

Stuart Court Memorial Charity

Registered Social Landlord Number: A2803
Charity Commission Number: 226776

Audited Annual Report and Financial Statements

For the year ended 31 October 2022

Stuart Court Memorial Charity

Year ended 31 October 2022

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Stuart Court Memorial Charity

Year ended 31 October 2022

Registered Social Landlord number:	A2803
Registered Charity number:	226776
Trustee:	Norwich Housing Society Limited
Address:	13 Bracondale Norwich Norfolk NR1 2AL
Bankers:	HSBC 18 London Street Norwich NR2 1LG The Charity Bank Limited 182 High Street Tonbridge Kent TN9 1BE
Auditor:	Lovewell Blake LLP Bankside 300 Peachman Way Broadland Business Park Norwich NR7 0LB

Stuart Court Memorial Charity

Report of the Chairman

Year ended 31 October 2022

Firstly, I would like to thank Carol Sangster, our outgoing Chairman, who gave so many years of dedication to the Society, through good times and bad. Her last year as Chair was particularly difficult as it included the discovery that we had been overcharging social rents on several schemes for some years ; the departure of 3 Chief Executives, and the legacy of Covid-19.

Having already served 8 years on the Board, mostly as Vice Chairman, I had only one year left of my 9-years as Chairman. I therefore tried to focus on 10 specific objectives to hand on the Charity with a confident and healthy future:

1. Establish stability:

Following the resignation of Tim Pinder, Paul Kingston was appointed as temporary CEO. We are grateful to Paul for his calm and steady hand, and for paving the way for the appointment of our permanent CEO, John Newstead. John has settled in well to the role, bringing management stability to the organisation, and establishing effective staff communication - my thanks to all the staff who stayed with us despite the uncertain times, and continued throughout to provide our trademark excellent and personalised services to our licencees.

Following the ending of Covid-19 space restrictions, the Bracondale office has been re-organised to restore the ground floor meeting room, re-plan the open plan ground floor office, and re-locate the property team into a dedicated team office upstairs.

2. Complete the rent repayment process:

We needed to raise extra finance to cover the rent repayments; fortunately, our borrowings were low and securities high, so with the expert help of Maurice Land and Bill Taylor (Chairman of the Finance and Governance Sub-Committee) the necessary loan was obtained. We maintained regular communication with the Social Housing Regulator who were satisfied with our proactive approach to resolving the issue. The repayments to current tenants are progressing on schedule and the project will be concluded with final payments to former licensees.

3. Strengthen the Norwich Housing Society Board:

Several Norwich Housing Society Board members reached the end of their term or decided to step down during the year, including Maurice Land and Glyn Davies, to whom I give my thanks. It was therefore essential to bring new members onto the Board with the appropriate range of skills and experience; the combination of existing contacts and advertising has been extraordinarily successful in sourcing some excellent candidates; we co-opted 3 new members during the year - David Driscoll, Mehmet Yaman and Kayleigh Lucas - and will be co-opting a further 4 before the AGM, all with extensive financial, housing and governance experience (David Clarke, Chris Hancock, Steven Mitchell and Katherine Russell).

4. Complete the new development at Bluebell Road:

The building contract started just before Covid-19 hit, so the build was affected by labour and material shortages. However, the first phase was completed in September 2022 and we anticipate that the second phase will be handed over in November 2022. The development provides 8 units in total – 4 single storey new-build units and 4 flats within the extended original house (owned by Stuart Court), and a Common Room which will also serve Leander Court. Our thanks go to E N Suiter (Building Contractors), and Norwich City Council who provided a generous grant from their Right-to-Buy fund.

5. Chairman handover:

I am delighted that David Driscoll has agreed to take over from me as Chairman of the Board. David has spent over 20 years at senior level in the private Retirement housing and care sector. I'm pleased that Gill Tewson will continue to support him as Vice Chairman.

Stuart Court Memorial Charity

Report of the Chairman (continued)

Year ended 31 October 2022

6. Maintain our properties to the highest standards:

My particular thanks go to Andy Broom, our Property Services Manager, for his tireless work in maintaining and improving our properties. Currently flat refurbishment takes place when a property becomes vacant, which gives an unpredictable base for budgeting and programming. Important first steps have been taken towards establishing an online Property Database; ultimately, I hope this will inform a 25-year Stock Condition Survey, so work can be planned and funded in advance with associated benefits in efficiency.

