

SW9 COMMUNITY HOUSING
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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

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

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SW9 COMMUNITY HOUSING**REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2025
THE TRUSTEES, EXECUTIVE OFFICER, AND ADVISORS**

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

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

SW9 COMMUNITY HOUSING

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

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

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

Chair's Report

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

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

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

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

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

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

Yours sincerely,

DocuSigned by:

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 Tazeem Abbas
 Board Chair, SW9 Community Housing

SW9 COMMUNITY HOUSING

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

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Our purpose and activities

The purposes of the Charity are to:

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

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

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

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

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

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

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

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

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

SW9 COMMUNITY HOUSING

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

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Volunteers

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

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

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

Achievement and Performance

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

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

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

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

SW9 COMMUNITY HOUSING

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

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Achievement and Performance (continued)

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

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

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

Community Engagement

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

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

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

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



SW9 COMMUNITY HOUSING

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

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Financial Review

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

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

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

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

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

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

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

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

SW9 COMMUNITY HOUSING

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

Continued

The framework adopted by the charitable company includes:

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

Economic and operating environment

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

Impact on Social Housing Residents

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

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

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

Private Leaseholders

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

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

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

SW9 COMMUNITY HOUSING

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

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Investment Powers and Policy

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

Reserves Policy

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

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

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

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

Plans for the Future Period

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

Sovereign Network Group integration

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

Service improvement

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

SW9 COMMUNITY HOUSING

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

Continued

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

Procurement of a new repairs contractor

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

Good governance and strong leadership

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

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

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

Principal Risks and Uncertainties

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

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

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

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

SW9 COMMUNITY HOUSING

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

Continued

organisations to inform continuous improvement and uphold best practice.

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

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

Structure, Governance and Management

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

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

Appointment of Trustees

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

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

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

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

SW9 COMMUNITY HOUSING

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

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

Trustee Induction and Training

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

Organisation

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

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

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

Related Parties

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

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

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

SW9 COMMUNITY HOUSING

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

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Pay Policy for Senior Staff

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

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

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

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

Directors' and Officers' liabilities insurance is in place.

Risk Management

The trustees have a risk management strategy which comprises:

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

Fundraising

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

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

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

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

Strategic Risks

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

SW9 COMMUNITY HOUSING**REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2025****Continued**

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

SW9 COMMUNITY HOUSING

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

Continued

Continuous Improvement – Going Concern

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

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

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

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

Trustees' Responsibilities in Relation to the Financial Statements

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

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

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

SW9 COMMUNITY HOUSING

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

Continued

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

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

Trustees' Responsibility for Internal Control

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

Statement as the Disclosure to our Auditor

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

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

Independent auditors

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

DocuSigned by:

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

Signed by:

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

SW9 COMMUNITY HOUSING

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

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

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

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for the going concern period.

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

SW9 COMMUNITY HOUSING

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

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

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

We did not identify any additional fraud risks.

We also performed procedures including:

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

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

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

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

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

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

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

SW9 COMMUNITY HOUSING

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

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

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

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

Other information

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

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

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

Matters on which we are required to report by exception

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

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

SW9 COMMUNITY HOUSING

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

Auditor's responsibilities

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

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

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

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

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

[Date]

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

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

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

All income and expenditure are derived from continuing activities.

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

SW9 COMMUNITY HOUSING

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

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

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

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

Delroy Rankin, Executive Director

DocuSigned by:

Delroy Rankin

2D4766F077F6488.....

Sarah Patrice, Secretary

Signed by:

Sarah.Patrice@anthonycollins.com

2A82B25488F0498.....

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 March 2025****1. Accounting policies**

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

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

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

Basis of preparation

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

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

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

Going concern

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

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

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

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

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

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

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

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2025****1. Accounting policies – continued****Cash flow statement**

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

Charitable activities

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

Income

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

Rents and service charges

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

Fund accounting

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

Expenditure

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

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

Support Costs

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

Governance Costs

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

Defined contribution scheme

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

SW9 COMMUNITY HOUSING

NOTES TO THE FINANCIAL STATEMENTS – continued

For the year ended 31 March 2025

Value added tax (VAT)

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

Taxation

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

Debtors

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

Related parties

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

Financial Instruments

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

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

There are no significant estimates and judgements for the period.

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

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

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

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

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

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

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

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

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

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2025****4. Analysis of support and governance costs**

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

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

5. Employee information

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

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

Staff costs for the above employees were:

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

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

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

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

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

6. Directors' emoluments

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

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

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

Remuneration of key management personnel

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

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

7. Net expenditure/ income before tax

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

Audit fees are reviewed on an annual basis.

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

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

9. Debtors: amounts falling due within one year

All debts are due within one year.

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

10. Cash at bank and in hand

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

11. Creditors falling due within one year

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

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

SW9 COMMUNITY HOUSING**NOTES TO THE FINANCIAL STATEMENTS – continued****For the year ended 31 March 2025****12. Parent undertaking and ultimate parent undertaking**

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

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

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

13. Related parties

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

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

14. Other directorships

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

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

