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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,

A handwritten signature in black ink, appearing to be 'Dee Alapafuja', with a large loop and a long horizontal stroke.

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.
Inadequate Operational Management Leading to Poor Performance Poor management of main Responsive Repairs & Refurbishment contractor.	Senior Leadership Team / Services Committee	New responsive repairs main contractor appointed in October 2020 following a procurement exercise. Strengthened system of approvals and sign-off. Operating Strategy is to 'exceed expectations' at all times.
Leadership/ People Risk Failure to recruit, retain, and engage a diverse workforce in the right numbers with the right skills, behaviours, and experience.	Senior Leadership Team / Human Resources Committee	Workforce plan aligned to corporate objectives. Delivery of workforce plan overseen by SLT. Review of recruitment & selection procedures. HR oversees & attends interviews as default position. Advertisements placed with relevant media. Regular team meetings to encourage team building. Leadership & mentoring programmes. Resilience building through cross-training and alternating distribution of duties. HR support underpinned by robust policies & procedures. Access to independent occupational health service; and Employee Assistance Programme. Ongoing training provided to managers. Probationary process for new starters; regular 1-2-1 meetings for all staff. Temporary positions likely to be vacant for more than 3-months filled by fixed term contract employees.
Risk to Services and Operations Failure to exert control over externally commissioned asset management activity.	Senior Leadership Team / Services Committee	Assisted by dedicated M&E Team at Network Homes. Promote closer partnership working with Network's Development and Asset Management teams. Appropriate budget setting process with transparency over costs. Accessible databases for accurate and timely information. Action plans for latent defects and other works on refurbished blocks.

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:

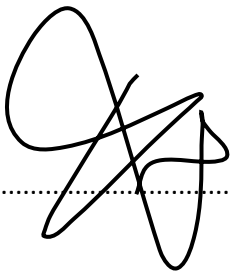
- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware; and
- the Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken 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 Alapafu, 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**

		Total Funds	Total Funds
	Note	2021	2020
		£'000	£'000
Income			
Income from charitable activities	2	8,675	8,029
Income from investing activities		-	2
Total Income		8,675	8,031
Expenditure			
Total expenditure on charitable activities	3	(8,302)	(7,943)
Net income before taxation	7	373	88
Taxation	8	-	-
Net income after taxation		373	88
<u>Reconciliation of funds</u>			
Total funds brought forward		771	683
Transfer to reserves		-	-
Total funds carried forward		1,144	771

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
		<u>4,649</u>	<u>3,911</u>
Liabilities			
Creditors falling due within one year	12	(3,151)	(3,140)
		<u>1,498</u>	<u>771</u>
Net Current Assets			
Provision for liabilities and charges	13	(354)	-
		<u>1,144</u>	<u>771</u>
Net Assets			
		<u>1,144</u>	<u>771</u>
The funds of the charity:			
Unrestricted funds		1,144	771
		<u>1,144</u>	<u>771</u>
Total charity funds			
		<u>1,144</u>	<u>771</u>

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	£'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

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	<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