7. Consider the environment and climate change:

Spiralling energy costs have contributed to a cost-of-living crisis this year. We have launched an Environmental and Sustainability Policy, which includes Key Performance Indicators to measure the energy efficiency and environmental quality of our stock.

8. Achieve Board excellence:

The 2020 Code of Governance, issued by the National Housing Federation, is designed to help housing associations achieve the highest standards of governance. We have produced an Action Plan to ensure we continue to comply with these standards, including a regular cycle of internal and external audits, and Risk Matrix reviews.

9. Support our licensees:

The Scheme Managers continue to provide support and assistance to our licensees, and now take an active role on the Operations Sub-Committee. Over the year the Sub-Committee has, among other things, produced a Mobility Scooter Policy, reviewed allocation procedures and updated the Licensee Handbook.

We are looking to increase licensee involvement in the Charity, and have started the ball rolling by agreeing a tenant involvement structure whereby we will invite expressions of interest for a representative from each scheme to form a Tenants group. A spokesperson from that Group would be appointed to initially join the Operations Sub-Committee, and hopefully in due course, the Board.

10. Look to the future:

Norwich Housing Society Board members have attended two Away-Days to agree our new 5-year plan which will run from this year to 2028. It will act as a clear template for the Charity's future, based on strong finances, maintaining the highest standard of properties balanced with new development opportunities, and excellent quality of services to our licensees.

It has been an honour to serve as Chairman, and I wish the Charity success for its future in these increasingly challenging times. I have every confidence that the new Chairman and Board will continue to uphold the ideals of the Charity, to provide housing and support to the elderly in need.

Jon Boon
Chairman of the Board

31 January 2023

Stuart Court Memorial Charity

Report of the Trustee

For the year ended 31 October 2022

Principal activities and objectives for the public benefit

The Charity exists in order to provide for the public benefit, within the city of Norwich, affordable good quality rented accommodation for those over 60 years of age currently without a self-contained home or living in other circumstances unsuitable to their needs.

Having acquired sufficient self-contained residential units so as to accommodate the current level of applicants in genuine need of housing, the ongoing objective is to ensure the maintenance, modernisation and management of those properties.

The Board confirm that, in exercising their powers and duties, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Financial review

Monthly Maintenance Charge and Service Charge income was £145,979 (£148,836). Operating costs were £144,576 (2021: £103,898), giving an operating surplus of £1,403 (2021: £44,938). After interest receivable of £56 (2021: £161), interest charges of £22,939 (2021: £14,029) and a historic rent overpayment charge of £55,755 (2021: £Nil) the overall result for the year was a deficit of £77,235 (2021: surplus of £31,070).

Value for money

The Charity embraces a value for money culture and demonstrating value for money is a key objective of our activities. Through the careful use of resources, we continually strive to deliver efficiencies and improve the quality of our housing and support services by employing effective asset management, developing the skills of the staff, applying robust risk management, and streamlining procedures.

As a result of an internal procurement audit which was carried out this year, we reviewed our approach to purchases under £10,000 whereby for contractual commitments and “day to day” operational activities we have obtained best prices for required goods and services. We are working with contractors and suppliers to ensure the best possible cost is achieved across the board.

The Charity’s assets are managed to deliver the best possible service as efficiently, effectively and economically as possible. If appropriate, any surplus cash funds more than the Reserves Rationale are prioritised and used to further maintain and improve the condition of our properties. The condition of the Charity’s properties is regularly reviewed by the Board of Norwich Housing Society and its Sub-Committees. The development of a Property Database this year will enable the Society to make more informed decisions on priorities for major works and will help us produce a long term planned maintenance programme.

Our Key Performance Indicators are benchmarked against other small housing providers for older people. Monthly Maintenance Charge collection rates, levels of Monthly Maintenance Charge arrears, void losses and staff sickness absence are monitored and compared. Our performance compares favourably to other providers, and we have performed well against the Regulator of Social Housing’s Value for Money Metrics.

