

# NORWOOD SCHOOLS LTD

England & Wales · Charity number 307992

## Details

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**Other names** NORWOOD

**Status** Registered

**Legal form** Charitable company

**Company number** [00516901](#)

**Registered** 1962-09-26

**Register** [View on the Charity Commission register](#)

## Contact

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**Website** [www.norwood.org.uk](http://www.norwood.org.uk)

## Activities

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**Objects:** THE CHARITY'S OBJECTS ("OBJECTS") ARE SPECIFICALLY RESTRICTED TO THE PROMOTION OF EDUCATION AND THE RELIEF IN NEED OF PEOPLE WITH LEARNING DIFFICULTIES AND CHILDREN AND FAMILIES IN NEED THROUGH THE PROVISION OF SUPPORT, PARTICULARLY IN THE AREAS OF SPECIAL EDUCATION, RESPITE AND RECREATIONAL SERVICES, FAMILY SUPPORT INCLUDING SOCIAL WORK, AND ADOPTION, THE BENEFICIARIES OF WHICH ACTIVITIES SHALL BE DRAWN PRIMARILY, BUT NOT EXCLUSIVELY, FROM THE JEWISH COMMUNITY.

**Activities:** Promotion of education and the relief in need of people with learning difficulties and children and families in need through the provision of support, particularly in the areas of special education, respite and recreational services, family support including social work, and adoption, the beneficiaries of which activities shall be drawn primarily, but not exclusively, from the Jewish community.

## Classification

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- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, Disability, Accommodation/housing
- **Who:** Children/young People, People With Disabilities, Other Defined Groups

## Geography

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- **Area of benefit:** CROWTHORNE CP
- Throughout England

## Finances

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Period end	Income	Expenditure	Assets	Employees
2025-03-31	£32,696,000	£31,117,000	£33,873,000	684
2024-03-31	£29,780,000	£29,474,000	£33,392,000	720
2023-03-31	£28,770,000	£28,404,000	£33,265,000	679
2022-03-31	£29,137,000	£28,700,000	£33,342,000	707
2021-03-31	£30,872,000	£30,086,000	£31,700,000	776

## Trustees

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Name	Role	Appointed
<b>Miles Jason Webber</b>	Chair	2023-11-24
Benjamin Elliot Freeman		2021-05-19
Timothy Keith Isaacs		2020-10-21

**NORWOOD SCHOOLS LTD**

England & Wales - Charity number 307992

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# Accounts

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**NORWOOD**  
Taking on life together

**NORWOOD  
SCHOOLS  
LIMITED**

(A Charitable Company Limited by Guarantee)

**Trustees' Annual Report and  
Financial Statements  
For the year ended 31 March 2025**



Patron HM King Charles III  
Registered Charity No. 307992  
Registered Company Number: 00516901

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## Charity Information

<b>Trustees and Directors</b>	The directors of the charity are its trustees for the purpose of charity law. The trustees that served during the financial year and since the year end are Miles Webber, Ben Freeman and Tim Isaacs.
<b>Senior Leadership Team</b>	<p>The charity is managed on a unified basis with its parent charity, Norwood Ravenswood. The Senior Leadership team comprises:</p> <p>Chief Executive Officer</p> <ul style="list-style-type: none"><li>• Naomi Dickson</li></ul> <p>Director of Finance and Corporate Services</p> <ul style="list-style-type: none"><li>• Robert Morton (interim) (until 31.5.24)</li><li>• Heather Lees (interim) (from 17.6.24 to 22.11.24)</li></ul> <p>Director of Finance and Resources</p> <ul style="list-style-type: none"><li>• Neil Harris (appointed 11.11.24)</li></ul> <p>Director of Fundraising, Communications and Community Engagement</p> <ul style="list-style-type: none"><li>• Liz Jessel (resigned 24.9.24)</li></ul> <p>Director of Fundraising</p> <ul style="list-style-type: none"><li>• Anthony Shaw (appointed 1.4.25)</li></ul> <p>Director of Adult Services (Director of Services and Development to 21.4.24)</p> <ul style="list-style-type: none"><li>• Hannah Barnett</li></ul> <p>Director of Children and Family Services</p> <ul style="list-style-type: none"><li>• Emma Gray (from 22.4.24)</li></ul> <p>Director of People and Culture</p> <ul style="list-style-type: none"><li>• Tarrance Ryder-Downes (resigned 31.7.25)</li></ul> <p>Interim Director of People and Culture</p> <ul style="list-style-type: none"><li>• Vicky Greig (appointed 01.9.25)</li></ul> <p>Director of Risk and Compliance</p> <ul style="list-style-type: none"><li>• Philippa Shirtcliffe</li></ul> <p>Director of Major Projects</p> <ul style="list-style-type: none"><li>• Caroline Taylor (retired 31.3.25)</li></ul> <p>Director of Marketing and Communications</p> <ul style="list-style-type: none"><li>• Huw Thomas (appointed 06.05.2025)</li></ul>
<b>Company Secretary</b>	Nick Bernstein (resigned 31.3.25) Obinna Chijioke (appointed 31.3.25)
<b>Auditors</b>	HaysMac LLP
<b>Investment Managers</b>	CCLA Investment Management Sarasin & Partners

**Bankers**

Barclays Bank plc

**Principal and  
Registered Office**

Broadway House, 80-82 The Broadway, Stanmore, HA7 4HB

## Trustees' Annual Report (incorporating Strategic Report)

The trustees are pleased to present their annual report and audited financial statements for the year ended 31 March 2025. These statements comply with the Charities Act 2011 and the Charities (Protection and Social Investment) Act 2016, the Companies Act 2006, the Memorandum and Articles of Association, and the 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 – FRS102 (effective 1 January 2019).

### About Norwood

Norwood Schools (“the Charity”) is the principal operating entity in the Norwood Ravenswood group (“Norwood”).

Norwood supports and empowers Jewish people of all ages with neurodiversity or neurodevelopmental disabilities, along with their families, to live their best lives in communities that value them. Founded in 1795, Norwood is the oldest Jewish charity in the UK and has been privileged to receive Royal Patronage since 1815.

Norwood works with local authorities to deliver wide-ranging services including residential and supported living accommodation and short-breaks facilities, as well as a range of support groups aimed at the whole family, not just the individual.

### Children & Family Services

Our Children and Family provision is based in two northwest London locations. Our needs- and strengths-based support strengthens the family unit, giving them the tools to create meaningful and fulfilling relationships.

We are proud to run a range of support groups, including One to One Parenting, Exploring Autism and Exploring Autism for Grandparents courses, and Unity, our short breaks weekend and holiday provision for cohorts of children and young people aged 5-12 and 12-18 years. Our broader support includes Rainbow and Rainbow Plus (for the parents of primary and secondary school-aged children respectively), 2Gether Group (parenting drop in), and an Afternoon Homework Club.

Our Psychotherapy and Counselling service delivers individual and group psychotherapy for children/young people in schools or in the community; individual psychotherapy for young adults (18-25) with learning disabilities and autism; psychotherapeutic parenting support; adult counselling; groups designed to build resilience and increase social and emotional competence; and sessions to enable children with ongoing difficulties to explore their experiences in a safe and non-judgemental space.

## Adult Services

Our residential and supported living accommodation services in London and Berkshire are suitable for neurodiverse adults and/or adults who have a neurodevelopmental disability. Our residents receive appropriate support according to their needs, where they can enjoy being part of a community. All our homes offer a warm, supportive environment where Jewish values are at the heart of daily life. Our person-centred support enables people to live the life of their choosing.

Beyond accommodation our adult services include the provision of Assistive Technology, promoting independence and enhancing day-to-day living using technology. This includes nighttime telecare systems that avoid the need for intrusive nighttime checks, and Eye Gaze technology to enable people to use environmental control systems. We also use laptops, music systems, toys and many other devices to facilitate communication and support early screen engagement skills. We also offer complementary services that promote good physical and mental wellbeing through activities such as equine and hydrotherapy.

## Transition services

Norwood provides information, guidance, and advocacy for parents of 16-25 year-olds with a learning disability and/or autism, to help them navigate the social care system; benefits and welfare advice; and Jewish cultural activities.

## Our Highlights, Challenges and Achievements in the year

### 1. The Hub opening

In September 2024, our Unity short breaks services moved to an alternative Norwood location known as The Hub in northwest London, to enable us to expand our offer. This large multi-faceted specialist space includes a sensory room, a music room, an arts/crafts room, a soft playroom and an outdoor adventure playground. Our offer now includes after-school clubs, including a life skills club for our children and young adults aged 16+.

The extended offer provides families with a regular short break, strengthening the whole family unit, and enabling them to thrive. We provide activities for children and young people tailored to their interests, wellbeing and development. These opportunities foster their participation in the Jewish and wider community, and expand social and friendship opportunities, preparing them to live their best independent lives.

### 2. Ravenswood Village

The Board's Ravenswood Steering Group continued to discuss next steps for Ravenswood Village, our purpose-built multi-home site providing supported living and residential care for adults with neurodevelopmental disabilities or autism. We remain fully committed to providing the highest standards of care for the residents at Ravenswood. We continue to review the needs and care plans of residents on an ongoing basis, as part of our commitment to providing person-centred care and to maximise capacity in the future. A significant stabilisation of the management team and a leadership development programme helped to promote the positive transition of new residents and good engagement from staff.

### **3. Fee renegotiation programme**

We continued our ambitious fee review, which will continue into 2025/6. This is to ensure that the people we support receive an appropriate care package from statutory commissioners and that Norwood receives a fair fee for the support we provide.

### **4. Condition survey – London homes**

Norwood commissioned a full property condition survey across all our London-based homes. The purpose was to establish an objective, independent view of the physical condition of our estate; ensure ongoing compliance with statutory requirements; and create a clear, costed plan for maintaining safe, high-quality environments for the people we support.

The survey identified priority maintenance, lifecycle replacements, and improvement works, which have been developed into a five-year programme. Implementation commenced in April 2025 and progress to date includes:

- Completion of several year one priorities, including fabric repairs and compliance upgrades
- Integration into multi-year capital and operating spending plans incorporating a Planned Preventive Maintenance cycle.

In addition, we renegotiated facilities management contracts and worked with contractors to ensure works are sequenced around operational needs and minimise disruption to residents and staff.

