordingly is able to recover from HM Revenue and Customs part of the VAT incurred on expenditure. At the year-end VAT recoverable or payable is included in the Statement of Financial Position and irrecoverable VAT is accounted for in the Statement of Comprehensive Income within the relevant expense line of Network Homes Limited.

Taxation

The Charitable Company has charitable status and thereby is exempt from tax on its charitable activities.

Debtors

Trade debtors are recognised at the settlement amount due on 31 March 2022. Prepayments are valued at the amount prepaid.

Related parties

The Charitable Company discloses transactions with related parties which are not wholly owned within the same Group. The Charitable Company does not disclose transactions with members of the same Group that are wholly owned as allowed by FRS 102 paragraph 33.1A.

Financial Instruments

Financial asset represents financial resources available to the Charitable Company and these comprise cash at bank and in hand, trade debtors and other debtors. A financial liability is a financial claim on the Charitable Company's resources and comprises creditors, accruals and amount to parent undertaking.

The Charitable Company's financial instruments are all categorised as basic and are initially recognised at the amount receivable or payable including any related transaction costs and subsequently measured at the cash or other consideration expected to be paid or received.

Critical judgements and estimation uncertainty

The following are the significant management judgements and estimates applied in these financial statements:

Amounts due from Network Homes Limited

From 1st April 2016 SW9 took over the responsibility of managing and collecting rents from tenants. However, ownership rights and responsibilities relating to certain pre-existing debts and overpayments have not been fully concluded. Mutual agreement over these matters has not yet been achieved and as a result entitlement to certain rental debts and responsibilities associated with the settlement of historic overpayments remain uncertain.

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2022

2. Income from charitable activities

	Total Funds	Total Funds
	2022	2021
	£'000	£'000
Rental Income		
Rented accommodation	5,275	5,029
Sheltered accommodation	759	523
Leasehold accommodation	437	256
	<u>6,471</u>	<u>5,808</u>
Service Charges Receivable		
Rented accommodation	993	718
Sheltered accommodation	225	271
Leasehold accommodation	1,043	1,122
	<u>2,261</u>	<u>2,111</u>
Other social housing activities:		
Other Income	533	564
	<u>9,265</u>	<u>8,483</u>
Non-social housing activities:		
Other income	201	192
	<u>9,466</u>	<u>8,675</u>
Total Income from charitable activities	<u>9,466</u>	<u>8,675</u>

Income from investing activities is disclosed separately in the Statement of Financial Activities and relates to interest on money market deposit.

All income in the current year and prior year relates to unrestricted funds.

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2022

3. Expenditure on charitable activities

2022	Management	Repairs	Services	Total
	£'000	£'000	£'000	£'000
Staff costs	733	216	191	1,140
Governance	85	-	-	85
Support	187	28	34	249
Recruitment	53	1	1	55
Training	24	4	4	32
Community engagement	-	-	72	72
Office costs	69	10	13	92
Management charge	3,217	-	-	3,217
Property maintenance	-	1,097	-	1,097
Provision of service to residents	-	-	1,810	1,810
Other operational costs	1,415	-	-	1,415
	5,783	1,356	2,125	9,264

2021	Management	Repairs	Services	Total
	£'000	£'000	£'000	£'000
Staff costs	982	256	208	1,446
Governance	140	-	-	140
Support	131	21	37	189
Recruitment	13	10	1	24
Training	1	-	-	1
Community engagement	-	-	54	54
Office costs	64	10	18	92
Management charge	3,016	-	-	3,016
Property maintenance	-	1,100	-	1,100
Provision of service to residents	-	-	1,810	1,810
Other operational costs	430	-	-	430
	4,777	1,397	2,128	8,302

Expenditures mainly relate to the provision of services to residents, property maintenance and fees payable to the parent company. Management charge of £3,217k (2021: £3,016k) relates to surplus rent payable to the parent company as detailed in the management agreement. This amount is calculated as 47% of the total rents and other rents receivable for the year less rent and service charge void losses.

All expenditure in the current and prior year relates to unrestricted funds.

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2022

4. Analysis of support and governance costs

	Support 2022 £'000	Governance 2022 £'000	Support 2021 £'000	Governance 2021 £'000
Finance	161	-	116	-
Human resources	87	-	72	3
Consultancy	-	53	-	123
Audit fees	-	32	-	14
Recruitment	1	-	1	-
	249	85	189	140

Finance support cost allocation is based on head count and all other support cost is apportioned based on actual costs.

5. Employee information

The monthly average number of persons employed during the year, including the Executive Officer, is based on an assumption that a full-time equivalent employee (FTE) works 35 hours and includes employees on both permanent and fixed term contracts:

	2022		2021	
	FTE	Head Count	FTE	Head Count
Office staff	42	56	36	51
Scheme-based staff	2	2	2	2
	44	58	38	53

Staff costs for the above employees were:

	2022 £'000	2021 £'000
Wages and salaries	1,443	1,397
Social security costs	136	137
Pensions costs	75	78
	1,654	1,612

The staff of the Charitable Company participates in the defined contribution scheme run by the Social Housing Pension Scheme. Pension costs are employer's cost payable to the Pension Trust.

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2022

5. Employee Information (continued)

The number of staff receiving remuneration in excess of £60,000 per annum at 31 March 2022 is as follows:

	2022	2021
£60,000 - £69,999	-	2
£70,000 - £79,999	2	-
£110,000 - £119,999	1	1
£120,000 - £129,999	-	1

The figures stated above exclude amounts attributable to employers' national insurance and pensions costs. In addition, remuneration of the Executive Director includes a legacy baseline amount to compensate for the closure of the Local Government Pension Scheme in 2007 by Network Housing Group being the predecessor to the Charity's parent organisation Network Homes Limited, a decision that was taken following independent legal and pensions advice.

6. Directors' emoluments

The Directors are defined as members of the Trustees and the Executive Officers. The Trustees of the Charitable Company did not receive any remuneration in the year and there was no reimbursement of expenses.

Day-to-day management of the Charitable Company is delegated to the Senior Leadership team which is comprised of the following:

- Delroy Rankin, Executive Director
- Orane Lewis, Head of Finance
- Dipak Patel, Head of Corporate Services

Remuneration of key management personnel

	2022 £'000	2021 £'000
Aggregate emoluments payable to Senior Leadership Team	270	364
Pension contributions payable to Senior Leadership Team	19	23
Total emoluments	289	387

Senior Leadership Team members are ordinary members of the defined contribution Social Housing Pension Scheme on the same basis as that available to all staff. The Charitable Company did not make any contribution to any individual pension arrangements on their behalf. The notice period for termination of their contracts is three months. No pension contributions were made on behalf of any non-executive Director.

7. Net income before tax

	2022 £'000	2021 £'000
Surplus on ordinary activities before taxation is stated after charging:		
Fees for the audit of the Company's financial statements	10	14

Audit fees are reviewed on an annual basis.

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2022

8. Taxation

The Charitable Company is a charity for tax purposes and is therefore not subject to corporation tax on its charitable activities. There was no non-charitable income in the year.

9. Debtors: amounts falling due within one year

	2022	2021
	£'000	£'000
Rent and service charges	347	638
Less: provision for bad and doubtful debts	<u>(160)</u>	<u>(182)</u>
	187	456
Other debtors	66	68
Trade debtors	46	30
Less: provision for bad and doubtful debts	-	-
Prepayments and accrued income	<u>-</u>	<u>-</u>
	<u>298</u>	<u>554</u>

All debts are due within one year.

10. Cash at bank and in hand

	2022	2021
	£'000	£'000
Cash at bank and in hand	<u>2,792</u>	<u>4,095</u>

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2022

11. Creditors falling due within one year

	2022 £'000	2021 £'000
Client accounts		
Service charge and client funds	50	-
Trade creditors	201	36
Rent and service charges received in advance	211	672
Owed to Group undertakings	551	901
Other creditors	57	50
Accruals	633	1,492
	<u>1,703</u>	<u>3,151</u>

Amounts owed to Group undertakings are payable on a quarterly basis based on the management agreements.

12. Provisions for Liabilities and Charges

	2022 £'000	2021 £'000
Provisions for Liabilities and Charges	<u>41</u>	<u>354</u>

Provisions are recognised when the Charity has an obligation at the Statement of Financial Position date. Amounts have been included for liabilities relating to disrepair claims, prepaid rents at the year-end date, a claim in relation to the provision of CCTV services, and a claim in relation to properties being refurbished.