Stuart Court Memorial Charity

Report of the Trustee (continued)

For the year ended 31 October 2022

VFM metric	2022	2021	2020
1. Reinvestment %	21.1%	8.5%	2.4%
2.a New supply delivered (social housing units %)	0%	0%	0%
2.b New supply delivered (non-social housing units %)	0%	0%	0%
3. Gearing %	20.5%	-2.8%	5.3%
4. EBITA MRI interest cover %	-215.2%	408.7%	412.9%
5. Headline social housing cost per unit	£4,031	£2,348	£3,585
6. Operating margin (social housing) %	1%	30.2%	15.6%
7. Operating margin (overall) %	1%	30.2%	15.6%
8. ROCE %	0.1%	2.7%	1.7%

A review of the Housing and Property services functions within Norwich Housing Society was carried out this year and its office team has been restructured to create a dedicated Property Services Department which has delivered operational efficiencies and an improved service to licensees.

Norwich Housing Society have successfully recruited 7 new Board members this year with a wide range of skills and knowledge in financial management, audit, risk management, development and housing management which will strengthen governance at the Society to ensure performance management and scrutiny are effective to drive improved value for money.

The Charity's performance framework will be further developed to establish links between strategy, partnerships, and resources to achieve improved value for money. Our aim is to ensure that we have a comprehensive approach to value for money which ensures the effective delivery of the Charity's vision and values, in a way that meets the needs of our regulators and stakeholders.

Licensee's satisfaction and Value for Money reports are available within the "About Us" area of Norwich Housing Society's website -

<http://www.norwichhousingsociety.org>

Statement of compliance

In preparation of the financial statements, Stuart Court Memorial Charity has complied with all aspects of the HCA's Governance and Financial Viability Standard.

Stuart Court Memorial Charity

Report of the Trustee (continued)

For the year ended 31 October 2022

Structure, governance and management

Stuart Court Memorial Charity is governed by its trust deed, dated 7 December 1915, and aims to provide good quality affordable accommodation for persons over sixty years of age. Norwich Housing Society Limited provides day to day management services.

We operate under the National Housing Federation Model Rules 2011 which is recognised as best practice and the National Housing Federation Code of Governance (amended in 2020).

Recruitment and appointment of Trustees

The sole Trustee of the Charity is Norwich Housing Society Limited.

Risk management

The Board is aware of the requirement to identify and review the major risks to which the Charity is exposed and to establish systems to mitigate these risks. A review is carried out on a regular basis by the Board as detailed in the Chairman's Report.

Organisational structure

The Board of Norwich Housing Society Limited govern the Charity. As detailed in the Chairman's Report, this Board consists of three Sub-Committees in the areas of Finance & Governance, Property and Operations, and the activities of the Charity in these areas are considered at Board meetings. The Board meet eight times a year with regular Sub-Committee meetings feeding into the main Board.

Related parties

The sole Trustee of the Charity is Norwich Housing Society Limited, which provides day to day management services to the Charity.

Market value of land and buildings

The Board is of the opinion that the market value of properties at 31 October 2022 would significantly exceed the net book values included in the financial statements, but is unable to quantify this excess in the absence of a professional valuation, the costs of which are not considered justifiable in view of the Charity's intention to retain ownership of its existing properties for use in its activities for the foreseeable future.

Reserves policy

At the year end the Charity's free reserves, consisting of net current assets, totalled £62,280 (2021: £426,349). It is the Trustee's policy to hold net current assets at a level that would be sufficient to fund any required maintenance and renewals in excess of income. The Trustee is satisfied with the level of free reserves.

Political and charitable donations

The Charity has not made any donations during the course of this financial year.

Equality, Diversity & Inclusion

The Charity is committed to promoting equal opportunities both in the provision of services and in our employment practices. We value diversity and will help ensure fair treatment for our customers, staff, Board members and contractors regardless of race, ethnic origin or nationality, gender, disability, religion, marital or family status, sexuality or sexual orientation, HIV status, age, or physical appearance.