We strengthened our ability to manage our estate proactively, reduce reactive repair demand, and ensure our homes remain safe, compliant, and fit for purpose.

### **5. Staff satisfaction**

We continued to focus on enhancing staff satisfaction and retention. These included enhancing our benefits with increased sleep-in rates and access to the Blue Light Card discount scheme, mental health first aid, wellbeing and resilience training for managers and refreshed long-service awards to recognise outstanding commitment and loyalty. We also recently launched a new management development programme.

Among the key findings from our staff survey, 86% of staff enjoy working with our people across the organisation; 81% say they are comfortable being themselves at work; 85% enjoy the work they do; and 82% of staff feel like they are making a difference. We are pleased to note that staff satisfaction rose further in 2025/26 year and we will report on this encouraging trend next year.

Feedback from team meetings to discuss the survey results was shared with our leadership and incorporated into three priorities for change: Pay, Reward and Recognition; Leadership; and People Management.

### **6. Staff remuneration**

We developed and implemented a pay and recognition review to ensure our pay is fair, consistent, and financially sustainable, as well as recognising our staff's commitment to making our work possible.

Included in that review was an increase in the hourly rate for our front-line care staff, based on a premium over National Living Wage, which had positive impacts on staff retention.

In the 2024 state budget, the government announced significant increases to the National Living Wage and employers' National Insurance contributions. The additional burden represents a significant challenge for the care sector going forwards and has added over £1 million to Norwood's employment costs for 2025/26.

## **7. Strategy and governance**

The recommendations in the Bayes Business School's review of Norwood's governance were implemented from September 2024. A new board and subcommittee timetable and reporting framework was implemented in January 2025. Norwood's Board of Trustees is now supported by six committees and several groups.

## **8. Our Volunteers**

By the end of 2024/25, Norwood was supported by 192 (2024: 173) volunteers across services, cultural programmes, and head office. Volunteer numbers grew steadily, especially within London Adult Services.

We welcomed new corporate partners for volunteering days, including Johnson & Johnson, EY, Virgin Media, Bayer, and others. Community Engagement Volunteering expanded with flexible opportunities, and Jewish Cultural Volunteering grew through regular contributions from local synagogues.

We are deeply grateful to all our volunteers. Their time, energy and commitment to enriches lives and strengthens our community.

## **Norwood's Strategic Priorities and Focus for 2025/2026**

In 2024, we launched a bold new strategy to transform our services and deliver sector-leading, empowering support for Jewish children, families, and individuals with neurodevelopmental disabilities and neurodiversity. This strategy sets our direction through 2027.

### **Our vision**

A world where the people we support can:

- Live ordinary, fulfilled Jewish lives
- Enjoy lasting physical and mental wellbeing
- Be valued members of their communities
- Live independently in homes that feel like their own

### **Our mission**

To empower Jewish people of all ages with neurodiversity or neurodevelopmental disabilities, and their families, to lead fulfilled lives in communities that value them.

## Values

Everything we do is guided by our Values:

- Kindness (Chesed)
- Respect (Kavod)
- Belonging (Beitenu)
- Empowerment (Chayim)

Our strategy is focused on four pillars that outline our main areas of service delivery, and which will continue to drive our work next year.

### Pillar One: Our Open Front Door

Working with 11 community partners, we will establish a seamless advice, signposting and referral service for Jewish people seeking support for a wide range of social needs. The service is already running in a pilot capacity and will launch publicly in 2026. The commitment by the Wohl Legacy of £250k over two years will contribute to the support needed to deliver this service.

### Pillar Two: Our Offer to Neurodivergent Children and Their Families

Norwood is implementing an ambitious whole family centred model, focused on strengths and needs, to empower children, young people, and their families. This will enhance our offer beyond what's available through local authorities. A new CRM system with integrated outcome measurement will strengthen our evidence base and support our influence on local policy and provision. An expert advisory group will guide the phased three-year rollout of the model.

As we develop our advocacy offer, we will expand our family resource and wellbeing centre, delivering expert-led events and programmes to support family wellbeing and understanding.

We are reviewing our current therapy offer and exploring a shift to whole-family therapeutic approaches, which show strong evidence of impact. We will also build the infrastructure for a wraparound community response, working in partnership with local authorities, schools, synagogues, and other stakeholders.

### Pillar Three: Our Transition Support

Norwood will invest in a Transition Service that holds the hands of young people and their parents as they work through the complex and often frightening experience of transition into adulthood.

In year one we will develop a Transition Strategy which will utilise a CRM system to enable us to identify and follow the path of a young person through Norwood's services.

As part of our implementation, we will expand our offer of monthly family peer support groups to two new cohorts:

- Families of those who have taken up residency in one of Norwood's adult services
- Families with children 16+ who are considering options for their future, with a potential to move into adult services in the future

### Pillar Four: Our Offer to Adults

We will offer person-centred support that is deeply informed by an understanding of the importance of Jewish values, practices and community to those we serve, consistently incorporating co-

production with individuals and their families. We will develop a co-production implementation plan and develop our use of the ‘Nourish’ system to monitor the outcomes for those we support.

We will develop a housing strategy to include the development of improved tenancies and housing management, so we can meet growing demand for modern, high-quality supported living accommodation in the right places for the community and configured to allow independent living.

## **Governance**

### **Group structure**

Norwood Schools is a charitable company limited by guarantee, governed by its Memorandum and Articles of Association. Norwood’s charitable purposes are “the promotion of education and the relief in need of people with learning difficulties and children and families in need through the provision of support, particularly in the areas of special education, respite and recreational services, family support including social work, and adoption, the beneficiaries of which activities shall be drawn primarily, but not exclusively, from the Jewish community”.

The directors of the company are the trustees of the charity.

### **Structure, Governance and Management**

Norwood Schools is overseen by a board of trustees who set our strategy, contribute their expertise and experience to the effective running of the charity, and ensure that we comply with the highest standards of legal and regulatory requirements.

The charity is overseen and managed on a unified basis with its parent charity, Norwood Ravenswood. The Charity’s trustees are also trustees of the parent charity. The senior leadership team (SLT) of the Charity is also unified with that of the parent charity. Details of delegated responsibility, the committee structure of the board, and members of the senior leadership team are disclosed in the parent charity’s trustees’ report.

### **Statement on s.172(1) of The Companies Act 2006 and s.17 of The Charities Act 2011**

During the course of their duties, the trustees have had full regard for their obligations in promoting the success of the organisation. Norwood’s detailed charitable objects are contained within its memorandum and articles, and in keeping with these, the Trustees set strategic priorities to ensure that the charity’s activities are carried out for the public benefit. The Trustees also confirm that they have had full regard to the Charity Commission’s general guidance on public benefit, “Charities and Public Benefit”.

## Principal Risks and Risk Management

Risk management is undertaken on an overall group level for Norwood and its subsidiaries.

Norwood has a corporate risk management policy that sets out its board’s agreed approach to risk management. The policy applies to the whole Norwood group and sets out how it understands and manages risks relating to the law, regulations, governance, financial management and business performance. Norwood uses its risk management framework to identify, prioritise and manage risks. This helps Norwood minimise threats and make the most of opportunities.

Norwood faces a range of strategic, operational, financial, regulatory, and external risks which could impact its ability to deliver services and fulfil its charitable objectives. The Audit, Risk and Compliance Committee ensures these risks are reviewed regularly, with appropriate mitigation strategies in place. Risk management at the operational level is managed by the executive directors, who review risks regularly both within their directorates and as a group.

Norwood has a central quality assurance, risk and compliance function, responsible for managing and developing the framework, and regular monitoring and reporting of compliance and risks. Norwood is committed to the continued development of its risk management approach, ensuring that consideration and awareness of risk is central to operational and strategic objectives. The most significant risks currently identified that relate to the Charity include:

Risk	Existing Treatment and Mitigating Actions
<p><b>Failure to Deliver the Organisational Strategy:</b></p> <p>The organisation may fail to effectively implement its new strategic plan, resulting in misalignment of resources, lack of stakeholder engagement, and failure to meet objectives</p>	<ul style="list-style-type: none"> <li>• Strategic plan launched with clear project planning and regular oversight by SLT and board sub-committees to ensure accountability and progress monitoring</li> <li>• Strategy champions and task &amp; finish groups established with targeted training to drive engagement and tailored implementation across service areas</li> </ul>
<p><b>Regulatory or Quality Compliance Breaches:</b></p> <p>Potential non-compliance with regulatory requirements (e.g. CQC standards), leading to reputational damage, enforcement action, or harm to service users</p>	<ul style="list-style-type: none"> <li>• Quality Audit Framework in place with regular audits, incident analysis, and thematic reviews to drive continuous improvement.</li> <li>• In-house developed compliance systems to support central and senior management oversight and regular governance meetings ensure safeguarding standards and lessons learned are shared</li> </ul>
<p><b>Workforce Recruitment, Retention, and Capability:</b></p> <p>Inability to attract and retain skilled staff may undermine service delivery, increase agency</p>	<ul style="list-style-type: none"> <li>• Strengthened recruitment, onboarding, and people strategies (e.g. pay/reward review, engagement initiatives) to enhance attraction and retention</li> <li>• Ongoing agencies spend reduction, improved internal communication, and dedicated governance groups on People, Culture &amp; Inclusion</li> </ul>