13. Parent undertaking and ultimate parent undertaking

The immediate and ultimate parent undertaking and controlling party is Network Homes Limited, a Company incorporated in England and registered with the Homes England (registration no. L4825).

Network Homes Limited consolidates the financial statements of all the Group undertakings at 31 March 2022. The consolidated financial statements of Network Homes Limited are available from Network Homes Limited, The Hive, 22 Wembley Park Boulevard, Wembley, Middlesex, HA9 0HP.

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2022

14. Related parties

At 31 March 2022, the total rent and service charge the Charitable Company received from tenant Trustees members' amount to £70,096 (2021: £68,075). The tenant Trustee members all of whom have paid rents and service charge to the Charitable Company at arm's length had no outstanding balances at the year end. They are listed below as follows:

- Mr Dee Alapafuja
- Mr Daniel Garza
- Mr Steven Warren
- Mr Adebayo Ajibade
- Mr Olu Ajisebutu
- Mr Paul Brett
- Mr Colin Faulkner
- Mr Benjamin Peart
- Dr Daniel Cromb
- Kieran Godwin
- Tazeem Abbas

15. Contingent Liability

At 31 March 2021, SW9 CH was invoiced for a total of £622,956 by the parent company for Business Transformation projects. Having reviewed the terms of the management agreement and taken legal advice, it is the Board's view that it is not probable that SW9 CH will be liable for these costs. A legal process is underway and a final determination of liability will be made in the new financial year.

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2022

Other directorships

Trustees had the following external directorships, not including directorships of subsidiaries of Network Homes Limited. There were no transactions with any of the entities listed below.

Trustees Member	Other entities	Position
Benjamin Peart	Redeem Information System	Director
Paul Brett	Brett Consultants Limited	Director
Tazeem Abbas	Kittoe and Co. Limited The Tranquil Otter Limited The Tranquil Otter Investments Limited Deeside Communications Limited Caldew School	Director Director Director Director Director

SW9 COMMUNITY HOUSING

England & Wales - Charity number 1170586

Accounts

1. SW9_Annual_Accounts_2020-
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SW9 COMMUNITY HOUSING
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

(Charity No. 1170586)
(Company No. 09574528)

SW9 COMMUNITY HOUSING**FINANCIAL STATEMENTS****For the year ended 31 March 2021**

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SW9 COMMUNITY HOUSING**THE TRUSTEES, EXECUTIVE OFFICER AND ADVISORS**

The members of SW9 Community Housing are its Trustees for the purpose of charity law. The Trustees, executive officer, and advisors who were in office during the year and up to the date of signing the financial statements were:

Trustees	Dee Alapafuja Adebayo Ajibade Andrew Sternberg Benjamin Peart Colin Faulkner (appointed 19 May 2020) Daniel Cromb Daniel Garza Joshua Lindsey (resigned 23 April 2021) Kieran Godwin (appointed 15 Jun 2021) Olukayode Ajisebutu Paul Brett Sarah Thomas (resigned 1 April 2020) Steven Warren Tazeem Abbas (appointed 8 July 2021)
Secretary	Sarah Patrice
Executive Officer	Delroy Rankin
Registered office	6 Stockwell Park Walk London SW9 0FG
Independent auditor	BDO LLP Chartered Accountants and Statutory Auditors 55 Baker Street London W1U 7EU
Solicitors	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES
Bankers	HSBC West End Business Banking Centre, 16 King Street Covent Garden, London WC2E 8JF
Registrations	Company No. 09574528 Charity No. 1170586

SW9 COMMUNITY HOUSING**REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2021**

The Trustees are pleased to present their annual Directors' report together with the financial statements of the Charity of the year ending 31 March 2021 which are also prepared to meet the requirements for a Directors' Report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act "2006", the Memorandum and Articles of Association, 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).

Chair's report

Over the past year, and indeed currently, we continue to live through a significant chapter in world history. The pandemic has touched each, and every one of us, as we have been separated from the people we care about and care for, physically dissociated from friends and colleagues, with repeated lockdowns and social distancing. On behalf of the Trustees, I should first like to honour and pay our deepest respects to those who have lost their lives or loved ones through the pandemic, SW9 residents, colleagues, and all members of the community in which we live and work. With these sombre thoughts in mind, I want to thank all our residents, both old and new, who have got involved with the Charity during this last financial year.

SW9 is a community and by getting involved with our engagement activities on offer, residents can develop a direct relationship with the organisation, give feedback on our services, and have their say in how they should be delivered.

I am proud of the range of activities SW9 has delivered for residents, the vast majority of which are delivered for free and are oriented around giving families opportunities they may not normally have access to. We also work hard to give individuals chances to develop personally, supporting both their future and that of their families.

Whether by attending an event, giving feedback on a service, or volunteering with a resident group, more than 230 residents have had their say in what SW9 does and how we do it.

SW9 COMMUNITY HOUSING**REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2021****Chair's report (continued)**

If you have joined SW9 during the last year, either as a tenant or a leaseholder, I would like to extend a very warm welcome to you as you join your new community. Stockwell is an exciting place to live and, as the regeneration progresses, many new residents will choose to make this community their home. This regeneration is only possible through the continued support of Network Homes, and I thank them for their sustained commitment.

Even though SW9 is familiar with facing challenges in a changing business environment, the ongoing pandemic is unprecedented in our lifetimes. SW9's operations adapted well, and our staff have responded courageously, enabling the organisation to continue to deliver core services, and support our vulnerable residents during this time. That said, we do not underestimate the long-term impact on the general economy and society.

In closing I would like to thank my fellow trustees particularly welcoming our new members, the management, and staff of the charity for all their hard work and dedication to the estate and surrounding street properties. To find out more about how we are "keeping it local", please visit our website www.sw9.org.uk or telephone 0207 326 3700.

Our residents are the reason we are here.

Yours,



Dee Alapafuja

Chair

SW9 Community Housing

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2021 - continued

Our purpose and activities

The purposes of the Charity are:

- Deliver high quality housing, repairs and support services;
- Work in partnership with our parent organisation, Network Homes Limited, in the delivery of the physical regeneration of Stockwell Park and surrounding street properties;
- Demonstrate high standards of governance, promoting the benefits of tenant management; and
- Further the sustainability and diversity of the community.

The principal activity of SW9 Community Housing (“the charitable company”/” the Charity”) is to provide property management and maintenance services on behalf of Network Homes Limited, the Landlord, under a 25-year Management Agreement. In accordance with the Management Agreement between the charitable company and Network Homes Limited, one of the key purposes is to deliver first class housing, support and repairs services to the residents of Stockwell Park and surrounding street properties, as defined by the Charity’s Area of Benefit.

To do this, the charitable company retains a percentage of the annual rental income paid by tenants living in properties under the management of the charitable company. The accommodation provided is for people on low or moderate incomes, and in housing need. The accommodation under the management of the charitable company ranges from single person accommodation up to large family dwellings. The charitable company also manages purpose-built specialist accommodation for those in need of support or personal care. It also provides community development and community engagement to ensure Stockwell Park remains a sustainable and vibrant multicultural environment.

The charitable company also provides services to tenants who have purchased their home on a long lease, either on a shared ownership basis or outright at market value.

The total number of homes under the management of the charitable company is 1,718 of which, 900 are for general needs, 630 are leasehold homes, 65 are shared ownership properties while 48 are supported housing. 40 are classed as older persons’ housing and 3 are affordable rent. This number will increase in 2021-22 as further new homes are built on Stockwell Park by Network Homes Limited, a Registered Provider with Homes England, and parent company to the charitable company.

SW9 COMMUNITY HOUSING**REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2021 - continued**

The vision that shapes the charitable company's activities remains the promotion of tenant management, and local control and accountability. The charitable company encourages tenants and residents to actively influence the services provided through membership of its Trustee board, residents' forums, and community development groups.

The charitable company also has the general charitable aim of contributing to the quality of life of tenants of the Stockwell Park Estate and surrounding street properties by expanding their horizons through the provision of exciting, challenging and accessible activities including employment and welfare advice through signposting tenants to stakeholder partners.

The charitable company endeavours to encourage all within the community to take part in activities and attend community events held throughout the year, irrespective of tenure type. These activities are either free or subsidised to ensure they are affordable and available to all.