Stuart Court Memorial Charity

Report of the Trustee (continued)

For the year ended 31 October 2022

Statement of Trustee's responsibilities for the financial statements

The Trustee is responsible for preparing the financial statements in accordance with applicable law and with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities and registered social housing legislation require the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its surplus or deficit for that period. In preparing these financial statements, the Trustee is required to:

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

The Trustee is responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with the Trust Deed, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the Charity and to prevent and detect fraud and other irregularities.

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

Statement of Disclosure of Information to Auditor

We, the Board members of Norwich Housing Society Limited which acts as corporate Trustee of Stuart Court Memorial Charity, who held office at the date of approval of these financial statements as set out above, confirm, so far as we are aware, that:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- we have taken all the steps that we ought to have taken as corporate Trustee to make ourselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

Jon Boon
Chairman

31 January 2023

Stuart Court Memorial Charity

Independent Auditors' Report to the Trustee of Stuart Court Memorial Charity

Year ended 31 October 2022

Opinion

We have audited the financial statements of Stuart Court Memorial Charity (the 'association') for the year ended 31 October 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Reserves, the Statement of Cash Flows, 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)*.

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 October 2022 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 United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's 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 association'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 Board with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The board are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Board report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of the Board

As explained more fully in the Trustee's responsibilities statement set out on page 7, the Board members of Norwich Housing Society (who are also the trustees of the association for the purposes of charity 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 board 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 board is responsible for assessing the association'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 board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

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:

- Enquiry of management and those charged with governance;
- Enquiry of entity staff compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the association's board, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association's board 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 association and the association's board as a body, for our audit work, for this report, or for the opinions we have formed.

Lovewell Blake LLP
Statutory Auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

7 March 2023

Lovewell Blake LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Stuart Court Memorial Charity

Statement of Comprehensive Income

For The Year Ended 31 October 2022

	Note	2022 £	2021 £
Turnover	2	145,979	148,836
Operating expenditure	2	(144,576)	(103,898)
Operating surplus		1,403	44,938
Exceptional item – overpayment refund	20	(55,755)	-
Interest receivable and similar income	3	56	161
Interest and financing costs		(22,939)	(14,029)
Total comprehensive income for the year	4	<u>(77,235)</u>	<u>31,070</u>

The results relate wholly to continuing activities.

The financial statements on pages 11 to 23 were approved by the Trustee on 31 January 2023 and are signed on its behalf by:-

J Boon – Chairman, Norwich Housing Society

J Newstead –Chief Executive, Norwich Housing Society

The notes on pages 15 to 23 form part of these financial statements.

Stuart Court Memorial Charity

Statement of Financial Position

As at 31 October 2022

	Note	2022	2021
		£	£
Fixed assets			
Tangible fixed assets	7	1,619,628	1,258,072
Current assets			
Trade and other debtors	8	2,412	12,915
Cash and cash equivalents	9	146,123	481,978
		<u>148,535</u>	<u>494,893</u>
Creditors: amounts falling due within one year	10	<u>(86,255)</u>	<u>(68,544)</u>
Net current assets		<u>62,280</u>	<u>426,349</u>
Total assets less current liabilities		<u>1,681,908</u>	<u>1,684,421</u>
Creditors: amounts falling due after more than one year	11	<u>(771,005)</u>	<u>(696,283)</u>
Total net assets		<u>910,903</u>	<u>988,138</u>
Reserves			
Income and expenditure reserve	13	<u>910,903</u>	<u>988,138</u>
Total reserves		<u>910,903</u>	<u>988,138</u>

The financial statements on pages 11 to 23 were approved by the Trustee on 31 January 2023 and are signed on its behalf by:-

J Boon – Chairman, Norwich Housing Society

J Newstead –Chief Executive, Norwich Housing Society

The notes on pages 15 to 23 form part of these financial statements.