Risk	Existing Treatment and Mitigating Actions
dependency, and reduce continuity of care	
<p><b>Financial Sustainability:</b></p> <p>The organisation may experience deficits or funding shortfalls due to rising costs, inadequate fee income, or inefficient delivery of commissioned care</p>	<ul style="list-style-type: none"> <li>• Successful fee renegotiations and support package reviews ensure lean, contracted care with sustainable staffing</li> <li>• Partnership with authorities and utilisation of staff ensure delivery of commissioned hours and long-term viability</li> </ul>
<p><b>Technology and Information Security Risk:</b></p> <p>Failure to manage IT infrastructure, cybersecurity threats, or data protection breaches could disrupt services and violate legal obligations</p>	<ul style="list-style-type: none"> <li>• Nourish care system implemented; Phase 2 quality assurance project commenced</li> <li>• Development of IT strategy commenced</li> <li>• Virtual CTO and IT consultant engaged to support CRM and digital systems</li> <li>• Information Governance Forum chaired by DPO; quarterly meetings held</li> <li>• Cyber Essentials accreditation achieved in 2024/25 ; phishing simulation returned low-risk results</li> </ul>
<p><b>Business Continuity and Emergency Preparedness:</b></p> <p>Inadequate planning for business interruptions (e.g., pandemics, cyberattacks, severe weather) may disrupt operations and affect vulnerable service users</p>	<ul style="list-style-type: none"> <li>• Organisation-wide business continuity policy published; service-level business continuity plans reviewed annually</li> <li>• Centralised intranet repository for all plans; SLT escalation plan in place</li> <li>• Hybrid working embedded to enhance resilience</li> </ul>
<p><b>Fire and Health &amp; Safety Compliance:</b></p> <p>Failure to meet fire safety and H&amp;S regulations could endanger residents, staff, and result in regulatory consequences</p>	<ul style="list-style-type: none"> <li>• Dedicated Fire Safety Project Group overseeing fire strategy (12-month plan)</li> <li>• Regular fire risk assessments, compartmentation surveys, and implementation of findings</li> <li>• New software to complete Fire Risk Assessments procured ahead of 2025 assessments</li> <li>• Staff training on induction, routine fire drills, and compliance monitoring</li> <li>• Personal emergency evacuation plans maintained for individuals with evacuation support needs</li> </ul>

Risk	Existing Treatment and Mitigating Actions
<p><b>Failure to Maintain Public Trust and Reputational Harm:</b></p> <p>Reputational damage due to safeguarding incidents, poor service quality, or failure to act on hate crime incidents may erode stakeholder trust</p>	<ul style="list-style-type: none"> <li>• RAID log and physical security improvements at key sites</li> <li>• All hate crime incidents reported and addressed with CST and Police support</li> <li>• Transparency in communication and stakeholder engagement embedded in project management</li> </ul>

Each of these risks is actively monitored, with mitigation strategies implemented and regularly reviewed by designated risk owners and leadership. While challenges remain, Norwood continues to take proactive steps to manage risk and build organisational resilience.

### Compliance and Operational Risk Management

Risk is inherent in our operations and the decisions made in pursuit of our charitable goals. The Norwood Board is responsible for the nature and extent of the principal risks that it is willing to take. It reviews the principal risks to the organisation and ensures that risks are effectively managed through our governance structure.

Norwood has a comprehensive risk management framework to identify and manage financial, strategic, operational, and regulatory risks that may impact our ability to meet Norwood’s objectives. Risk management procedures are benchmarked against best practice found within social care providers and other not-for-profit organisations.

These risks are managed on a day-to-day basis by the Senior Leadership Team and overseen by the Audit, Risk and Compliance Committee on behalf of the Norwood board. In addition, a programme of audits of specific areas is undertaken by RSM, our internal auditors, in conjunction with the Norwood Risk and Compliance team.

### Quality and Compliance

We are proud to report that all of our services continue to be rated Good or Outstanding by the Care Quality Commission (CQC), reflecting the dedication and professionalism of our teams. In addition, several recent local authority quality inspections have provided highly positive feedback, further affirming our commitment to excellence in care. Our internal Quality Team provides robust and ongoing oversight across all services, ensuring continuous improvement and accountability. We rigorously benchmark our practices against the CQC inspection framework to uphold the highest standards. This same level of scrutiny and oversight is embedded within our Ofsted-registered services, where we apply consistent quality assurance processes to maintain safe, effective, and child-centred support in our day respite services in line with regulatory expectations and our charitable values.

### Safeguarding

In our safeguarding work, we take a person-centred, proactive approach. Where concerns have arisen, we conducted thorough reviews with input from both individuals and staff. The reviews informed immediate actions and built on the recommendations from an independent audit that will support our review of training. We have a transparent approach to safeguarding and report any

concerns in line with our statutory responsibilities. During 2024-25, there were no reports made to the Charity Commission.

## Complaints

We take all complaints seriously, monitor them closely and report on them regularly. We respond to each complaint within three working days and aim to conclude all complaints within 28 working days. The Quality and Impact and Audit, Risk and Compliance Committee have oversight of compliant KPIs, themes and trends.

## Health and Safety

We remain committed to maintaining a safety-first culture across all areas of the charity. Over the past year, we have taken significant steps to strengthen our approach, including the procurement of new fire risk assessment software to enhance our monitoring and compliance capabilities. In addition, a comprehensive new fire safety strategy is currently in development, with full implementation planned across the organisation during 2025.

Themes, trends, and emerging risks are routinely reviewed through structured reporting and analysis, ensuring timely response and mitigation. Oversight of these matters is maintained through the relevant Norwood board committees, reinforcing our commitment to a safe and well-governed operating environment.

## Data Security and Data Protection

In 2024, Norwood successfully completed the Data Security and Protection Toolkit submission for the 2024/25 period, achieving a status of 'standards met'. Throughout the year, we have continued to fulfil our legal responsibilities in relation to data protection and security, operating in line with the Information Commissioner's Code of Practice. We successfully achieved Cyber Essentials and are preparing for Cyber First accreditation, a further strengthening of our commitment to data security and resilience across the charity.

## Financial Review

In the 2024/25 financial year, the charity made an operating surplus of £1.6m (2024: £0.3m). The increase in surplus is principally attributable to:

- (i) Additional income of £1.0m from charitable activities, arising from successful fee negotiations with local authorities.
- (ii) An increase in the parent company grant which rose from £5.3m to £7.5m, provided to mitigate the impact of investment losses of £1.1m.

A reduction in the value of investment properties due to higher long-term discount rates applied to rental income, and adverse movement in the market value of the investment portfolios resulted in a net surplus of £0.5m (2024: 0.1m surplus).

The shortfall in statutory funding compared to the cost of providing adult social care was £2.5m for the year. This has been reducing in recent years through work to renegotiate appropriate care packages and agree fee uplifts with commissioning authorities to cover increases to frontline staff wages and other inflationary pressures. With rising costs from national insurance, wage increases,

and inflation, Norwood, like other care sector organisations, will find it difficult to close this funding gap, especially given ongoing constraints on local authority finances. We will therefore need to continue to pursue operational efficiencies, at the same time as investing in implementing our multi-year strategy – to enhance our service provision while ensuring regulatory compliance and to facilitate efficiencies by applying appropriate information technology systems and digitalisation.

## Income

The total income generated for the year was £32.7m (2024: £29.8m). £24.1m, or 74% (2024: £23.1m, 77%) of this was generated from providing paid-for services in line with our charitable purpose (Charitable Services). Those services include the delivery of statutory care services on behalf of local authorities, rental income for supported living accommodation, and a small amount where we charge beneficiaries directly. 99% of that income (2024: 99%) for Charitable Services related to Adult Services with the remainder for Children and Family Services. £8.0m or 24% (£6.1m, 20%) of total income was generated from voluntary donations and grants largely from the parent charity, while the remainder arose from investments in security portfolios, rentals of investment properties and interest on deposits (in 2024 a small amount of income was generated from discontinued trading activities).

As indicated above, the charity continues to make progress in improving the fees from commissioning authorities to better reflect the support Norwood provides to the people we support through a structured fee renegotiation programme using a shared costing tool. While we secured annual uplifts in fee rates from most local authorities, a significant number of them, including ones for which we have larger contracts were not able to agree increases that would keep pace with inflationary cost pressures faced by the group, and the funding shortfall therefore persists. We will continue to liaise with local authorities to seek a level of fees commensurate with the level of care being provided, although this may provide challenging given the pressure on local authority finances.

## Expenditure

Our total expenditure was £31.1m (2024: £29.5m). The increase of 5.4% was primarily driven by an increase of 10.0% in the direct costs of providing charitable Adult Services reflecting increases in the cost of staff providing care. As indicated in notes 6a and 6b to the financial statements, the cost of providing other charitable services decreased, while support service costs increased by 5.4% driven by general inflationary pressure and the need to enhance central management and governance in line with a formal governance review undertaken in the prior year, together with a somewhat higher spend on maintaining our properties.

In the face of a challenging environment for growing statutory income for statutory services commissioned by local government, as well as cost pressures arising from higher general inflation, and in particular for care staff for which significant increase in National Living Wage are a key driver, Norwood has continued to seek and achieve efficiencies. The use of higher cost agency staff for care provision decreased markedly over the year generating a saving of £1.2m compared to 2024, while initiatives commenced to obtain better value from suppliers including the retendering of facilities management contracts.

Looking forwards, our multi-year strategic plan requires significant investment in IT services to facilitate digitalisation and the adoption of up-to-date applications for both charitable services, including a CRM system to handle the Open Front Door strategic pillar, and support services such as finance, human resources, fundraising, marketing and compliance. The Nourish care application was implemented during the year, and an ambitious IT strategy has been approved to be implemented

across other services over the few years. We will also need to spend more over the next few years to maintain our property portfolio, based on the condition survey reports commissioned during the year. Accordingly, Norwood will need to continue to focus on ensuring value for money over the long-term while continuing to identify and implement efficiencies.

### **Investment Policy and Performance (excluding directly managed investment properties)**

Norwood holds investments to generate income for the furtherance of its charitable activities. The trustees understand that to generate returns over the long-term, in excess of the rate of inflation, it will be necessary to expose the portfolio to a degree of risk. The trustees' risk appetite for its investment funds is medium risk and the group's investment policy mandates that any decisions taken by its investment managers are consistent with its social care policies.

The charity's investment portfolio is managed by external fund manager, CCLA and invested in funds designed for the charity sector. Performance of the fund manager is reviewed at least semi-annually by the group's Finance & Investment Committee using report from the fund manager and meeting with them.

The CCLA portfolio invests across multiple asset classes including global equities government and commercial bonds, credit instruments, property, alternative assets, and money market deposits. Performance is measured against composite index benchmark, a peer group index and a target return of CPI plus 4% per annum. During the year the fund had a negative return of 2.0% compared to a target return of 6.6% (adverse variance of 8.8%), although over five- and ten-year periods, the annualised return has been broadly in line with the target return and exceeded or been close to the comparators.