The charitable company continues to foster links with other local organisations which provide additional services to the residents of Stockwell Park and surrounding street properties. The charitable company recognises the positive contribution other organisations can make to further its aims and objectives in particular, for those most vulnerable residents.

Volunteers

Members of the Board of Directors and Committees did not receive any remuneration for the work they carried out in the capacity of the charitable company in the year ending 31 March 2021. In addition, a number of residents and friends of the charitable company gave their time voluntarily in assisting with specific projects and community activities, including the packing of hampers for vulnerable residents.

SW9 COMMUNITY HOUSING**REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2021 – continued****Achievement and performance**

The charitable company provided a variety of related services to 1,718 homes. The number of homes according to tenure type is shown below:

General needs:	900
Leaseholders:	630
Shared Ownership:	65
Supported Housing:	48
Older Persons' Housing:	40
Affordable Rent:	35

Due to the pandemic impacts on the general economy and the continued rollout of Universal Credit, net rental income as a percentage of rents owed fell to 96.64% in the financial year ending 31 March 2021. To help support those experiencing financial difficulty, the charitable company invested resources to help 77 residents and, as a direct result of early intervention, there were no evictions for the non-payment of rent. The percentage of tenants in arrears remains under 2%. This places the Charity in the top five London based social housing providers.

The focus of the charitable company remains the provision and delivery of quality housing services and community engagement and development. Improving levels of customer satisfaction is the major priority and the year ending 31 March 2021 was another year of continuous improvement, with an increase of 4% to 76%.

Performance in other areas continued to improve for the period ending 31 March 2021. Although the number of days taken to re-let an empty property had almost doubled to 53.9 days, this was largely due to the switch to a new main repairs contractor combined with the high number of voids created by new Thrayle House.

The charitable company monitors all expenditure, particularly repairs and maintenance which is the largest single budget. During the year under review the Charity signed a three-year contract with Seville

SW9 COMMUNITY HOUSING**REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2021 – continued****Achievement and performance (continued)**

Developments Limited to deliver responsive repair services to the properties under management, replacing Chigwell (London) who had been the principal repairs contractor for the previous 12 months.

Post the Grenfell tragedy, the social housing sector has continued to emphasise the need for Health and Safety compliance, particularly in terms of fire safety. The charitable company has continued to work alongside Network Homes Limited (the landlord) to improve fire safety measures at a number of the residential buildings under its management. Recladding works have commenced at Park Heights, a fifteen and twenty storey tower block. A further building is due to undergo cladding replacement works during 2021-22. The cost of these works will be paid for by Central Government. 100% of the properties under the management have a valid Fire Risk Assessment.

A number of community benefit projects or events were delivered by the charitable company. Some of the key achievements are set out below:

- The introduction of a Hardship Fund plus an Education and Employment Grant to provide financial support for residents in need;
- The introduction of the RISE Programme – a fully funded series of opportunities including financial inclusion, employment and education opportunities, financial support, and family fun activities;
- Apprenticeship and graduate employment opportunities;
- Work experience placements;
- Supporting the Brixton Foodbank with numerous food donations;
- Wellbeing and life skills training for tenants;
- Free of charge financial health checks for tenants;
- Art and craft classes;
- Hampers at Christmas for elderly and vulnerable residents.

Throughout the year ending 31 March 2021, 235 residents actively took part in a community event or project. In total there were 898 instances of engagement, meaning many residents got involved with the Charity on more than one occasion. Although these figures are down on the previous financial year, they are still remarkably healthy given that, like the rest of the UK, Stockwell Park has been under government-imposed lockdown measures for much of the year.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2021 – continued

Community Engagement

During the financial year 2020-21, 235 (483 in 2019-20) individuals took part in engagement activities with the charitable company. This is a strong number for an organisation the size of SW9 and, although it is down on the figure from the previous financial year (483), remains impressive given the constraints of delivering the service within the restrictions and repeated lockdowns of the pandemic.

The individuals engaged via a total of 899 instances during this period, showing that many residents chose to take part in more than one activity. Although this is also down on the previous year (1598), it reflects the trust that our residents had in us to deliver quality activities in a Covid-safe environment, with a huge number returning time and again.

The year under review was given an immeasurable boost to the service by Komal Doan, SW9's first Resident Engagement and Communications Manager. Arriving at SW9 with an exciting new vision for the service and how it should respond to the pandemic, in total she delivered a staggering 93 engagement activities during 2020-21 despite not arriving until well into the financial year. These included, but were not limited to:

- The creation and introduction of the SW9 RISE programme – offering residents a suite of engagement opportunities that will bring the Stockwell Park community together, develop residents' talents and introduce a new era of engagement.
 - Homework Classes – evening classes to improve the life chances of our children impacted by repeated lockdowns.
 - Start Your Own Enterprise course – a course led by experienced entrepreneurs to help turn business ideas into a real plan.
 - Financial Inclusion Boost Course – one to one courses delivered remotely by a finance specialist.
 - Digital Inclusion Programme – offering access to free laptops and data for families isolated by the pandemic.
 - Eat Well I Learn Well – an opportunity to pick up essential stationery and breakfast for families that need additional support.
 - Nail courses – a series of one day courses, where attendees could learn how to deliver various health and beauty treatments.
 - Work and Education Programme – a 6-week online programme for residents aged 16 to 24 not in education or employment.

SW9 COMMUNITY HOUSING**REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2021 – continued****Community Engagement (continued)**

In addition, the following activities were also delivered:

- SW9 Calendar Project – regular art classes for children creating pieces that are used in our annual Community Calendar.
- Older Persons' Art Club – regular art workshops for elderly and vulnerable residents hosted at Helmi House.
- Older Persons' Gardening Club – regular gardening workshops for elderly and vulnerable residents hosted at Helmi House that offer opportunities to both grow and cook produce.
- SW9 festive activity – including the Hampers Project (delivering Christmas supplies to 100 vulnerable and elderly residents) and the Helmi House Christmas lunch.
- Residents' Groups – including support to the Redmayne Residents' Association and new BRX Residents' Association.
- Regular surveys – allowing residents to feedback on key services and have their say on what they would like us to deliver in the future.
- Foodbank Contributions – regular donations to the Brixton Foodbank sourced by staff and residents.
- Financial Health Checks – carried out for residents by the Income Team in conjunction with the Network Homes Welfare Team.

New opportunities developed in this period include the SW9 Improvement Panel and Secret Shopping programme, which will deliver the organisation's scrutiny function. These will begin operation in the coming financial year.

Close contact is maintained with the Community Centre, run by the Community Trust, as well as our partners at Network Homes, with regular meetings held to discuss ways in which we can better support each other and deliver projects of shared importance.

Financial Review

The main source of income reported by the charitable company for the year ending 31st March 2020 on its charitable activities was £8,675k (2020: £8,029k).

SW9 COMMUNITY HOUSING**REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2021 – continued****Financial Review (continued)**

Total expenditure in the year was £8,302k (2020: £7,943K), of which £1,100k was charged to the Statement of Financial Activities under major repairs and routine maintenance.

The second highest area of expenditure for the charitable company is Employee Costs. Employees are key to the ongoing success of the business and therefore the Trustee's will continue to approve expenditure for investment in staff development. Employee costs account for 18% of expenditure.

The charitable company recorded a surplus of £373k during the year, which was a significant improvement over the previous year (2020: £88k). There have been increases in repairs and maintenance costs as well as service costs in the year.

The charitable company is financed using its positive cash flow and retained reserves, which are not distributable. The charitable company has no loan facilities from banks or other lending institutions. The trustees consider the charitable company has the capacity to continue to operate without requiring external finance.

The trustees are committed to ensuring the future financial stability of the charitable company and continually review the financial position and consider any changes required.

The charitable company receives no other income apart from its charitable activities, and therefore costs must be met as part of the charitable company's rental income.

The charitable company endeavours to put value for money at the heart of everything it does by being prudent in its allocation of funds and creating the environment where management and staff remain cost conscious. The charitable company strives to get the balance right between costs, performance and quality, this is particularly important at this time when the social housing sector is consolidating and cost cutting.

The framework adopted by the charitable company includes:

- driving down costs;
- improving our services;
- cutting waste; and
- increasing customer satisfaction.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2021 - continued

Coronavirus – Covid-19 Impact

The key economic impacts of the pandemic have been consequential to, reduced demand and spending due to stay-at-home public health advice, workers being off sick, school closures forcing additional childcare responsibilities onto parents, supply chain disruption, and the closure of businesses. Some sections of the economy saw a collapse in demand for goods and services. The pandemic has invoked huge uncertainty, mitigated to a degree by the UK vaccine rollout during 2021. It remains to be seen how long the economic recovery will take and to what extent will there be economic scarring or permanent damage.