Stuart Court Memorial Charity

Statement of Changes in Reserves

As at 31 October 2022

	Income and expenditure Reserve £	Total £
Balance at 1 November 2020	957,068	957,068
Surplus from prior year statement of comprehensive income	<u>31,070</u>	<u>31,070</u>
Balance at 1 November 2021	988,138	988,138
Deficit from statement of comprehensive income	(77,235)	(77,235)
Balance at 31 October 2022	<u>910,903</u>	<u>910,903</u>

Stuart Court Memorial Charity

Statement of Cash Flows

As at 31 October 2022

	Note	2022 £	2021 £
Net cash generated from operating activities	17	<u>84,080</u>	<u>453,636</u>
Cash flow from investing activities			
Purchase of tangible fixed assets		(397,052)	(98,407)
Interest received		<u>56</u>	<u>161</u>
Net cash flow from investing activities		<u>(396,996)</u>	<u>(98,246)</u>
Cash flow from financing activities			
Interest paid		(22,939)	(14,029)
Net cash flow from financing activities		<u>(22,939)</u>	<u>(14,029)</u>
Net change in cash and cash equivalents		(335,855)	341,361
Cash and cash equivalents at beginning of the year		<u>481,978</u>	<u>140,617</u>
Cash and cash equivalents at end of the year		<u>146,123</u>	<u>481,978</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		85,463	358,741
Short term deposits		<u>60,660</u>	<u>123,237</u>
Cash and cash equivalents at 31 October 2022		<u>146,123</u>	<u>481,978</u>

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2019

1. Accounting policies

The significant accounting policies used in the preparation of these financial statements are:-

a. Introduction and accounting basis

Stuart Court Memorial Charity is a registered charity and registered social landlord, governed by its trust deed, dated 7 December 1915. The address of the registered office is given in the reference and administrative information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are detailed on page 4 of these accounts.

The Charity represents a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008.

The financial statements have been prepared on the going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling (£) which is the functional currency of the Charity, and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b. Turnover

Turnover represents rental and service charges receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and Homes England (previously known as the Homes and Communities Agency).

c. Depreciation of housing properties

The Charity separately identifies the major components which comprise its housing properties, and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight line basis, over its estimated useful economic life.

The Charity depreciates the major components of its housing properties at the following annual rates:

Boilers/Fires	6.66%
Kitchens	5.00%
Lift	5.00%
Plumbing	3.33%
Bathroom	3.33%
Windows/Doors	3.33%
Electrics	2.50%
Roof	1.43%
Walls	1.00%

Freehold land is not depreciated.

1. Accounting policies (continued)

d. Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation and impairment loss (representing a diminution in the recoverable service potential of the asset below its carrying value in the balance sheet). Cost includes the cost of acquiring land and buildings, development costs, and interest charges incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in the net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

e. Government grants

Government grants include grants receivable from Homes England (previously known as the Homes and Communities Agency (the HCA)), local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

f. Cyclical repairs and maintenance

The Charity has established a regular programme of repair and maintenance for its housing property. Actual costs are charged to the income and expenditure account as incurred.

g. VAT

The Charity is not VAT registered. Income and expenditure, where applicable, is therefore shown inclusive of VAT in the financial statements.

h. Current assets

Debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand.

i. Creditors and provisions

Creditors and provisions are recognised when the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

j. Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2022

1. Accounting policies (continued)

k. Going concern

The financial statements have been prepared on a going concern basis as the Board of Management believes that no material uncertainties exist. The Board of Management have considered the level of funds held and the expected level of income and expenditure for the 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

l. Judgements and key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next financial year include:

Value of historic rent overpayment creditor.

2. Particulars of turnover, cost of sales, operating expenditure and operating surplus

	Turnover	Operating Expenditure	2022 Operating Surplus	Turnover	Operating Expenditure	2021 Operating Surplus
	£	£	£	£	£	£
Social housing lettings (note 6)	145,979	(144,576)	1,403	148,836	(103,898)	44,938
	<u>145,979</u>	<u>(144,576)</u>	<u>1,403</u>	<u>148,836</u>	<u>(103,898)</u>	<u>44,938</u>

3. Interest receivable and similar income

	2022 £	2021 £
Bank interest received	56	161
	<u>56</u>	<u>161</u>

4. Operating surplus

The operating surplus is stated after charging.

	2022 £	2021 £
Depreciation of tangible fixed assets	35,496	33,312
Auditor's remuneration for audit	5,670	4,446
Auditor's remuneration for audit (over accrual)	(358)	(99)
Auditor's remuneration for non-audit	<u>-</u>	<u>-</u>

5. Employees

The Charity does not have any employees and as such there are no staff costs incurred.