### **Reserves Policy**

An important role for trustees is to manage the long-term sustainability of the charity. Norwood's reserves policy sets out the basic principles that should:

- give confidence to funders by demonstrating good stewardship and active financial management;
- demonstrate to beneficiaries, funders and the public, Norwood's resilience, and capacity to manage unforeseen financial difficulties;
- give voluntary funders an understanding of why funding is needed to undertake projects;
- give assurance to lenders and creditors that Norwood can meet its financial commitments; and
- manage the risk to Norwood's reputation from holding substantial unspent funds at the year-end without an explanation.

Norwood's restricted and endowment funds are subject to specific conditions which have been declared by the donor, or with their authority but still within the objects of the charity. Furthermore, endowment funds may be permanent endowments which trustees cannot expend without seeking consent from the Charity Commission. Other funds are unrestricted funds.

The trustees calculate the free reserves as that part of the charity's unrestricted income funds that is freely available after taking account of any unrestricted funds that have been formally designated for specific projects or which are committed for the purchase of fixed assets.

Understanding the nature of the funds allows trustees to identify unrestricted funds which can be spent on any purposes of the charity, i.e. freely available to it. As indicated in the following table, as

at 31 March 2025, unrestricted reserves were £29.1m and the free reserves of the charity were £4.9m. The trustees consider that depending on the level of future fundraising income available for implementing the various element of the group’s multi-year strategy (albeit uncommitted costs at present), a significant proportion of the free reserves may not be available for handling fluctuations in working capital, unplanned variance in income or costs or external shocks that have a financial impact. They have therefore also calculated a level of pro-forma free reserves after deducting an estimate of the free reserves that may be required for the implementation of the multi-year strategic investment projects. Those pro-forma free reserves were £1.9m at 31 March 2025.

*Free Reserves for Norwood Schools Limited*

	31-Mar-25	31-Mar-24
	£m	£m
Group net assets (total reserves)	33.9	33.4
Less restricted funds	(4.8)	(5.5)
<b>Unrestricted reserves</b>	<b>29.1</b>	<b>27.9</b>
Less unrestricted fixed assets	(18.6)	(18.5)
Less Investment property	(5.6)	(6.7)
<b>Free reserves</b>	<b>4.9</b>	<b>2.7</b>
Less: strategic investment	(3.0)	-
<b>Pro-forma free reserves</b>	<b>1.9</b>	<b>2.7</b>

Free reserves represent were just over 1.9 months’ operating expenditure, while pro-forma free reserves represent 0.7 months’ operating expenditure.

Free reserves are calculated in accordance with the Charities SORP. Pro-forma Free Reserves takes into account the estimated cost of initial investment in the charity’s multi-year strategy including implementation of a comprehensive IT solution across all services and departments, property investment costs to reposition and expand services, and additional resources to implement an enhanced offering for Children & Family Services. Those costs remain uncommitted estimates but are likely to be incurred within the next 24 months.

The trustees have set a target range of free reserves of three months or more, being £7.8m of gross expenditure. At 31 March 2025, the charity’s free reserves are below that target. However, on a consolidated basis, the group has sufficient free reserves to support the charity, and the trustees are satisfied that the overall level of reserves is adequate to ensure the charity’s ongoing financial resilience. In addition, approximately three quarters of the charity’s income is derived from statutory sources, and the group has sufficient liquidity within its investment portfolio to meet the charity’s working capital requirements for the foreseeable future.

## Going Concern

Work has been carried out to assess the going concern of the charity, factoring in additional assessments and financial forecast scenarios. The majority of Norwood's income is secure as it arises from statutory sources. However, we have modelled a 4% and 6% reduction in statutory income due to attrition rates, with 6% being an extreme case. Investment income has been modelled to fall by up to 25%. The financial statements have been prepared on a going concern basis, taking into account the forecasts prepared and the confirmed commitment of financial support from the parent charity through an intercompany grant. The parent charity has indicated its intention to continue supporting the charity for at least the next 12 months. Accordingly, the trustees do not consider there to be any significant uncertainty regarding the charity's ability to continue as a going concern over this period.

## Trustees' Responsibilities Statement

The trustees (who are also directors of Norwood Schools Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and accounting 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;

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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.

*Miles Webber*

*Ben Freeman*

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**Miles Webber**

Director/Chair

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**Ben Freeman**

Director/Joint

15 December 2025

## Independent auditor's report to the members of Norwood Schools Limited

### Opinion

We have audited the financial statements of Norwood Schools for the year ended 31 March 2025 which comprise Trustees' Annual Report (incorporating Strategic report), Statement of Financial Activities, Balance Sheet, 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 charitable company's affairs as at 31 March 2025 and of the charitable company's net movement in funds, including the 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 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 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 charity 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Annual Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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.

### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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:

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to revenue recognition, in particular in relation to recording income and charitable activities in the correct accounting period and management override of controls. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the charity relevant to the preparation of the financial statements to ensure these were in place throughout the year;
- Reviewing debtor recoverability post year end.
- Reviewing post balance sheet events.
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions, and
- Challenging assumptions and judgements made by management in their critical accounting estimates including legacy valuations and investment property valuations.

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 the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

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



**Richard Weaver**

Senior Statutory Auditor  
for and on behalf of HaysMac LLP  
Statutory Auditor  
10 Queen Street Place  
London  
EC4R 1AG

Date 17 December 2025

## Statement of Financial Activities

For the year ended 31 March 2025

(Incorporating the Income and Expenditure Account)

		Unrestricted Funds 2025	Restricted Funds 2025	Total 2025	Total 2024
	Notes	£'000	£'000	£'000	£'000
<b>Income from:</b>					
Donations and legacies	2	7,500	524	<b>8,024</b>	6,064
Charitable activities	3	24,087	-	<b>24,087</b>	23,068
Trading activities	4	-	-	-	168
Investments	5	585	-	<b>585</b>	480
<b>Total income</b>		<b>32,172</b>	<b>524</b>	<b>32,696</b>	29,780
<b>Expenditure on:</b>					
Raising funds	6a	331	-	<b>331</b>	516
Trading activities	6a	-	-	-	79
Charitable activities	6a	29,480	1,306	<b>30,786</b>	28,879
<b>Total cost</b>		<b>29,811</b>	<b>1,306</b>	<b>31,117</b>	29,474
<b>Operating surplus/ (deficit)</b>		<b>2,361</b>	<b>(782)</b>	<b>1,579</b>	306
Net (losses)/gains on managed investments	10a	(73)	-	<b>(73)</b>	131
Net (losses)/gains on revaluation of investment properties	10b	(1,025)	-	(1,025)	(310)
<b>Net movement in funds</b>		<b>1,263</b>	<b>(782)</b>	<b>481</b>	127
<b>Reconciliation of funds:</b>					
Total funds brought forward	18	27,853	5,539	<b>33,392</b>	33,265
<b>Total funds carried forward</b>	18	<b>29,116</b>	<b>4,757</b>	<b>33,873</b>	33,392

All income and expenditure were derived from continuing operations in 2025. In 2024 a loss of £59k from discontinued operations was experienced as disclosed in the comparative information for each fund in note 18.

The accompanying notes on pages 26 to 42 of this report form an integral part of these accounts.

# Balance Sheet

As at 31 March 2025

		2025	2024
<b>Fixed Assets</b>	Note	<b>£'000</b>	<b>£'000</b>
Intangible fixed assets	8	203	177
Tangible fixed assets	9	19,913	19,894
Investments: Managed investment portfolio	10a	1,504	1,577
Directly managed property	10b	5,635	6,660
<b>Total fixed assets</b>		<b>27,255</b>	<b>28,308</b>
<b>Current Assets</b>			
Debtors	11	13,585	11,038
Cash at bank and in hand		444	982
<b>Total current assets</b>		<b>14,029</b>	<b>12,020</b>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	12	(4,651)	(3,940)
<b>Net current assets</b>		<b>9,378</b>	<b>8,080</b>
<b>Total assets less current liabilities</b>		<b>36,633</b>	<b>36,388</b>
Creditors: amount falling due after one year	13	(2,760)	(2,996)
<b>Total net assets</b>		<b>33,873</b>	<b>33,392</b>
<b>Funds</b>			
Restricted funds	14	4,757	5,539
Unrestricted funds	15	29,116	27,853
<b>Total Fund</b>		<b>33,873</b>	<b>33,392</b>

The accompanying notes on pages 26 to 42 of this report form an integral part of these accounts.  
Approved by the Board of Trustees on 15 December 2025

*Miles Webber*

Miles Webber  
Director / Chair

*Ben Freeman*

Ben Freeman  
Director / Joint Treasurer

Company Registration Number 00516901  
Charity Registration Number 307992

# Notes to the Financial Statements

For the year ended 31 March 2025

## 1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

### a) Basis of preparation

The financial statements have been prepared in accordance with 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) (effective 1 January 2019) - Charities SORP (FRS 102) and the Companies Act 2006.

Norwood Schools Limited is incorporated in the United Kingdom and meets the definition of a public benefit entity under FRS 102. The financial statements are presented in Sterling (£).

### b) FRS 102 exemptions applied

Norwood Schools Limited has taken advantage of the exemption available under FRS 102 from presenting a cash flow statement and certain other disclosures, including some relating to financial instruments, on the basis that it is a qualifying entity and its parent charity, Norwood Ravenswood prepares publicly available consolidated financial statements in accordance with the requirements of the Charities SORP (FRS 102).

### c) Preparation of the accounts on a going concern basis

These financial statements have been prepared on a going concern basis. The majority of Norwood Schools Limited's income is secure as it arises from statutory sources. However, we have modelled 4% and 6% reductions in statutory income due to unplanned occupancy vacancies and other sources of attrition rates, with 6% considered an extreme case. The forecasting undertaken and the ongoing support in the form of an intercompany grant from the parent charity, Norwood Ravenswood, endorse the accounts being prepared on a going concern basis. Norwood Ravenswood intends to support Norwood Schools Limited for at least twelve months from the date of approval of the statutory financial statements for the year ended 31 March 2025 and has adequate current and forecast liquidity to do so. The trustees do not consider the charities ability to continue as a going concern to be at significant risk for at least twelve months from the signing of the accounts, and accordingly, have prepared these accounts on a going concern basis.

### d) Estimates and judgements

The preparation of financial statements requires management to make estimates, judgements and assumptions that affect reported assets and liabilities as at the balance sheet date and the amounts reported as revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

## Fair value of investment properties

Directly managed investment properties are valued on the basis of fair value. Formal valuations in accordance with RICS valuation standards are undertaken periodically, with desktop valuations conducted in the interim (where there has been no significant change to the underlying asset), with any change recognised in the Statement of Financial Activities.