Behavioural responses by consumers and businesses played a significant role in affecting the economy. Business confidence suffered because consumers were more cautious in their spending decisions. Businesses have reduced their investments due to the uncertain economic outlook and having to repay debts taken on during the pandemic.

The global nature of the crisis exacerbated domestic economic downturns and made it more difficult for any individual country to stem the decline. The global depth and reach of the economic crisis are unprecedented in modern times. In June 2020, the IMF chief economist said this is the “*worst recession since the Great Depression [of the 1930s]*” [IMF blog, <https://blogs.imf.org/2020/06/24/reopening-from-the-great-lockdown-uneven-and-uncertain-recovery/> 24 June 2020].

Economic statistics bear out the magnitude of the recession. UK’s GDP declined by 9.8% in 2020, the steepest drop since 1948. GDP was 25% lower in April 2020 than it was two months earlier in February. Economic activity picked up over the spring and summer of 2020 with restrictions easing and the release of pent-up economic demand. This was followed by a further lockdown in November 2020, before a slight recovery in December. A stricter lockdown in early 2021 saw economic activity decline again but less severely than during the first lockdown. GDP was 6% lower in March 2021 than before the pandemic. [Figures cited from ‘Briefing Paper, Coronavirus: Economic impact’ House of Commons Library <https://commonslibrary.parliament.uk/research-briefings/cbp-8866/>].

There are concerns about the scale of the QE programme (the quantitative easing programme – where the Bank of England creates additional money and uses it to buy financial assets) exposing the Bank of England to political pressure to *not* raise interest rates, in circumstances when rising inflation is more than short-term. The Bank expects rising inflation to be “*transitory ...*” but asset purchases already announced are likely to be made when the economy is growing and inflation rising at a faster rate than expected. The scale of the QE programme and the size of the Bank’s balance sheet, now equivalent to 40% of GDP, has increased the sensitivity of public debt servicing costs if the Bank needed to raise interest rates to control inflation. If the inflation threat is not met head-on, i.e., sufficiently early, it may be substantially more difficult for the Bank to curb later. [Concluding discussion points [s.183] of the of the Economic Affairs Committee of the House of Lords, ‘Quantitative Easing: a dangerous addition?’ <https://publications.parliament.uk/pa/ld5802/ldselect/ldeconaf/42/42.pdf> published 16 July 2021].

SW9 COMMUNITY HOUSING**REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2021 - continued****Coronavirus – Covid-19 Impact (continued)**

It is clear the Country is in a significant economic downturn. The operating environment for the housing sector is difficult and adversely impacted from pressure on income collection, delayed sales, and delayed development work. Quoting directly from the housing regulator's Quarterly Survey for Q4 January to March 2021: "16 - As the country begins to emerge out of lockdown, providers will need to remain alert and ready to respond to further changes in the operating and economic environment. Forecasts will need to be closely monitored and updated as the economy re-opens, and flexibility will need to be included to allow any increasing risks to be effectively managed."

SW9 Community Housing has shown resilience during the coronavirus outbreak. Income remained reasonably stable, and our business continuity plans proved to be robust, bolstered by SW9's close association with its parent organisation, Network Homes, whose significant investment in IT systems paid dividends with the majority of SW9 staff being able to work seamlessly from home during periods of lockdown. We have therefore been able to maintain essential services to our residents.

We are mindful of the resultant significant economic impact on our customers, which is likely to be severe and lasting. Although we have adapted well as a business, we understand that many of our residents are facing financial stress. Our compassionate approach will be deployed to support all those who need help through these difficult times. As a resident-led organisation with a focus on local geography, SW9 will continue to provide good quality services to the Stockwell Park Estate and to its other managed properties. We are a charity that was established with the very objective to put residents and the local community first, and this we will continue to do. The impact of the Coronavirus means that none of us know what is going to happen over the coming weeks and months and all of us will have anxieties about the wellbeing of families and friends and the disruption to normal life. Our priority at SW9 is to ensure that residents, staff, and the people we all care for remain safe and protected.

Brexit

The previous year's financial statements included considerable uncertainty surrounding Brexit with the possibility of a 'no-deal' Brexit firmly on the table. That position receded and since has been somewhat eclipsed by the pandemic, but risks associated with Brexit are largely covered in the following areas of concern: supply chain disruption leading to issues with availability and cost of engineered components, labour shortages particularly in the construction and property management sectors, adverse impact on the housing market and property values affecting market sales, reduction in tenants' ability to pay their rent. SW9 remains reasonably well protected from direct impacts, with mitigations in place for indirect impacts on the general economy.

SW9 COMMUNITY HOUSING**REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2021 - continued****Brexit (continued)**

SW9's Income Team act as welfare benefits advisers by signposting residents to resolve benefits issues, maximise their income and improve their financial situation. Using knowledge and experience acquired over many years, our staff ensure SW9 responds dynamically to government changes being made to welfare benefits and assistance programmes. Our focus is on tenancy sustainment to make a real difference to our customers' lives, even in the most difficult circumstances.

Our judgement is that negative impacts arising from a general and prolonged economic downturn can and will, be managed. Good governance and an agile management team will be the foundation of rapid decision making as and when required, to protect the Charity's position.

Investment powers and policy

The Trustees, having regard to the liquidity requirements of the charitable company, have kept available funds in a money market interest-bearing account. Due to historic low interest rates the monies on deposit achieved an average of 0.5% interest against a Consumer Price Index of 1.9% for the year.

Reserve policy

The reserves of the charitable company are unrestricted funds as shown on page 31. The total funds held by the charitable company at the end of the year are £1,144k, which are available for general charitable use.

The charitable company policy is to maintain reserves equivalent to three months operating costs. Average monthly operating costs are £441k; therefore, the reserves retained will be set at £1,322k.

When surpluses exceed £1,322k, the trustees will decide how much of the excess can be used for community benefit projects. Apart from effective management of the major contracts of the business, the reserves will be increased as a result of the additional units of stock. The risks associated with the level of reserves will be managed by the production and scrutiny of financial information and ensuring that robust processes and controls are adhered to.

The trustees will review the Reserves Policy on an annual basis.

SW9 COMMUNITY HOUSING**REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2021 – continued****Plans for the future period**

The trustees of the charitable company are committed to continuing to provide first class, resident-led housing, repairs, and support services to the residents of the Stockwell Park Estate and surrounding street properties. They also are considering some specific plans:

- **Options Review Agreement**

The Options Review Agreement is a legally binding agreement between SW9 and Network Homes. This review is to establish whether SW9 could become a viable stand-alone registered housing provider, independent of Network Homes. Both SW9 and Network Homes must have jointly commissioned the start of the review by 31 March 2021. This is now underway.

The SW9 Trustees know that they cannot alone make a significant decision about becoming independent. That decision would be delegated to residents by way of a ballot. If the Trustees decide it is not viable to seek independence, or a ballot takes place, but the Trustees and management are not successful in securing resident support, then the current situation (Network Homes as landlord and SW9 as managing agent) will continue.

- **Expand our Digital Inclusion and self-service**

Since the COVID-19 pandemic, access to non-essential management services has been limited. Residents were encouraged to use other methods to contact SW9 due to the estate office being closed. As part of our digital inclusion programme, the charity will continue to encourage customers to access services on-line. The charity still has an ambitious target to facilitate 80% of transactions online by the end of 2022. The charity will continue to maximise the benefit of its relationship with the parent, Network Homes by participating with information technology initiatives which add value to the customer experience and drive up back-office efficiency. The charity will continue to benefit from these projects at no additional cost, as it is already included within the Surplus Rent paid to the parent quarterly in arrears.

- **Increase our Apprenticeship and Graduate employment opportunities**

The Charity will increase the number of apprenticeship and graduate placements during the forthcoming year. It has set a target to have a minimum of 4 placements filled in both academic and non-academic roles.

SW9 COMMUNITY HOUSING

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2021 - continued

Principal Risks and uncertainties

The Trustees have considered the principal risks and uncertainties facing the charitable company. The main financial impact of risk is of an unforeseen fall in income or increase in expenditure. The fall in income arises as a direct consequence of a probable increase in rent arrears resulting from a general economic downturn causing some rent payers to claim Universal Credit. Additional expenditure due to budget overruns or unplanned events are also liable to occur.

