

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.

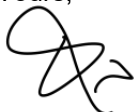
The adaptation of SW9's operations has been remarkable during these unusual times. We have welcomed new talented colleagues, who have enabled us to maintain our services and support to the vulnerable members of our community. We recognise the profound effects from the economic downturn and will continue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

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

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

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

Continued

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

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 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

Continued

- **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

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

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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

Continued

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>	Senior Leadership Team / Services Committee	<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>	Senior Leadership Team / Services Committee	<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>	Senior Leadership Team / Human Resources Committee	<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
skills, behaviours, and competencies.		<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>	Senior Leadership Team / Board	<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

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. 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.

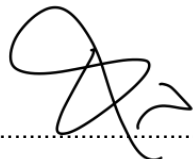
Statement as the Disclosure to our Auditor

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
		<hr/> 2,509	<hr/> 3,090
Creditors: amounts falling due within one year	11	(1,053)	(1,703)
Net current assets		<hr/> 1,456	<hr/> 1,387
Provisions for liabilities and charges	12	(34)	(41)
Total net assets		<hr/> 1,422	<hr/> 1,346
The funds of the Charity:			
Unrestricted funds		1,422	1,346
Total reserves		<hr/> 1,422	<hr/> 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



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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
Total social housing lettings	10,672	9,265
Non-social housing activities:		
Other income	276	201
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 £'000	Repairs £'000	Services £'000	Total £'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 £'000	Repairs £'000	Services £'000	Total £'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 £'000	2022 £'000
Rent and service charges	375	347
Less: provision for bad and doubtful debts	(149)	(160)
	<u>226</u>	<u>187</u>
Other debtors	310	65
Trade debtors	3	46
	<u>539</u>	<u>298</u>

All debts are due within one year.

10. Cash at bank and in hand

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

11. Creditors falling due within one year

	2023 £'000	2022 £'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	136	633
	<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 £'000	2022 £'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