## Other significant estimates and judgements

Significant estimates and assumptions in these financial statements require the exercise of judgment and are used for, but not limited to, allowance for doubtful debts, which are primarily due from statutory care commissioning authorities and care clients (or on behalf of care clients), useful economic lives for depreciation of fixed assets, and estimates of future cash flows and other assumptions associated with fixed asset impairment tests. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may be different from these estimates.

### e) Fund accounting

Restricted, designated and unrestricted funds are separately disclosed. Restricted funds are resources donated, the uses of which are subject to specific restrictions imposed by the donors or by the nature of the appeal. Designated funds are unrestricted funds set aside at the discretion of the board for specific purposes. All other types of funds which are not restricted or designated funds form part of general funds. Transfers to and from designated funds are recognised as and when the board designates or un-designates funds.

### f) Income recognition

All income is accounted for when the charity has entitlement, there is probability of receipt, and the amount can be measured reliably. If income is directly related to supporting the cost of future activities or events, the income is deferred and recognised in the appropriate period.

## Volunteers

The charity benefits from the involvement and enthusiastic support of its volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

## Grants

Grant income is recognised in the statement of financial activities when received or when Norwood becomes entitled to receipt. Grants that have been received will be treated as deferred income where there are specific requirements in the terms of the grant that the income recognition is dependent on certain activities being completed in a future accounting period.

### g) Expenditure

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

## Raising funds

The cost of raising funds comprise all costs incurred to raise funds to support the charitable purposes. It includes the cost of all fundraising activities and events, including publicity and marketing not associated with the delivery of charitable activities, investment management costs, and an appropriate apportionment of support costs.

## Charitable expenditure

Charitable expenditure comprises all costs incurred in undertaking activities that further the charitable aims for the benefit of the charity's beneficiaries, including an appropriate apportionment of support and governance costs.

## Support costs

Support costs are incurred to facilitate charitable and fundraising activities. Support costs include financial management, information systems, central management, human resources, property and facilities management, Jewish culture, volunteering and risk and assurance. Support costs are allocated between activities using an appropriate basis of apportionment as disclosed in Note 6b of the financial statements.

## Governance costs

Governance costs are included within support costs and allocated on the same basis across services, as per Note 6c. These costs include internal and external audit fees, legal advice for trustees and costs associated with constitutional and statutory requirements, for example the cost of trustee meetings and preparing statutory accounts. Also included within governance costs are costs associated with developing and revising the charity's long-term strategy as opposed to day-to-day management of the charity's activities. An appropriate proportion of the central management support costs have also been attributed as governance costs to reflect the cost of Norwood's employees involved in meetings with the trustees and the cost of all administrative support provided to the trustees.

## Irrecoverable VAT

Irrecoverable VAT is charged as a cost to the Statement of Financial Activities, being allocated on the same basis as the underlying expenditure to which it relates.

## h) Intangible and tangible fixed assets

### Intangible fixed assets

Intangible assets are measured at cost less accumulated amortisation and any applicable accumulated impairment losses (if applicable). Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of, and intention to, complete the software development.
- The availability of adequate technical, financial and other resources to complete the development and to use the software.
- The ability to measure reliably the expenditure attributable to the software during its development.
- The software will generate probable future economic benefits.

Amortisation is charged so as to allocate the cost of intangible assets less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Software costs

4 to 10 years

### Tangible fixed assets

Tangible fixed assets used within the charity's operations are stated at their depreciated cost. Expenditure relating to tangible fixed assets is expected to be used over several years and where the combined value of the asset or group of assets exceeds £1,000, they are capitalised at cost and depreciated over their estimated useful economic lives on a straight-line basis.

Depreciation is provided on tangible fixed assets in order to write off their cost to their estimated realisable values by annual instalments over the following expected useful lives:

Freehold land	not depreciated
Freehold buildings	50 years
Long leasehold land and buildings	50 years or length of lease if shorter
Freehold and leasehold improvements	10 years or length of lease if shorter
Motor vehicles	7 to 10 years
Furniture, fixtures and equipment	10 years
Office equipment	4 to 10 years

Where there are indications that assets are or may be impaired in value or use, an impairment review is undertaken to establish the net realisable value and the value in use. The carrying amount of the assets is reduced by any excess over the higher of these valuations. Impairment losses are charged within the Statement of Financial Activities.

Where costs are incurred as part of capital projects that relate to payments on account and assets under construction or otherwise prior to the installation of equipment, such costs are not subject to depreciation until the asset is complete and available for use.

#### i) Financial Instruments

All financial instruments held by Norwood Schools Limited or to which it is a party are treated as basic financial instruments in accordance with FRS 102. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instruments. Basic financial assets and liabilities are initially recognised at the amount receivable or payable, adjusted for any related transaction costs. The subsequent measurement depends on the nature of the financial instrument and its term.

### Financial assets

Financial assets represent financial resources available to the charity and include financial investments in trade debtors, intercompany debtors, cash and accrued income. They also include investments in collective investment schemes within the managed investment portfolios. Current financial assets, other than cash, are measured at the consideration expected to be received. Debtors due in more than one year are carried at the present value of the future consideration expected to be received using appropriate the discount rate. Investments in collective investment schemes, for which prices are readily available, are carried at fair value determined by market prices. Changes in the fair values of financial assets are recognised in the Statement of Financial Activities.

## **Financial Liabilities**

Financial liabilities include trade creditors, other creditors, loan, accruals and intercompany creditors. Current financial liabilities are initially recognised at the amount payable, adjusted for any related transaction costs. Loans repayable after more than one year are initially recognised at the amount of principal received, net of transaction costs, and are subsequently measured at amortised cost using an effective interest rate method.

### **j) Investments**

#### **Investment properties**

Investment properties are revalued annually by the trustees and periodically by independent Chartered Surveyors on a fair value basis. Gains and losses are recognised in the Statement of Financial Activities account for the period. Therefore, no depreciation is provided on investment properties.

#### **Investments - managed portfolios**

Norwood Schools Limited appoints external regulated investment managers to manage its investment portfolios. Those investment managers invest the charity's funds in collective investment schemes which, in turn, invest in equities, debt instruments, real assets, derivative financial instruments, cash and money market investments. The price for buying and selling units in the collective investment schemes is readily available. The value of the investments is initially measured at cost and subsequently carried at fair value (market value, using the unit prices). Changes in fair value are recorded in the Statement of Financial Activities.

#### **Investment management fee**

Net gains or losses on the investment portfolios are stated net of investment management fees where these are charged within the collective investment schemes. Where investment management fees are separately disclosed by fund managers, these are charged to expenditure on raising funds.

### **k) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### **l) Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition.

### **m) Creditors and provisions**

Creditors and provisions are recognised when Norwood 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. Most amounts provided for are expected to be settled within 12 months and are therefore recognised at the estimated settlement amount without discounting.

## n) Employee benefits

Short-term employee benefits are those expected to be settled wholly before twelve months after the end of the annual reporting period during which employee services are rendered, but do not include termination benefits. These include wages, salaries and any other benefits paid to current employees. All short-term employee benefits are recognised as expenses in the period in which they are incurred. Post-employment benefits, representing contributions into defined contribution pension plans for current employees are recognised as expenses in the period in which the contribution payable is exchanged for services rendered by employees. The assets of the pension scheme are held separately from the charity.

A termination benefit liability is recognised when the entity can no longer realistically withdraw the offer of those benefits.

## o) Leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

## 2. Incoming resources from donations and legacies

	Unrestricted Funds	Restricted Income Funds	Total 2025	Total 2024
	£'000	£'000	£'000	£'000
Grant from parent entity	7,500	524	8,024	6,063
Grants	-	-	-	1
<b>Total</b>	<b>7,500</b>	<b>524</b>	<b>8,024</b>	<b>6,064</b>

## 3a. Incoming resources from charitable activities by income type

	Unrestricted Funds	Restricted Income Funds	Total 2025	Total 2024
	£'000	£'000	£'000	£'000
Statutory income from Local Authorities	22,172	-	22,172	21,582
Gross fee income	98	-	98	103
Rental income	1,698	-	1,698	1,320
Other income	119	-	119	41
Government Grant	-	-	-	22
<b>Total</b>	<b>24,087</b>	<b>-</b>	<b>24,087</b>	<b>23,068</b>

### 3b. Incoming resources from charitable activities by service area

	Unrestricted Funds	Restricted Income Funds	Total 2025	Total 2024
	£'000	£'000	£'000	£'000
Adult services	23,963	-	<b>23,963</b>	22,816
Children & Family services	124	-	<b>124</b>	244
Support services	-	-	-	8
<b>Total</b>	<b>24,087</b>	-	<b>24,087</b>	23,068

### 4. Trading activities - discontinued

	Unrestricted Funds	Restricted Income Funds	Total 2025	Total 2024
	£'000	£'000	£'000	£'000
Trading income	-	-	-	168
<b>Total</b>	-	-	-	168

### 5. Income resources from investments

	Unrestricted Funds	Restricted Funds	Total 2025	Total 2024
	£'000	£'000	£'000	£'000
Bank deposit interest	49	-	<b>49</b>	39
Rental income from investment properties	536	-	<b>536</b>	441
<b>Total</b>	<b>585</b>	-	<b>585</b>	480

### 6a. Resources expended

	Direct Staff Costs	Other Direct Costs	Reallocated Support Cost	Total 2025	Total 2024
	£'000	£'000	£'000	£'000	£'000
Cost of raising funds	-	-	331	<b>331</b>	516
Cost of trading - discontinued	-	-	-	-	79
Charitable expenditure:					
Adult services	18,350	5,220	4,743	<b>28,313</b>	25,638
Children & Family services	1,228	864	381	<b>2,473</b>	3,147
Other	-	-	-	-	94
	19,578	6,084	5,067	30,786	28,879
<b>Total resources expended</b>	<b>19,578</b>	<b>6,084</b>	<b>5,455</b>	<b>31,117</b>	29,474

Direct cost of generating funds is recorded in the parent company.