The Trustees have also considered non-financial risks including building health and safety compliance, which is deemed paramount, and any potential breach is a principal risk. The Charity's Risk Register is reviewed by all trustees twice per year and considered by the relevant committee four times per year.

Structure, Governance and Management

The charitable company was set up following the decision by Network Housing Group and its social landlord entities to amalgamate into one single social landlord, Network Homes Limited. The charitable company is a resident-led, locally managed, non-asset holding entity that provides a range of property management and maintenance services on behalf of Network Homes Limited following the stock transfer from the London Borough of Lambeth in March 2007.

The charitable company was incorporated on 5 May 2015 under the name of Stockwell and Brixton LMO. Stockwell and Brixton LMO changed its name to SW9 Community Housing on 15 August 2015. On 29 March 2016 Network Homes Limited paid £5,193 to the charitable company as initial funding. The charitable company became active from 1 April 2016. The charitable company is limited by guarantee and governed by its Memorandum and Articles of Association dated 28 March 2016.

Appointment of Trustees

The Trustees, as set out on page 1, comprise of non-executive board members and are responsible for managing the affairs of the charitable company. The board of Trustees is usually composed of:

- 10 residents (5 leaseholders & 5 tenants);
- 2 independent individuals appointed for their skills, knowledge and/or experience; and
- 1 local authority appointee.

The appointment of residents as Trustees and Company Members is via an open and democratic election process. These positions are publicised, and applications received and considered by the current members of the Trustees group of the charitable company. If there are more eligible tenant nominations than vacancies arising, an election process is held in accordance with the Articles. The Trustees make recommendations to the Board of Network Homes Limited for approval of those individuals to the SW9 Board. The appointments of the two 'independent' trustees are agreed by the members of the Trustees, while the local authority representative is appointed by the London Borough of Lambeth.

SW9 COMMUNITY HOUSING**REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2021 - continued****Appointment of Trustees (continued)**

Procedures are in place to identify and recruit suitably skilled trustees to provide strength, balance and diversity of thought to the board of the charitable company. Areas of expertise considered include social housing, finance, legal, marketing and communications, procurement, and development.

Whilst the resident Trustees do occupy properties within the Area of Benefit (Stockwell Park and surrounding street properties) they are occupied on the same terms as other residents in similar circumstances, and they are not able to use their position within the charitable company to any unfair advantage.

Trustee induction and training

New trustees complete an induction and training programme. During the induction they are briefed on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and their legal obligations generally. Trustees are introduced to the content of the Memorandum and Articles of Association, the Board structure, committees and decision-making processes, the business plan and recent financial performance of the charitable company. Trustees are also encouraged to spend a day with management and staff and other trustees and to also attend external training events to develop their knowledge and skills, as needed.

Organisation

The board of Trustees, which can have up to 13 members, determine the policy and strategy for the charitable company. The board meets a minimum of six times a year. There are sub-committees covering regeneration and development; finance, risk and audit; services; and human resources and remuneration, which normally meet a minimum of four times a year in addition to the board meetings. These committees have been established with delegated authority from the Board to review matters in detail and they report back to each board meeting as appropriate.

Day to day management of the charitable company is delegated to the Senior Leadership Team which is comprised of the:

- Executive Director;
- Head of Finance and Resources;
- Head of Operations; and
- Head of Corporate Services.

SW9 COMMUNITY HOUSING**REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2021 - continued****Related parties**

None of the trustees receive remuneration or other direct benefit from their work with the charitable company. Any connection between a trustee and senior manager of the charitable company with a supplier or any contracted company must be disclosed to the full board of Trustees and Company Secretary. In the current year no such party transactions were reported.

All resident Trustees live in homes under the management of the charitable company. Generally, this does not affect their capacity to make independent and fair decisions, but if there is a specific situation where there may be conflicted interests, Trustees will remove themselves from meetings in accordance with the requirements of the Articles of Association and their legal duties and responsibilities.

Network Homes Limited is the 'Parent' of the charitable company, which is not wholly owned. The charitable company operates as an autonomous entity but receives some corporate service assistance such as regulatory and statutory compliance oversight, internal audit, information systems, rent accounting, procurement, asset management and development services, from Network Homes Limited.

Pay policy for senior staff

The charitable company operates a spot salary for all staff including senior managers. The spot salaries are independently benchmarked every three years against other social housing organisations in London.

The remuneration benchmark is the mid-point of the range paid for similar roles adjusted for a weighting of up to 2.5%. If recruitment has proven difficult in the recent past a market supplement is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.

The spot salaries are reviewed annually and generally an inflationary increase is applied. This is dependent upon the financial success of the charitable company, and also increases being offered by the parent, Network Homes Limited, and other social housing providers in London.

The charitable company's Executive Director holds no equity interest and although he does not have the legal status of director, he acts as chief officer within the authority delegated to him by the Trustees.

Directors' and Officers' liabilities insurance is in place.

SW9 COMMUNITY HOUSING**REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2021 – continued****Risk Management**

The trustees have a risk management strategy which comprises:

- a bi-annual review of the principal risks and uncertainties that the charitable company faces;
- the establishment of policies, systems and procedures to mitigate those risks identified in the bi-annual review; and
- the implementation of procedures designed to minimise or manage any potential impact on the charitable company should those risks materialise.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fund raising as “soliciting or otherwise procuring money or other property for charitable purposes.”

In relation to the above the charitable company confirms that it has not directly solicited for funds through fundraising for the year ended 31 March 2021 and has not had any involvement of commercial participators or professional fund-raisers, or third parties.

The charitable company has not received any complaints in relation to fundraising activities nor does it consider it necessary to design specific procedures to monitor such activities since it does not approach any individuals for funds.

The charitable company does not have any undertaking to be bound by any regulatory scheme, however the Charity is a member of Fundraising Regulator’s Code of Fundraising Practice and complies with the relevant codes of practice. The charitable company does not consider it necessary to comply with any voluntary code of practice.

SW9 COMMUNITY HOUSING**REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2021 – continued****Significant risks 2020-21**

The charitable company has identified a list of strategic level risks, of which the following risks have been identified as having the highest priority. To mitigate these risks, the Trustees have control measures and policies in place to ensure regulations and guidelines are adhered to and followed.

Risk Description	Ownership	Control Measures
<p>Risk to services and business continuity from the Coronavirus pandemic</p> <p>Impact of Covid-19 on ability to operate and maintain safe, high quality services to residents and the Estate during the pandemic.</p> <p>Reduction in staff availability; service reduction and service cessation; closure of reception; and closure of offices.</p>	<p>Senior Leadership Team/ Finance Risk and Audit Committee</p>	<p>Workplace, Office, & Management Mitigations</p> <p><u>REDUCED CONTACT & MIXING:</u> Colleagues working from home where possible; face-to-face meetings avoided; in-person meetings limited to business critical only; and restricted use of meeting rooms.</p> <p><u>HEALTH:</u> Promote vaccine take-up, wellbeing and mental health support offered to all colleagues, focus on mental well-being at regular 1-2-1 meetings.</p> <p><u>ENFORCE SAFE WORKING PROTOCOLS:</u> All staff required to comply with Covid-safe protocols; wearing of mask or face covering, signage to enforce guidance, floor markings with 2m social distancing, one-way system in the offices.</p> <p><u>TECHNOLOGY:</u> Effective use and deployment of IT Service provision from Network Homes.</p> <p><u>MANAGEMENT:</u> Twice weekly meetings of SLT, weekly All Staff Meetings, fortnightly or 4-weekly meetings with nominated board member for Health and Safety, regular meetings with Board and FRA Committee, regular updates from Human Resources to all staff.</p>
<p>Litigation risk</p> <p>Failure to correctly interpret management agreement and/or associated agreements.</p>	<p>Senior Leadership Team/ Board</p>	<p>Ensure framework for dispute resolutions are being followed.</p> <p>Board and management have open access to legal advice to inform discussions and negotiations.</p> <p>Maintain close working between board, officers, and legal advisors.</p> <p>Remain engaged in collaborative working with all parties, to continuously deliver high quality services.</p> <p>Disrepair caseload managed by Legal Services Advisor.</p>