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2022

6. Particulars of turnover and operating expenditure from social housing lettings	Supported housing (including housing for older people)	
	2022 £	2021 £
Income		
Rents receivable net of identifiable service charges and voids	114,437	117,651
Service charge income	23,826	23,883
Government grants taken to income	<u>7,684</u>	<u>7,211</u>
Turnover from social housing lettings	145,947	148,745
Other income	<u>32</u>	<u>91</u>
Total income	<u>145,979</u>	<u>148,836</u>
Operating expenditure		
Management	37,398	27,480
Service charge costs	29,016	18,776
Routine maintenance	31,322	5,994
Depreciation of housing properties	35,496	33,312
Accountancy and audit	5,312	4,347
Legal and professional	3,000	11,880
Insurance	2,007	1,400
Other costs	<u>1,025</u>	<u>709</u>
Operating expenditure on social housing lettings	<u>144,576</u>	<u>103,898</u>
Operating surplus on social housing lettings	<u>1,403</u>	<u>44,938</u>
Void losses (being rental income lost as a result of property not being let, although it is available for letting)	<u>2,780</u>	<u>23</u>

The Government grants taken to income relate to Housing Association grants and Local Authority Right To Buy (RTB) grants, which are released over the expected useful life of the properties to which they relate.

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2022

7. Fixed assets – freehold housing properties

	Social housing properties held for letting £	Housing properties for letting under construction £	Total housing properties £
Cost			
At 1 November 2021	1,062,695	426,331	1,489,026
Additions	-	<u>397,052</u>	<u>397,052</u>
At 31 October 2022	1,062,695	823,383	1,886,078
Depreciation			
At 1 November 2021	230,954	-	230,954
Charge for the year	<u>35,496</u>	-	<u>35,496</u>
At 31 October 2022	266,450	-	266,450
Net book value at 31 October 2022	<u>796,245</u>	<u>823,383</u>	<u>1,619,628</u>
Net book value at 31 October 2021	<u>831,741</u>	<u>426,331</u>	<u>1,258,072</u>

All properties are freehold. Non depreciable land amounts to £38,539 (2021: £38,539)

Bank loans are secured on the freehold properties.

Expenditure on works to existing properties

	2022 £	2021 £
Improvement works capitalised	-	-
Amounts charged to income and expenditure (note 6)	31,322	5,994
	<u>31,322</u>	<u>5,994</u>

Social housing assistance

	2022 £	2021 £
Total accumulated social housing grant received or receivable at 31 October	<u>583,782</u>	<u>583,782</u>
Recognised to date in the Statement of Comprehensive Income	75,211	67,527
Transferred to Norwich Housing Society	244,487	244,487
Held as deferred income (notes 10 and 11)	264,084	271,768
	<u>583,782</u>	<u>583,782</u>

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2022

8. Trade and other debtors

	2022 £	2021 £
Rent debtors	653	864
Prepayments and accrued income	1,759	1,455
Amounts due from Trustee – Norwich Housing Society	-	1,416
Other debtors	-	9,180
	<u>2,412</u>	<u>12,915</u>

9. Cash and cash equivalents

	2022 £	2021 £
Current accounts	85,463	358,741
Deposit accounts	60,660	123,237
	<u>146,123</u>	<u>481,978</u>

10. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	10,213	28,777
Amounts payable to Trustee – Norwich Housing Society	4,207	-
Accruals and deferred income	41,292	27,845
Other creditors	15,663	-
Bank loans	14,880	11,922
	<u>86,255</u>	<u>68,544</u>
Bank loan terms of repayment and interest rates are as detailed in note 11.		
Deferred income brought forward	14,260	10,928
Released during the year	(12,145)	(3,720)
Deferred during the year	<u>16,440</u>	<u>7,052</u>
Deferred income carried forward	<u>18,555</u>	<u>14,260</u>

11. Creditors: Amounts falling due over one year

	2022 £	2021 £
Accruals and deferred income	252,513	261,966
Bank loans	<u>518,492</u>	<u>434,317</u>
	<u>771,005</u>	<u>696,283</u>
Deferred income brought forward	261,966	151,530
Released during the year	(9,453)	(7,211)
Deferred during the year	<u>-</u>	<u>117,647</u>
Deferred income carried forward	<u>252,513</u>	<u>261,966</u>

The bank loans include aggregate amounts of £452,574 (2021: £382,651) which fall due after five years and which are payable by instalments. Rates of interest vary between 2% and 4%.