## 6b. Analysis of reallocated support costs with bases of apportionment

Support costs (basis of apportionment)	Children and Family services			Total	Total
	Adult services	Family services	Fundraising	2025	2024
	£'000	£'000	£'000	£'000	£'000
<b>Financial Management</b> (percentage of staff)	685	25	34	744	1,001
<b>Information Systems</b> (number of PCs)	847	196	139	<b>1,182</b>	1,081
<b>Assistive Technology</b> (equipment and time spent)	98	28	-	<b>126</b>	94
<b>Human Resources</b> (percentage of staff)	1015	37	52	<b>1,104</b>	1,153
<b>Property and Facilities</b> (percentage of staff)	936	34	48	<b>1,018</b>	791
<b>Central Management</b> (percentage of staff)	695	25	36	<b>756</b>	549
<b>Jewish culture</b> (percentage of staff)	-	-	-	-	59
<b>Risk and Assurance</b> (percentage of staff)	74	3	4	<b>81</b>	78
<b>Volunteering</b> (number of volunteers)	35	20	-	<b>55</b>	46
<b>Governance</b> (percentage of staff)	358	13	18	<b>389</b>	320
<b>Total</b>	<b>4,743</b>	<b>381</b>	<b>331</b>	<b>5,455</b>	5,172

## 6c. Resources expended include

		Total	Total
		2025	2024
		£'000	£'000
External audit and related costs	Audit of the annual accounts	<b>44</b>	30
Depreciation of owned fixed assets		<b>1,572</b>	1,567
Interest payable		<b>188</b>	209
Operating lease rentals:	Plant & machinery	<b>136</b>	116
	Properties	<b>288</b>	267
Trustees' indemnity insurance premiums		<b>7</b>	7
Gains on disposal of fixed assets		-	313

#### 7a. Staff costs

	2025	2024
	£'000	£'000
<b>Employees:</b>		
Wages and salaries	18,445	16,581
Social security costs	1,723	1,475
Pension costs	535	449
	20,703	18,505
<b>Other Staff expenditure:</b>		
Agency costs	1,483	2,665
Other staff costs	422	456
<b>Total staff expenditure</b>	<b>22,608</b>	<b>21,626</b>

#### 7b. Redundancy and termination costs

	2025	2024
	£'000	£'000
Statutory redundancy payments	35	122
Payments in lieu of notice period	63	13
Compensation for loss of office	-	228
<b>Total payments on termination included above</b>	<b>98</b>	<b>363</b>

#### 7c. Average number of staff employed and the full-time equivalent

	2025	2024
	Number	Number
Adults' Services	569	583
Children and Family Services	61	63
Support Services	54	57
	684	703

#### 7d. Earnings above £60,000

The number of employees who earned more than £60,000 during the year was:

	2025	2024
	Number	Number
£60,001 - £70,000	7	3
£70,001 - £80,000	4	4
£80,001 - £90,000	1	1
£90,001 - £100,000	3	2
£100,001 - £110,000	-	1
£110,001 - £120,000	1	1

Contributions made to the pension scheme for the sixteen (2024: twelve) employees who earned more than £60,000 amounted to £49,000 (2024: £42,000).

The trustees and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. Trustees received no remuneration and were not reimbursed any expenses in either year. The total employee benefits of Key Management Personnel of the group were £743,000 (2024: £890,000).

#### 7e. Pension

Norwood Schools Limited operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the charity. Employer's contributions payable in respect of the year were £535,000 (2024: £411,000). At 31 March 2025, employer and employee pension contributions of £682,000 were outstanding. This arose due to an IT upgrade failure at the pension provider, a large regulated insurance company. The charity has notified the pension regulator of the issue. The pension provider has undertaken to resolve the issues and ensure that employees are in no worse situation than would be the case had the contribution been transferred and allocated on the original due dates. The charity has transferred the full outstanding amount to the pension provider after the year end.

#### 8. Intangible fixed assets

	Computer Software	Total
	£'000	£'000
<b>Cost</b>		
At 1 April 2024	2,937	2,937
Additions	115	115
<b>At 31 March 2025</b>	<b>3,052</b>	<b>3,052</b>
<b>Depreciation</b>		
At 1 April 2024	2,760	2,760
Charge for the year	89	89
<b>At 31 March 2025</b>	<b>2,849</b>	<b>2,849</b>
<b>Net Book Values:</b>		
<b>At 31 March 2025</b>	<b>203</b>	<b>203</b>
At 31 March 2024	177	177

## 9. Tangible fixed assets

	Freehold properties	Leasehold properties	Motor vehicles	Fixtures, Furniture & Equipment	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1 April 2024	32,691	2,209	544	9,138	-	<b>44,582</b>
Additions	346	17	6	883	250	<b>1,502</b>
<b>At 31 March 2025</b>	<b>33,037</b>	<b>2,226</b>	<b>550</b>	<b>10,021</b>	<b>250</b>	<b>46,084</b>
<b>Depreciation</b>						
At 1 April 2024	16,554	1,157	389	6,588	-	<b>24,688</b>
Charge for the year	806	79	39	559	-	<b>1,483</b>
<b>At 31 March 2025</b>	<b>17,360</b>	<b>1,236</b>	<b>428</b>	<b>7,147</b>	<b>-</b>	<b>26,171</b>
<b>Net Book Values:</b>						
<b>At 31 March 2025</b>	<b>15,677</b>	<b>990</b>	<b>122</b>	<b>2,874</b>	<b>250</b>	<b>19,913</b>
At 31 March 2024	16,137	1,052	155	2,550	-	19,894

## 10a. Investments – Managed investment portfolio

Market Value	2025	2024
	£'000	£'000
Market values at 1 April	1,577	1,446
Net investment (losses)/gains	(73)	131
<b>Market value at 31 March</b>	<b>1,504</b>	<b>1,577</b>

Historical Cost for comparison	2025	2024
	£'000	£'000
Historical cost at 31 March	1,288	1,288
Cumulative revaluation gains (investment portfolio)	216	289

The underlying investments may also be analysed as follows:

Investments by type	2025	2024
	£'000	£'000
Multi-asset investment funds	1,504	1,577
<b>Market Value at 31 March</b>	<b>1,504</b>	<b>1,577</b>

## 10b. Investments – Directly managed properties

Market Value	2025	2024
	£'000	£'000
Valuation at 1 April	6,660	6,970
Net investment (losses) - unrealised	(1,025)	(310)
<b>Carrying values at 31 March</b>	<b>5,635</b>	<b>6,660</b>

Historical Cost for comparison	2025	2024
	£'000	£'000
Historical cost at 31 March	5,200	5,200
Cumulative property revaluation	435	1,460

The investment property relates to the ground floor of the building at 80-82 The Broadway, Stanmore, HA7 leased to a third party. In April 2024, an independent valuer undertook a valuation of the investment property. The unrealised loss in 2025 is attributable to the impact of increasing long term interest rates on the discount rate applied to the future stream of rental income.

## 11. Debtors

	2025	2024
	£'000	£'000
Trade debtors (including care commissioning authorities)	1,135	1,560
Amount due from group undertakings	11,963	8,810
Other debtors	26	308
Prepayments	461	360
<b>Total debtors</b>	<b>13,585</b>	<b>11,038</b>

## 12a. Creditors: amount falling due within one year

	2025	2024
	£'000	£'000
Trade creditors	1,402	1,059
Accruals and deferred income	1,537	1,532
Bank loan repayable within one year	198	349
Other creditors	1,099	377
Other taxes and social security costs	415	623
<b>Total creditors due in less than one year</b>	<b>4,651</b>	<b>3,940</b>

### 12b. Deferred income

	2025	2024
	£'000	£'000
Opening balance at 1 April	580	647
Amounts released in year	(580)	(647)
Amounts deferred in year	376	580
<b>Closing balance at 31 March</b>	<b>376</b>	<b>580</b>

Deferred income relates to fee income invoices raised at the year-end which pertain to future periods.

### 13. Creditors amount falling due after one year

	2025	2024
	£'000	£'000
Bank loan repayable within two to five years	1,422	1,437
Bank loan repayable after five years	1,298	1,519
	2,720	2,956
Rental deposit	40	40
<b>Total creditors due in more than one year</b>	<b>2,760</b>	<b>2,996</b>

Bank loan: In October 2007 Norwood purchased Broadway House in Stanmore with a 25-year loan taken with RBS for 80% of purchase price, £6.68m. The bank loan is secured by a charge over Broadway House, Stanmore, HA7 and is repayable in 240 monthly instalments from November 2012. The final payment will be in October 2032.

#### 14. Restricted funds

	Note	1 April 2024	Incoming resources	Outgoing resources	31 March 2025
		£'000	£'000	£'000	£'000
JCoSS PSRP Fund	i	417	-	(275)	142
JAPH	ii	25	-	(25)	-
Somers Court & Residential Fund	iii	160	-	(24)	136
Somers Court (ex Daniel Ct)		308	-	-	308
Supported Living Properties Fund:		29	-	(14)	15
11 Highview Gardens	iv	587	-	(14)	573
Holmbury Avenue		303	-	7	310
Greenwood Road		157	-	(4)	153
Phyllis Somers Capital & Service Fund	v	2,466	-	-	2,466
Assistive Technology Fund	vi	241	8	(37)	212
Lyonsdown Road Rear Garden	vii	29	-	(4)	25
Rochelle & Alan Bernard Fund	viii	58	-	-	58
Capital Projects	ix	594	124	(718)	-
Binoh SEND Fund	x	31	-	(18)	13
Lyonsdown minibus operational costs	xi	29	15	(15)	29
Autism Services	xii	23	-	(23)	-
Transformational Change Management	xiii	40	120	(40)	120
Under £20k		42	257	(102)	197
<b>Total</b>		<b>5,539</b>	<b>524</b>	<b>(1,306)</b>	<b>4,757</b>