Risk Description	Ownership	Control Measures
		Caseload is reducing and preventive operational measures deployed to minimise new cases from emerging.
<p>Inadequate Operational Management Leading to Poor Performance</p> <p>Poor management of main Responsive Repairs & Refurbishment contractor.</p>	Senior Leadership Team / Services Committee	<p>New responsive repairs main contractor appointed in October 2020 following a procurement exercise.</p> <p>Strengthened system of approvals and sign-off.</p> <p>Operating Strategy is to 'exceed expectations' at all times.</p>
<p>Leadership/ People Risk</p> <p>Failure to recruit, retain, and engage a diverse workforce in the right numbers with the right skills, behaviours, and experience.</p>	Senior Leadership Team / Human Resources Committee	<p>Workforce plan aligned to corporate objectives.</p> <p>Delivery of workforce plan overseen by SLT.</p> <p>Review of recruitment & selection procedures.</p> <p>HR oversees & attends interviews as default position.</p> <p>Advertisements placed with relevant media.</p> <p>Regular team meetings to encourage team building.</p> <p>Leadership & mentoring programmes.</p> <p>Resilience building through cross-training and alternating distribution of duties.</p> <p>HR support underpinned by robust policies & procedures.</p> <p>Access to independent occupational health service; and Employee Assistance Programme.</p> <p>Ongoing training provided to managers.</p> <p>Probationary process for new starters; regular 1-2-1 meetings for all staff.</p> <p>Temporary positions likely to be vacant for more than 3-months filled by fixed term contract employees.</p>
<p>Risk to Services and Operations</p> <p>Failure to exert control over externally commissioned asset management activity.</p>	Senior Leadership Team / Services Committee	<p>Assisted by dedicated M&E Team at Network Homes.</p> <p>Promote closer partnership working with Network's Development and Asset Management teams.</p> <p>Appropriate budget setting process with transparency over costs.</p> <p>Accessible databases for accurate and timely information.</p> <p>Action plans for latent defects and other works on refurbished blocks.</p>

Risk Description	Ownership	Control Measures
		Development contractor to have on-site operative for 12-month post completion period.
<p>Health and Safety risk to staff, residents, contractors, visitors, and the public</p> <p>Failure to adequately manage health and safety systems leading to risk of injury, harm, or death.</p>	Senior Leadership Team / Board	<p>Office-based/ estate-based H&S measures are informed by government guidance and government public health measures in relation to Coronavirus [Covid-19] pandemic.</p> <p>General strengthening of Health & Safety operational systems across all operational areas.</p> <p>Increased monitoring and reporting of H&S activities occurring daily, weekly, and monthly.</p> <p>Operational meetings to include Health and Safety with regular reporting to those meetings.</p> <p>System of Occupational Risk Assessments to inform management and staff of specific H&S issues and design mitigating actions.</p> <p>Briefing sessions and training programmes to increase workplace risk awareness culture.</p> <p>Continuous improvement to H&S reporting to SLT and upwards reporting to Board and Committees.</p> <p>Fortnightly meetings with nominated board member for health and safety purposes.</p> <p>Review of SW9 H&S Policy with changes in high-level approach.</p> <p>Regular reporting to Network Homes' Health and safety Panel meetings.</p>
<p>Financial risk</p> <p>Risk of financial impact on income caused by personal hardship of residents.</p> <p>Overspends/ Underspends against budgets.</p> <p>Failure to develop effective FM across all departments.</p>	Head of Finance / Finance Risk & Audit Committee	<p>Income team provides support and assistance to residents. Residents signposted to relevant help for claims to UC. Use of repayment plans, flexibility with payment agreements.</p> <ul style="list-style-type: none"> • Budgets linked to business planning and objectives. • Monitor and report in a timely and accurate way. • Enforce prescribed authorisation procedures for service delivery. • Analyse and review budget/cash flow variances and actions to control costs. • Regularly review reserves and investments. <p>Development of staff. Ensure adequate skills-base to produce and interpret budgetary and financial</p>

Risk Description	Ownership	Control Measures
		<p>reports. Develop and implement appropriate structure. Devise Finance process & structure chart.</p> <p>Regular financial stress-testing & scenario testing; cost-centre based expenditure accounts for clarity & control of expenditure.</p>
<p>Data Protection risk; governance and compliance risk</p> <p>Organisational / individual practices inconsistent with good information governance. Breach of information governance law (DPA / GDPR) resulting in significant financial penalties and / or reputational damage.</p> <p>Failure to meet the Economic and Consumer Standards of the Regulator of Social Housing, with particular reference to the governance standards and value for money standard.</p>	<p>Head of Corporate Services / Finance Risk & Audit Committee</p>	<p>Develop and maintain 'Accountability Principle' (Article 5(2) GDPR to demonstrate compliance.</p> <p>Maintain clear understanding of data protection risk identification, impact on corporate objectives and impact on stakeholder expectations.</p> <p>Establish and deploy data protection risk and control assessments.</p> <p>Establish and deploy training and refresher training programme.</p> <p>Regular reminders and good practice guidance at staff meetings.</p> <p>Programme of annual assessment to test compliance with the Charity's own rules, regulations of the Charities Commission, and housing standards of the Regulator of Social Housing.</p>

SW9 COMMUNITY HOUSING**REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2021 – continued****Continuous improvement – Going Concern**

The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the organisation. This process has been in place throughout the year under review, up to the date of the annual report, and is reviewed by the Board. The Board has reviewed the effectiveness of the systems of internal control, including the agreed sources of assurance and confirms they are appropriate for that purpose. The Board is satisfied there is sufficient evidence to confirm that adequate systems of internal control existed and operated throughout the year. Up to the date of signing of these financial statements those systems were directed at the management of the significant risks facing the organisation. No weaknesses were identified which would have resulted in material misstatement or loss that would have required disclosure in the financial statements.

The Charity Managers continue to identify, assess, and act on risks which are managed and monitored via the risk register system. All risks are discussed at regular review meetings, with an emphasis on red rated risks and how they are being mitigated. The managers are taking guidance from the Finance, Risk and Audit Committee to develop the alignment and triangulation of risks with operational activities.

The Charity's risk management strategy is subject to annual review in line with the corporate plan.

During Quarter 4 of the last financial year there was escalation of risks in certain areas including the new threat from the Coronavirus infectious disease (Covid-19). Covid-19 currently appears as a standalone risk with the highest rating (before mitigations) in the register.

Trustees' responsibilities in relation to the financial statements

The Charity Trustees (who are also the directors of SW9 Community Housing for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state and affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principals in the Charities SORP (FRS 102);
- 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 charity will continue in business.

SW9 COMMUNITY HOUSING**REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2021 – continued****Trustees' responsibilities in relation to the financial statements (continued)**

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trustees' responsibility for internal control

The internal control function is carried out by the parent company, Network Homes Limited. The Trustees of the charitable company have overall responsibility for ensuring the effectiveness of their internal control.

The Trustees recognise that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of Network Homes Limited's assets and interests.

Statement as the disclosure to our auditor

In so far as the trustees are aware, at the time of approving our Trustees' annual report:

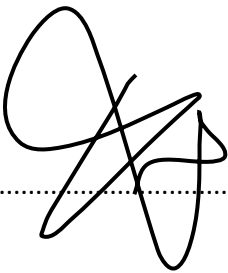
- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware; and
- the Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

SW9 COMMUNITY HOUSING

**REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2021 –
continued**

Independent auditors

The report of the Trustees incorporating the strategic report was approved and authorised for issue by the Trustees on 23 November 2021 and were signed on its behalf by:



.....

Dee Alapafuja, Chair



.....

Paul Brett, Board Member; Chair of Finance Risk and Audit Committee

SW9 COMMUNITY HOUSING**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SW9 COMMUNITY HOUSING FOR THE YEAR ENDED 31 MARCH 2021****Opinion on the financial statements**

In our opinion, the financial statements:

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

We have audited the financial statements of SW9 Community Housing ("the Charitable Company") for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

Conclusions related 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.

SW9 COMMUNITY HOUSING**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SW9 COMMUNITY HOUSING FOR THE YEAR ENDED 31 MARCH 2021 - continued****Other information**

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

Other Companies Act 2006 reporting

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

- the information given in the Report of the Trustees, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Report of the Trustees, have been prepared in accordance with applicable legal requirements.

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 misstatement in the Strategic report or the Trustee's 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 by the Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charitable Company 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.

