

SW9 COMMUNITY HOUSING
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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

SW9 COMMUNITY HOUSING

FINANCIAL STATEMENTS

For the year ended 31 March 2024

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SW9 COMMUNITY HOUSING

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

THE TRUSTEES, EXECUTIVE OFFICER, AND ADVISORS

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

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

SW9 COMMUNITY HOUSING

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

Continued

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

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

The financial statements comply with the Charities Act 2011, the Companies Act "2006", the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Chair's Report

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

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

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

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

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

SW9 COMMUNITY HOUSING

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

Continued

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

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

Yours,

A handwritten signature in black ink, appearing to be 'Dee Alapafuja', written in a cursive style.

Dee Alapafuja
Chair, SW9 Community Housing

SW9 COMMUNITY HOUSING

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

Continued

Our purpose and activities

The purposes of the Charity are to:

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

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

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

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

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

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

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

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

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

SW9 COMMUNITY HOUSING
REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2024

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Volunteers

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

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

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

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

Achievement and Performance

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

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

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

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

SW9 COMMUNITY HOUSING

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

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Achievement and Performance (continued)

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

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

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

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

Community Engagement

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

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

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

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

Financial Review

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

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

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

SW9 COMMUNITY HOUSING

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

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

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

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

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

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

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

The framework adopted by the charitable company includes:

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

Economic and operating environment

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

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Impact on Social Housing Residents

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

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

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

Private Leaseholders

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

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

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

Investment Powers and Policy

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

Reserves Policy

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

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

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

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

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

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

Plans for the Future Period

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

Sovereign Network Group integration.

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

Service improvement

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

Procurement of a new repairs contractor

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

SW9 COMMUNITY HOUSING

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

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and speed of response.

Good governance and strong leadership

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

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

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

Principal Risks and Uncertainties

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

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

SW9 COMMUNITY HOUSING

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

Continued Structure, Governance and Management

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

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

Appointment of Trustees

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

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

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

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

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

Trustee Induction and Training

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

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

Continued Organisation

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

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

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

Related Parties

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

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

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

Pay Policy for Senior Staff

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

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

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

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

Directors' and Officers' liabilities insurance is in place.

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

Continued Risk Management

The trustees have a risk management strategy which comprises:

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

Fundraising

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

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

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

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

SW9 COMMUNITY HOUSING**REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2024****Continued****Strategic Risks 2023/24**

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

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

SW9 COMMUNITY HOUSING**REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2024**

Continued

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

Continuous Improvement – Going Concern

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

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

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

SW9 COMMUNITY HOUSING

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

Continued

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

Trustees’ Responsibilities in Relation to the Financial Statements

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principals in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

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

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

Trustees’ Responsibility for Internal Control

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

SW9 COMMUNITY HOUSING

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

Continued

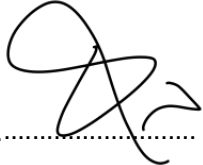
Statement as the Disclosure to our Auditor

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

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

Independent auditors

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



Dee Alapafuja, Chair

Signed on 8 Oct 2024, 9:32 PM BST



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

Signed on 10 Oct 2024, 9:30 AM BST

SW9 COMMUNITY HOUSING

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

Continued

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of SW9 Community Housing ("the Charitable Company") for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

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

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

Other information

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

SW9 COMMUNITY HOUSING

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

Continued

Other information (continued)

information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

SW9 COMMUNITY HOUSING

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

Continued

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

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

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

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

Non-compliance with laws and regulations

Based on:

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

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

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

Our procedures in respect of the above included:

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

Fraud

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

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

SW9 COMMUNITY HOUSING

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

Continued

Fraud (continued)

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

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

Our procedures in respect of the above included:

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

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

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

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

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

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

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

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

All income and expenditure are derived from continuing activities.

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

SW9 COMMUNITY HOUSING

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


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

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

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

DocuSigned by:
Delroy Rankin
2D1766F077F5433

Delroy Rankin, Executive Director


Sarah Patrice, Secretary

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. Accounting policies

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

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

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

Basis of preparation

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

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

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

Going concern

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

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

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

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

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

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

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

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

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2024

1. Accounting policies – continued

Cash flow statement

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

Charitable activities

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

Income

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

Rents and service charges

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

Fund accounting

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

Expenditure

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

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

Support Costs

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

Governance Costs

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

Defined contribution scheme

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

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2024

Value added tax (VAT)

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

Taxation

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

Debtors

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

Related parties

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

Financial Instruments

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

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

There are no significant estimates and judgements for the period.

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2024****2. Income from charitable activities**

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

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

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

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2024****3. Expenditure on charitable activities**

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

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

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2024

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

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

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

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

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

5. Employee information

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

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

Staff costs for the above employees were:

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

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

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

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

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

6. Directors' emoluments

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

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

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

Remuneration of key management personnel

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

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

7. Net expenditure/ income before tax

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

Audit fees are reviewed on an annual basis.

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

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

9. Debtors: amounts falling due within one year

All debts are due within one year.

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

10. Cash at bank and in hand

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

11. Creditors falling due within one year

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

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

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

12. Provisions for Liabilities and Charges

	2024	2023
	£'000	£'000
Provisions for Liabilities and Charges	<u>-</u>	<u>34</u>

13. Parent undertaking and ultimate parent undertaking

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

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

14. Related parties

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

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

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2024

15. Other directorships

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

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



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0207 326 3700 

Dear Madams/Sirs

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

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

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

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

Going concern

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

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

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

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

Laws and regulations

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

Post balance sheet events

SW9 Community Housing is part of Sovereign Network Group
SW9 Community Housing is registered in England and Wales as a Private Limited Company by guarantee without share capital - Registered number 09574528 Registered office: 6 Stockwell Park Walk, London, SW9 0FG. SW9 Community Housing is a Registered Charity – Number 1170586 and is a member of the NFTMO – Number 312.



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

Fraud and error

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

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

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

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

Misstatements

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

Related party transactions

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

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

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

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

Taxation

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

Carrying value and classification of assets and liabilities

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

Accounting estimates

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

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

Litigation and claims

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

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

Serious incident reports

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

Charity income

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

Other Information

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

Confirmation

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

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

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

Yours faithfully



(Signed on behalf of the board of directors)

Date:

Signed on 8 Oct 2024, 9:34 PM BST