#### Restricted funds

- i Fund supporting the Pears' Special Resource Provision at JCoSS.
- ii JAPH Fund to assist Jewish people with physical and/or learning disabilities.
- iii Somers Court & Residential Accommodation Fund to provide accommodation for young adults with learning disabilities.
- iv Supported Living Properties Fund including capital investments.
- v Phyllis Somers Service Delivery Fund: Towards construction, refurbishment and associated costs of family centres and accommodation for adults with disability, plus the operating cost of such services.
- vi Assistive Technology and Digital Fund: Grants from KC Shasha Charitable Foundation and other Trusts to provide AT and associated support to people with LD and complex needs.
- vii Lyonsdown Road Rear Garden supporting the landscaping of rear garden.
- viii A memorial fund set up in memory of Rochelle and Alan Bernard to support children dealing with trauma.
- ix Capital Projects provided by the Leo Baeck Housing Association, the Locker Foundation and the Gerald and Gail Ronson Family Foundation to support building improvements.
- x Binoh Send Fund supports Binoh's Special Educational Needs and Disabilities Programme.
- xi A fund to support the Lyonsdown minibus operational costs: Driver, fuel and fleet charges.
- xii Autism Services funding.
- xiii Transformational Change Management Funding

### 15. Analysis of net assets between funds

	Unrestricted Fund	Restricted Fund	Total Fund
	£'000	£'000	£'000
<b>2025</b>			
Fixed assets	18,621	1,495	20,116
Investments	7,139	-	7,139
Net current assets	6,116	3,262	9,378
Liability due after one year	(2,760)	-	(2,760)
<b>Total net assets</b>	<b>29,116</b>	<b>4,757</b>	<b>33,873</b>
<b>2024</b>			
Fixed assets	18,527	1,544	20,071
Investments	8,237	-	8,237
Net current assets	4,085	3,995	8,080
Liability due after one year	(2,996)	-	(2,996)
<b>Total net assets</b>	<b>27,853</b>	<b>5,539</b>	<b>33,392</b>

### 16. Commitments under operating leases

The future minimum payments under non-cancellable operating leases are:

	Leased Properties 2025	Other 2025	Leased Properties 2024	Other 2024
	£'000	£'000	£'000	£'000
Within one year	247	113	240	116
Between one and five years	987	186	961	320
Over five years	2,660	-	2,536	-
	<b>3,894</b>	<b>299</b>	<b>3,737</b>	<b>436</b>

## **17. Related parties**

### **Group companies**

In the year to 31 March 2025, there were related party transactions between the charity and members of the group.

Norwood Schools Limited paid £10,000 (2024: £15,000) for expenditure on behalf of The Hope Charity. The Hope Charity repaid to Norwood Schools Limited £189,000 (2024: £207,000). At the year-end Norwood Schools Limited was owed £631,000 (2024: £810,000) by The Hope Charity.

Norwood Schools Limited received income of £8,033,000 (2024: £5,300,000) from Norwood Ravenswood. Norwood Schools Limited incurred expenditure of £1,241,000 (£2024: £3,725,000) on behalf of Norwood Ravenswood. At the year end, Norwood Schools Limited was owed £11,330,000 (2024: £7,947,000) by Norwood Ravenswood.

Norwood Schools Limited accounts are consolidated into Norwood Ravenswood, the parent company. Norwood Ravenswood is a registered charity limited by guarantee, registered in England and Wales with charity registration number 1059050 and company registration number 03263519. The principal and registered office for Norwood Ravenswood is Broadway House, 80-82 The Broadway, Stanmore, HA7.

### **Key management personnel compensation**

Compensation paid to key management personnel is disclosed in Note 7d.

## 18. Comparative Statement of Financial Activities

	Continuing Operations			Discontinued Operations		
	Unrestricted Funds	Restricted Funds	Total funds	Unrestricted Funds	Total funds	Total
	2024	2024	2024	2024	2024	2024
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income from:</b>						
Donations and legacies	5,300	764	6,064	-	-	<b>6,064</b>
Charitable activities	23,068	-	23,068	-	-	<b>23,068</b>
Other trading activities	-	-	-	168	168	<b>168</b>
Investments	480	-	480	-	-	<b>480</b>
<b>Total income</b>	<b>28,848</b>	<b>764</b>	<b>29,612</b>	<b>168</b>	<b>168</b>	<b>29,780</b>
<b>Expenditure on:</b>						
Raising voluntary income	516	-	516	-	-	<b>516</b>
Trading activities	-	-	-	79	79	<b>79</b>
Charitable activities	27,799	1,080	28,879	-	-	<b>28,879</b>
<b>Total cost</b>	<b>28,315</b>	<b>1,080</b>	<b>29,395</b>	<b>79</b>	<b>79</b>	<b>29,474</b>
Operating surplus / (deficit)	533	(316)	217	89	89	<b>306</b>
Net gains on investments	(179)	-	(179)	-	-	<b>(179)</b>
<b>Net income / (expenditure)</b>	<b>354</b>	<b>(316)</b>	<b>38</b>	<b>89</b>	<b>89</b>	<b>127</b>
Transfers between funds	132	(132)	-	-	-	-
<b>Net movement in funds</b>	<b>486</b>	<b>(448)</b>	<b>38</b>	<b>89</b>	<b>89</b>	<b>127</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	27,426	5,987	33,413	(148)	(148)	<b>33,265</b>
<b>Total funds carried forward</b>	<b>27,912</b>	<b>5,539</b>	<b>33,451</b>	<b>(59)</b>	<b>(59)</b>	<b>33,392</b>

**NORWOOD SCHOOLS LTD**

England & Wales - Charity number 307992

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# Accounts

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# NORWOOD

Taking on life together

## NORWOOD SCHOOLS LIMITED

(A Charitable Company Limited by Guarantee)

**Trustees' Annual Report and  
Financial Statements  
For the year ended 31 March 2024**



Patron HM King Charles III  
Registered Charity No. 1059050  
Registered Company Number: 00516901

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## Charity Information

<b>Trustees and Directors</b>	The directors of the charity are its trustees for the purpose of charity law. The trustees that served during the financial year and since the year end are Miles Webber, Ben Freeman and Tim Isaacs
<b>Senior Leadership Team</b>	<p>Chief Executive Officer</p> <ul style="list-style-type: none"><li>• Naomi Dickson</li></ul> <p>Director of Finance and Corporate Services</p> <ul style="list-style-type: none"><li>• Patrick Murphy (to 31.10.23)</li><li>• Robert Morton (Interim) (from 21.11.23 to 31.5.24)</li><li>• Heather Lees (Interim) (from 17.6.24)</li></ul> <p>Director of Fundraising, Communications and Community Engagement</p> <ul style="list-style-type: none"><li>• Liz Jessel</li></ul> <p>Director of Services and Development</p> <ul style="list-style-type: none"><li>• Hannah Barnett</li></ul> <p>Director of Children and Family Services</p> <ul style="list-style-type: none"><li>• Emma Gray (from 22.4.24)</li></ul> <p>Director of Human Resources</p> <ul style="list-style-type: none"><li>• Steve Bennett (to 16.6.23)</li></ul> <p>Director of People and Culture</p> <ul style="list-style-type: none"><li>• Steve Williams (Interim) (from 1.8.23 to 19.1.24)</li><li>• Tarrance Ryder-Downes (from 27.11.23)</li></ul> <p>Director of Risk and Compliance</p> <ul style="list-style-type: none"><li>• Philippa Shirtcliffe</li></ul> <p>Director of Major Projects</p> <ul style="list-style-type: none"><li>• Caroline Taylor</li></ul>
<b>Company Secretary</b>	Patrick Murphy (to 1.10.23) Nick Bernstein (from 1.10.23)
<b>Auditors</b>	Haysmacintyre LLP
<b>Investment Managers</b>	CCLA Investment Management and Sarasin & Partners
<b>Bankers</b>	Barclays Bank plc
<b>Principal and Registered Office</b>	Broadway House, 80-82 The Broadway, Stanmore, HA7 4HB

## Trustees' Annual Report (incorporating Strategic Report)

The trustees are pleased to present their annual report and audited financial statements for the year ended 31 March 2024. These statements comply with the Charities Act 2011 and the Charities (Protection and Social Investment) Act 2016, the Companies Act 2006, the Memorandum and Articles of Association, and the 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 – FRS102 (effective 1 January 2019).

### About Norwood

Norwood empowers Jewish people of all ages with neurodiversity or neurodevelopmental disabilities, along with their families, to lead fulfilled lives in communities that value them. Founded in 1795, Norwood is the oldest Jewish charity in the UK and although the ways we work continually evolve, our motivation remains the same: to do everything we can to help the people we support live their best possible lives.

### Our Services

Each year, Norwood supports the needs of more than 2,500 people, including some of the Jewish community's most vulnerable children, adults and families. Our sector-leading services celebrate our Jewish culture and have Jewish values at their heart but are open to all who need our support.

#### Children & Family Services

The entry point to our services, where we continue to offer advice, support and signposting to the community is through our advice line. Our Children and Family provision is based in Northwest London. We offer short break facilities for families of children with complex needs, and a range of therapeutic services. Our group work is aimed at the whole family, including parenting programmes and support groups for siblings and parents of children with learning disabilities.

We are proud to run a range of Support Groups including **Parenting Courses**, **Key worker support** to provide cohesive, holistic support for the child and their family, **Unity** our short breaks holiday provision, and **Inbetweeners**, our Sunday recreational transition group for young adults aged 16–25 years with learning disabilities.

Our broader group support and courses include **Rainbow** (for the parents of primary school-aged children with a range of need); **Rainbow Plus** (for the parents of secondary school-aged children with a range of need); **Exploring Autism** (a 6-week parenting programme for parents and carers of children with an early diagnosis of autism); **2Gether Group** (parenting drop in); **Twins and More** (multiple birth drop in); and **Afternoon Homework Club** (expert support for schoolchildren who are struggling to complete their homework independently).

Our Psychotherapy and Counselling service delivers individual and group psychotherapy for children/young people, in schools or in the community; individual psychotherapy for young adults (18-25) with learning disabilities and autism; psychotherapeutic parenting support; adult counselling; and a range of groups designed to build resilience and increased social and emotional competence; and sessions to enable children with ongoing difficulties to explore their experiences in a safe and non-judgemental space.

## Adult Services

Our work with adults with learning disabilities and autism is core to our service. It is geared to providing the individual care and support that each person needs either through residential care or supported living accommodation services, in London and in Berkshire.

Residential Care is for people who have a local authority-funded care package to provide person-centred 24/7 specialist care combined with support in a residential care setting.

Supported Living Accommodation provides for independent tenancy agreements separate from an individual's care arrangement, paying rent funded from a variety of benefits and local authority provision which support their living requirements.