SW9 COMMUNITY HOUSING**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SW9 COMMUNITY HOUSING FOR THE YEAR ENDED 31 MARCH 2021 – continued****Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company 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 Trustees determines 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

- We obtained an understanding of the legal and regulatory frameworks through our accumulated knowledge and consideration of sector information that is applicable to the Charitable Company. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the financial reporting framework including but not limited to United Kingdom Generally Accepted Accounting Practice, the Charities Act 2011, the Companies Act 2006, Data Protection Act 2018, Bribery Act 2010 and tax legislation.
- We understood how the Charitable Company is complying with those legal and regulatory frameworks by making enquiries to management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of minutes.

SW9 COMMUNITY HOUSING**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SW9 COMMUNITY HOUSING FOR THE YEAR ENDED 31 MARCH 2021 – continued****Extent to which the audit was capable of detecting irregularities, including fraud (continued)**

- We assessed the susceptibility of the Charitable Company's financial statements to material misstatement, including how fraud might occur by discussing with management where it is considered there was a susceptibility of fraud relating to management override of controls and improper income recognition. In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain manual journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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 by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC'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.

DocuSigned by:

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Philip Cliftlands (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick, UK

Date 09 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

SW9 COMMUNITY HOUSING**STATEMENT OF FINANCIAL ACTIVITIES****(Including income and expenditure account)****For the year ended 31 March 2021**

	Note	Total Funds 2021 £'000	Total Funds 2020 £'000
Income			
Income from charitable activities	2	8,675	8,029
Income from investing activities		-	2
Total Income		<u>8,675</u>	<u>8,031</u>
Expenditure			
Total expenditure on charitable activities	3	(8,302)	(7,943)
Net income before taxation	7	<u>373</u>	<u>88</u>
Taxation	8	-	-
Net income after taxation		<u>373</u>	<u>88</u>
<u>Reconciliation of funds</u>			
Total funds brought forward		771	683
Transfer to reserves		-	-
Total funds carried forward		<u><u>1,144</u></u>	<u><u>771</u></u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure are derived from continuing activities.

For more information, please refer to accounting policy on 'Fund accounting'.

SW9 COMMUNITY HOUSING

STATEMENT OF FINANCIAL POSITION


As at 31 March 2021

		2021	2020
		£'000	£'000
Current Assets			
Debtors	10	554	738
Cash at bank and in hand	11	4,095	3,173
		<hr/> 4,649	<hr/> 3,911
Liabilities			
Creditors falling due within one year	12	(3,151)	(3,140)
		<hr/> 1,498	<hr/> 771
Net Current Assets			
Provision for liabilities and charges	13	(354)	-
		<hr/> 1,144	<hr/> 771
Net Assets		<hr/> <hr/> 1,144	<hr/> <hr/> 771
The funds of the charity:			
Unrestricted funds		1,144	771
		<hr/> 1,144	<hr/> 771
Total charity funds		<hr/> <hr/> 1,144	<hr/> <hr/> 771

Notes on pages 32 – 47 form part of the financial statements.

The financial statements on pages 30 to 47 approved and authorised for issue by the Trustees on 23 November 2021 were signed on its behalf by:

Delroy Rankin, Executive Director


.....

Sarah Patrice, Secretary


.....

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 March 2021****1. Accounting policies**

SW9 Community Housing is incorporated in England and is registered under the Companies Act 2006 and the Charity Act 2011. The Charitable Company's registered address is 6 Stockwell Park Walk, London, SW9 0FG, United Kingdom.

Network Homes Limited is the immediate and ultimate parent and prepares consolidated financial statements for the Group undertakings at 31 March 2021. The consolidated financial statements of Network Homes Limited are available from Network Homes Limited, The Hive, 22 Wembley Park Boulevard, Wembley, Middlesex, HA9 0HP.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom applicable accounting standards, including, Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"), and 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 ('the SORP 2019'), and the Companies Act 2006.

The Charitable Company meets the definition of a public benefit entity under FRS 102 and the charity commission guideline for England and Wales (section 7.1.5).

The Charitable Company's presentation currency is Great British Pounds. Amounts are presented in thousands unless stated otherwise.

Going concern

These financial statements are prepared on a going concern basis. The last three months of the year under review and the 4 months following, have shown periods of increased operational expenditure. Due to repeated national lockdowns during which repairs services were limited to emergencies, there was an accumulation of outstanding repairs. These repairs are currently being processed as we gradually begin providing a full range of services.

Income collection was adversely impacted in the first two months of the financial year. Weekly monitoring and reporting of income were introduced, with upwards weekly reporting to the Board. At the end of the year income collection produced favourable collection rates despite the challenges. Critically, our cash position remains strong, and this position is not expected to deteriorate in the foreseeable future. The business environment is expected to remain challenging, but SW9 is well placed with adequate reserves to meet these challenges from a position of strength.

The Charity has reviewed its risk register and does not consider the organisation to be in a stress situation. The liquidity policy is to retain sufficient cash/cash-equivalent funds for the business to operate without

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2021****1. Accounting policies – continued**

any income for up to 3-months. Cash flow is monitored and reported monthly to the Finance Risk and Audit Committee.

The Charity has remained compliant with all statutory, regulatory and disclosure requirements throughout the lockdown, having agreed an extension of its filing deadline with Companies House and the Charity Commission. The extension was to afford additional time to correct accounting entries between SW9 accounting records and that its parent organisation, Network Homes.

The board is of the opinion that the risks and uncertainties identified should not threaten the sustainability and viability of SW9 as a going concern. Therefore, it is not appropriate to modify the key assumptions and judgements while preparing the financial statements and a material uncertainty does not exist.

Cash flow statement

The parent, Network Homes Limited produces a publicly available consolidated statement in which the Charitable Company's financial statements are included. It has therefore elected to apply the exemption from making disclosures in relation to cash flow statement in accordance with FRS 102.

Charitable activities

The Charitable Company aims to deliver high quality housing, support, estate and community services to residents and tenants living on the Stockwell Park Estate and surrounding street properties.

Income

Income is recognised when the Charitable Company has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably. Income represents rental and service charge income receivable and investment income from interest on money market deposits. Turnover excludes value added tax where applicable.

Rents and service charges

Income from rents and service charges are recognised by the Charitable Company on a receivable basis.

Fund accounting

The Charitable Company's funds consist of unrestricted funds which are available to spend on activities that further any of its purposes. The Charitable Company has not reported any restricted funds.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accrual basis and has been classified under the headings that aggregate all costs related to the category.

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2021****1. Accounting policies – continued****Support Costs**

Support costs comprise staff costs incurred in relation to the furtherance of the Charitable Company objects and the costs have been apportioned on the basis of head count.

Governance Costs

Governance costs relate to expenditure incurred in the governance of the Charitable Company assets and compliance with constitutional and statutory requirements.

Defined contribution scheme

The Charitable Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Charitable Company pays fixed contributions into an independent separate entity that administers the funds. Once the contributions have been paid the Charitable Company has no further payment obligations. The contributions are recognised as an expense in the Statement of Financial Activities when they are due.

Value added tax (VAT)

The Charitable Company is part of Network Homes Limited's VAT Group. Network Homes Limited is partially exempt in relation to VAT and accordingly is able to recover from HM Revenue and Customs part of the VAT incurred on expenditure. At the year-end VAT recoverable or payable is included in the Statement of Financial Position and Irrecoverable VAT is accounted for in the Statement of Comprehensive Income within the relevant expense line of Network Homes Limited.

Taxation

The Charitable Company has charitable status and thereby is exempt from tax on its charitable activities.

Debtors

Trade debtors are recognised at the settlement amount due on 31 March 2021. Prepayments are valued at the amount prepaid.

Related parties

The Charitable Company discloses transactions with related parties which are not wholly owned within the same Group. The Charitable Company does not disclose transactions with members of the same Group that are wholly owned as allowed by FRS 102 paragraph 33.1A.

Financial Instruments

Financial asset represents financial resources available to the Charitable Company and these comprise cash at bank and in hand, trade debtors and other debtors. A financial liability is a financial claim on the Charitable Company's resources and comprises creditors, accruals and amount to parent undertaking.

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2021****1. Accounting policies – continued**

The Charitable Company's financial instruments are all categorised as basic and are initially recognised at the amount receivable or payable including any related transaction costs and subsequently measured at the cash or other consideration expected to be paid or received.