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2022

12. Reserves

The income and expenditure reserve represents cumulative surplus and deficits net of other adjustments.

13. Analysis of net assets between funds

	(Unrestricted) Income and expenditure	
	2022	2021
	£	£
Tangible fixed assets	1,619,628	1,258,072
Net current assets	62,280	431,821
Long term liabilities	(771,005)	(701,755)
	<u>910,903</u>	<u>988,138</u>

14. Accommodation owned, managed and in development

	Units at the year end	
	2022	2021
	Number	Number
Rehabilitation	<u>25</u>	<u>25</u>
Total owned	<u>25</u>	<u>25</u>
Accommodation in development	<u>4</u>	<u>4</u>

Norwich Housing Society Limited manages these properties. See note 15.

15. Related party transactions

Norwich Housing Society Limited is sole Trustee of Stuart Court Memorial Charity. Transactions between the two societies are summarised as follows:

	2022	2021
	£	£
Management charge payable to Norwich Housing Society Limited	<u>37,398</u>	<u>27,480</u>

The position at the balance sheet date is summarised as follows:

	2022	2021
	£	£
Amounts owing from/(to) Norwich Housing Society Limited at 31 October	<u>(4,207)</u>	<u>1,416</u>

During the year architectural services to the value of £6,652 (2021: £2,143) were provided to the charity by Jon Boon who is a member of the Board of Management of Norwich Housing Society Limited. At the year end the charity owed £Nil (2021: £Nil) to Mr Boon.

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2022

16. Parent company

The corporate trustee of Stuart Court Memorial Charity is Norwich Housing Society Limited, a Registered Social Landlord.

The Board of Management of the Trustee have relied upon the exemption provided by Section 99 of the Co-operative and Community Benefit Societies Act 2014 because of the insignificant amounts involved and have not therefore prepared consolidated financial statements.

17. Cash flow from operating activities

	2022 £	2021 £
Surplus for the year	1,403	44,938
Exceptional item – overpayment refund	(55,755)	-
Depreciation of tangible fixed assets	35,496	33,312
(Increase) / Decrease in trade and other debtors	10,503	(10,996)
Increase / (Decrease) in trade and other creditors	92,433	386,382
	<u>84,080</u>	<u>453,636</u>

18. Analysis of changes in net debt

	At 1 November 2021 £	Cash Flows £	Other Non- Cash Changes £	At 31 October 2022 £
Cash	481,978	(335,855)	-	146,123
Cash equivalents	-	-	-	-
	<u>481,978</u>	<u>(335,855)</u>	<u>-</u>	<u>146,123</u>
Loans falling due within one year	(11,922)	87,133	(90,091)	(14,880)
Loans falling due after more than one year	(434,317)	-	(84,175)	(518,492)
Total	<u>35,739</u>	<u>(248,722)</u>	<u>(174,266)</u>	<u>(387,249)</u>

19. Capital commitments

	2022 £	2021 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements.	<u>48,076</u>	<u>393,662</u>

It is intended that this anticipated capital expenditure will be financed from reserves and grants.

20. Exceptional item

Following changes to the Board and Senior Management Team, Norwich Housing Society identified that the historic basis for the initial calculation and subsequent increases applied to rents did not comply with the Regulator of Social Housing (RSH) Rent Standard and the detailed regulations set out in the Ministry of Housing, Communities and Local Government (MHCLG) Policy statement on rents for social housing (The Policy Statement), issued in February 2019, applicable from April 2020 onwards. The Society therefore commissioned a firm of consultants to carry out a review of rents. This review took place in October 2021 and indicated a significant rent overpayment due to licensees, which the Board consider could be covered by reserves. The amount of the overpayment was finalised during the year at £55,755, with this being provided in the accounts.