Critical judgements and estimation uncertainty

The following are the significant management judgements and estimates applied in these financial statements:

Amounts due from Network Homes Limited

From 1st April 2016 SW9 took over the responsibility of managing and collecting rents from tenants. However, ownership rights and responsibilities relating to certain pre-existing debts and overpayments have not been fully concluded. Mutual agreement over these matters has not yet been achieved and as a result entitlement to certain rental debts and responsibilities associated with the settlement of historic overpayments remain uncertain.

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued**

For the year ended 31 March 2021

2. Income from charitable activities

	Total Funds	Total Funds
	2021	2020
	£'000	£'000
Rental Income		
Rented accommodation	5,029	5,024
Sheltered accommodation	523	391
Leasehold accommodation	256	214
	5,808	5,629
Service Charges Receivable		
Rented accommodation	718	805
Sheltered accommodation	271	224
Leasehold accommodation	1,122	992
	2,111	2,021
Other social housing activities:		
Other Income	564	320
Total social housing lettings	8,483	7,970
Non social housing activities:		
Other income	192	59
Total Income from charitable activities	8,675	8,029

Income from investing activities is disclosed separately in the Statement of Financial Activities and relates to interest on money market deposit.

All income in the current year and prior year relates to unrestricted funds.

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2021****3. Expenditure on charitable activities**

	Management	Repairs	Services	Total
	£'000	£'000	£'000	2021
	£'000	£'000	£'000	£'000
Staff costs	982	256	208	1,446
Governance	140	-	-	140
Support	131	21	37	189
Recruitment	13	10	1	24
Training	1	-	-	1
Community engagement	-	-	54	54
Office costs	64	10	18	92
Management charge	3,016	-	-	3,016
Property maintenance	-	1,100	-	1,100
Provision of service to residents	-	-	1,810	1,810
Other operational costs	430	-	-	430
	4,777	1,397	2,128	8,302

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2021****3. Expenditure on charitable activities - continued**

	Management	Repairs	Services	Total
	£'000	£'000	£'000	£'000
Staff costs	792	248	224	1,264
Governance	139	-	-	139
Support	166	30	45	241
Recruitment	31	36	-	67
Training	8	1	2	11
Community engagement	-	-	69	69
Office costs	57	10	16	83
Management charge	2,705	-	-	2,705
Property maintenance	-	1,262	-	1,262
Provision of service to residents	-	-	1,927	1,927
Other operational costs	175	-	-	175
	4,073	1,587	2,283	7,943

Expenditures mainly relate to provision of services to residents, property maintenance and fees payable to parent company. Management charge of £3,016k (2020: £2,705k) relates to surplus rent payable to the parent company as detailed in the management agreement. This amount is calculated as 47% of the total rents and other rents receivable for the year less rent and service charge void losses.

All expenditure in the current and prior year relates to unrestricted funds.

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2021****4. Analysis of support and governance costs**

	Support	Governance	Support	Governance
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Finance	116	-	181	-
Human resources	72	3	60	-
Consultancy	-	123	-	130
Audit fees	-	14	-	9
Recruitment	1	-	-	-
	189	140	241	139

Finance support cost allocation is based on head count and all other support cost is apportioned based on actual costs.

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2021****5. Employee information**

The monthly average number of persons employed during the year, including the Executive Officer, is based on an assumption that a full-time equivalent employee (FTE) works 35 hours and includes employees on both permanent and fixed term contracts:

	2021		2020	
	FTE	Head Count	FTE	Head Count
Office staff	36	51	31	34
Scheme-based staff	2	2	2	2
	38	53	33	36

Staff costs for the above employees were:

	2021	2020
	£'000	£'000
Wages and salaries	1,397	999
Social security costs	137	102
Pensions costs	78	53
	1,612	1,154

On the 1st September 2020, the cleaning service was brought “in house” which increased the head count of SW9 CH by 17.

The staff of the Charitable Company participates in the defined contribution scheme run by the Social Housing Pension Scheme. Pension costs are employer’s cost payable to the Pension Trust.

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2021****5. Employee Information (continued)**

The number of staff receiving remuneration in excess of £60,000 per annum at 31 March 2021 is as follows:

	2021	2020
£60,000 - £69,999	2	0
£70,000 - £79,999	0	1
£100,000 - £109,999	0	1
£110,000 - £119,999	1	0
£120,000 - £129,999	1	0
	_____	_____

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2021****6. Directors' emoluments**

The Directors are defined as members of the Trustees and the Executive Officers. The Trustees of the Charitable Company did not receive any remuneration in the year and there was no reimbursement of expenses.

Day-to-day management of the Charitable Company is delegated to the Senior Leadership team which is comprised of the:

- Delroy Rankin, Executive Director
- Orane Lewis, Head of Finance
- Julie Alexander, Head of Operations
- Dipak Patel, Head of Corporate Services

Remuneration of key management personnel

	2021	2020
	£'000	£'000
Aggregate emoluments payable to Senior Leadership Team	364	288
Pension contributions payable to Senior Leadership Team	23	15
Total emoluments	387	303

Senior Leadership Team members are ordinary members of the defined contribution Social Housing Pension Scheme on the same basis as that available to all staff. The Charitable Company did not make any contribution to any individual pension arrangements on their behalf. The notice period for termination of their contracts is three months. No pension contributions were made on behalf of any non-executive Director.

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2021****7. Net income before tax**

	2021	2020
	£'000	£'000
This is stated after charging:		
Auditors' remuneration (excluding VAT):		
Fees for the audit of the Company's financial statements	10	8
Fees for the audit of the Company's financial statements: Prior year	4	-
	<hr/>	<hr/>

Audit fees are reviewed on an annual basis.

8. Taxation

The Charitable Company is a charity for tax purposes and is therefore not subject to corporation tax on its charitable activities. There was no non-charitable income in the year.

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2021****9. Debtors**

	2021	2020
	£'000	£'000
Rent and service charges	638	699
Rent provision for doubtful debts	(182)	(194)
	<hr/> 456	<hr/> 505
Trade debtors	30	8
Less: provision for bad and doubtful debts	-	-
Other debtors	68	225
	<hr/> 554	<hr/> 738
	<hr/>	<hr/>

All debts are due within one year.

10. Cash at bank and in hand

	2021	2020
	£'000	£'000
Cash at bank and in hand	4,095	3,173
	<hr/>	<hr/>

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2021****11. Creditors falling due within one year**

	2021	2020
	£'000	£'000
Service charge and client's funds	-	28
Trade creditors	36	174
Owed to Group undertakings	901	540
Other creditors including taxation and social security	50	38
Accruals	1,492	815
Rent and service charges received in advance	672	1,545
	<u>3,151</u>	<u>3,140</u>

Amounts owed to Group undertakings are payable on a quarterly basis based on the management agreements.

12. Provisions for Liabilities and Charges

	2021	2020
	£'000	£'000
Provisions for Liabilities and Charges	354	-
	<u>354</u>	<u>-</u>

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2021****13. Parent undertaking and ultimate parent undertaking**

The immediate and ultimate parent undertaking and controlling party is Network Homes Limited, a Company incorporated in England and registered with the Homes England (registration no. L4825).

Network Homes Limited consolidates the financial statements of all the Group undertakings at 31 March 2021. The consolidated financial statements of Network Homes Limited are available from Network Homes Limited, The Hive, 22 Wembley Park Boulevard, Wembley, Middlesex, HA9 0HP.

14. Related parties

At 31 March 2021, the total rent and service charge the Charitable Company received from tenant Trustees members' amount to £68,075 (2020: £36,284). The tenant Trustee members all of whom have paid rents and service charge to the Charitable Company at arm's length had not outstanding balances at the year end. They are listed below as follows:

- Mr Dee Alapafuja
- Mr Daniel Garza
- Mr Steven Warren
- Mr Adebayo Ajibade
- Mr Olu Ajisebutu
- Mr Paul Brett
- Mr Colin Faulkner
- Mr Benjamin Peart
- Dr Daniel Cromb

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2021****15. Contingent Liability**

At 31st March 2021, SW9 CH was invoiced for a total of £622,956.42 by the parent company for Business Transformation projects. Having reviewed the terms of the management agreement and taken legal advice, it is the Board's view that it is not probable that SW9 CH will be liable for these costs. A legal process is underway, and a final determination of liability will be made in the new financial year.

Other directorships

Trustees had the following external directorships, not including directorships of subsidiaries of Network Homes Limited. There were no transactions with any of the entities listed below.

Trustees Member	Other entities	Position
Benjamin Peart	Redeem Information Systems	Director
Paul Brett	Brett Consultants Limited	Director