Beyond accommodation, our adult services include the provision of **Assistive Technology**, promoting independence and enhancing day to day living using technology. This takes the form of telecare systems to alert nighttime support staff to a resident's health risks without the need for intrusive nighttime checks, Augmentative and Assistive Communication devices to help people communicate and control aspects of their environment, Eye Gaze technology to enable people with barriers to communication to access environmental control systems, as well as to use laptops, music systems, toys and many other devices, and devices to help facilitate communicate and support early screen engagement skills; **Complementary services** – promoting good physical and mental wellbeing through education and access to health services including equine and hydrotherapy; **Transition services**, providing information, guidance, and advocacy for parents of 16-25 year-olds with a learning disability and/or autism, to help them navigate the support and policy landscape; **Benefits and welfare advice**; and **Jewish cultural activities**.

## Our Highlights, Challenges and Achievements in the year

### 1. Values, Strategy and Governance

We completed a review of **Norwood's values** through a consultation which included staff, volunteers, people we support and their families. We are proud of our new values which reflect our foundations and behaviour: **Kindness, Respect, Belonging and Empowerment**. A series of interactive sessions with our staff have enabled discussions about the application of each value to our work supporting people with learning disabilities and autism across the range of our services. We are committed to embodying our values across our front line and support services, and beyond through use of photos, videos, devices, group and one to one discussions to ensure that our approach remains fully inclusive.

We embarked upon an ambitious **review of our strategy** which enabled us to clarify our vision, mission and activities and give us plans for the three years ahead, seeking the views of a range of stakeholders from across the organisation, as well as service users, family members and supporters. Our new strategy will take Norwood on its future journey, ensuring that we have a clarity of mission and excellent quality services which are designed around the needs of the community we support.

We conducted a full-scale **review of our governance** with support from Bayes Business School, the recommendations of which will be implemented in 2024/5.

### 2. New Supported Living Service

We successfully reopened and recommissioned our supported living facility Sarah Ronson House, for three young autistic men.

### **3. Educational Services**

Following an extensive review on our future Children & Family service provision, a decision was taken not to renew the current statutory and private educational services beyond the end of the 23/24 academic year.

### **4. Staff Remuneration**

A new pay strategy improved our frontline staff pay to above the National Living Wage

The Board of Trustees approved a recommendation by the Senior Leadership Team to maintain this position for 24/25, and in April 2024 hourly rates were increased by a further 8.5%, keeping frontline wage rates ahead of the National Living Wage. Additionally, we have demonstrated our commitment to supporting our non-frontline staff at this challenging time and to ensuring that their salaries reflect their hard work by increasing these salaries by 3%. Our commitment to increasing pay comes at a very challenging time for charities and for fundraising.

We have worked throughout the year to streamline pay for support workers and have also increased the rate paid for sleep-ins. These measures, along with improved induction and professional development opportunities, are designed to ensure that Norwood becomes an employer of choice and that our staff retention rate improves to reflect this, particularly amongst our support worker cohort.

Not only have these measures improved both recruitment and retention and supported staff with the cost-of-living crisis, but they have also enabled us to considerably reduce the amount of agency staff used in our services, saving almost £1m in the year.

### **5. Fee renegotiation program**

We reviewed the care packages of all our residents and have embarked on an ambitious three-year fee review, due to be completed in 2025/6. This is to ensure that we are receiving a fair fee for the support we offer for each of the people we support from each of the 56 Local Authorities we work with. In 2023/24 it resulted in an additional £4m of income for the charity.

### **6. Staff Satisfaction**

Over the past year several activities have continued to focus on enhancing staff satisfaction and retention. We enhanced our benefits, including increasing sleep-in rates and access to the Blue Light Card discount scheme. We focused on delivering mental health first aid, wellbeing and resilient training for managers and refreshed long-service awards to recognise outstanding commitment and loyalty. We also recently launched a new management development programme.

Norwood achieved a 61% average positive response rate in the Birdsong Charity survey. The results enabled us to benchmark where we stand against other organisations in the sector, as well as highlighting some key areas that we can collectively work on to improve the organisational culture at Norwood.

Future priorities include a review of our pay and reward approach to help put in place an effective and competitive policy; further enhancing our benefit and recognition scheme, to include an increase to Support Worker annual leave entitlement and new staff awards; Integrating new organisational values and behaviours within our recruitment and onboarding.

## **7. Ravenswood Village**

We expect that the process and negotiations to engage with a third-party provider who is interested in taking over the operation of services at the Village will take some months to progress and we are continuing to keep both staff and families of people supported at the Village updated.

In the meantime, we remain fully committed to providing the highest standards of care for the residents at Ravenswood Village. We welcomed two new residents into the Village in 2023/24, with others expected during 24/25. We continue to review the needs and care plans of existing residents on an ongoing basis, as part of our commitment to providing person-centred care and to maximise capacity in the future. Ravenswood Village held its annual Summer Fete in May which was a celebration of its services and a chance for staff, families and residents to come together.

### **Our Strategic Priorities and Focus for 2024/2025**

The implementation of the strategic and governance reviews will form part of the 3-year strategy that will support Norwood in developing a bold plan to support our vision. The work on the strategy will commence fully from January 2025 and will see Norwood building on its strengths and enhancing its offer to meet the demand identified in our research and outreach. We will focus on improving our front door entry point to services, broadening our holistic offer to children and families, strengthening the transition pathways between children and adults, and enhancing our offer to adults in relation to residential and wider provision. We will focus on the need to improve and grow our estates to provide the most appropriate accommodation for the people we support. To underpin the delivery of the strategy we will strengthen our organisational foundations – the culture, infrastructure, systems and policies that make Norwood the most dynamic, well led organisation it can be. The strategy will be delivered over the next three financial years.

The strategy also includes the commitment of the Board of Trustees to continue to engage with a third-party provider who is interested in taking over the operation of the services at Ravenswood Village.

The governance review will change the committee structure that supports the Board of Trustees and the scheme of delegation, and ensure that we are working to best practice, in line with the Charity Commission Code of Governance.

### **Statement on s.172(1) of The Companies Act 2006 and s.17 of The Charities Act 2011**

During the course of their duties, the trustees have had full regard for their obligations in promoting the success of the organisation. Norwood's detailed charitable objects are contained within its memorandum and articles and in keeping with these, the Trustees set strategic priorities ensure that the charity's activities are carried out for the public benefit. The Trustees also confirm that they have had full regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit". This has been further clarified in the following sections of this report:

- Our Services
- Our Highlights, Challenges and Achievements in the year
- Employee Engagement
- Our Volunteers
- Business Relationships
- Energy Efficiency Measures Undertaken

## **Employee Engagement**

We carried out an inaugural staff engagement survey in March 2023. The results enabled us to benchmark where we stand against other similar organisations and identify areas that we can improve. As a result, we upgraded our intranet to ensure that we provide helpful online advice and information, as part of our commitment to empowering staff to perform their roles. The review of our organisational values engaged all stakeholders including staff across the organisation to determine the values that we subscribe to in our collective goal to enable the people we support to live their best lives. We also reintroduced long-service awards early in 2024 to show our appreciation for the many staff members who have chosen and continue to choose to remain with Norwood.

Further steps taken by the organisation toward improving staff wellbeing include training and introducing a cohort of Mental Health First Aiders: a vital initiative that equips employees with the knowledge and skills to recognise and respond to mental health concerns among their colleagues.

We launched a 'Love to Manage People' Programme to support our line managers to continue their professional development and to undertake the full range of people engagement responsibilities with more confidence, as part of a wider 18-month People Transformation strategy. This includes offering managers the opportunity to undertake resilient managers training, delivered by trainers from St. John's Ambulance.

We inevitably have work to do to improve how information is communicated across the organisation to help connect our staff with organisational and departmental updates, but we recognise how important our staff are to the charity.

## **Our Volunteers**

By the end of the 2023/24 financial year, we had 173 volunteers actively engaged in supporting service and cultural activity delivery to the people Norwood supports across adult, children and family services, in addition to 99 individual enquiries from new potential volunteers. Of these enquiries, 55 volunteers were successfully recruited and placed in suitable opportunities.

Overall, the number of active volunteers decreased during this period, largely due to service closures – in particular the last two remaining charity shops which closed in January 2024, and which were largely staffed by volunteers.

A number of corporate volunteering days were organised across adult services in London and Berkshire, with organisations including National Grid, Wickes, BD UK, Carbonxgen and Johnson & Johnson, and further to a corporate volunteering activity that was successfully run with B&Q in the previous financial year, a grant of £10,000 was received.

100 volunteers were recruited to support at the annual Norwood Carnival in May, with a further 15 volunteers supporting at Norwood Night in December, in addition to regular Jewish cultural activities being delivered in our homes by a team of 71 volunteers recruited from local synagogues and communities.

We are so grateful to all our volunteers for the time that they give up and for all that they do for us and for the people we support.

## **Business Relationships**

Norwood values the relationships it has with all the local authorities around the UK and its suppliers, holding multi-year contracts with key suppliers. Norwood reports its performance and practices in line with reporting requirements.

## **Financial Review**

The operating surplus for the 2023/24 financial was £0.3m (2023: £0.4m), before recognising unrealised revaluation losses of £0.2m (2022: losses £0.4m). This included a £5.3m grant (2023: £9.0m) received from the parent company – Norwood Ravenswood – which operates as the fundraising arm of the group of charities. At the end of the financial year, Norwood Schools generated £23.1m (2023: £18.6m) income from its core charitable activities and expended £28.9m (2023: £28.0m) on core services, reflecting a funding shortfall of £5.8m (2023: £9.4m). Whilst some of the charity's activities are chargeable and funded by commissioning authorities such as the adults learning disability care and autism services, the charity relies on voluntary donations to deliver its children and families support services and meet the funding gap in statutory services.

Whilst Norwood Schools' statutory funding gap for adult social care persists, the charity made significant progress in improving the fees its commissioning authorities pay through a structured fee renegotiation programme. The uplift in fees offered by the local authorities generated an additional £4m. Without significant annual increases to fees to cover increases to frontline staff wages and other inflationary pressures the funding gap is expected to continue to grow. We continue to work closely with commissioning authorities to rectify this. Norwood will continue to pursue operational efficiencies and maximise limited resources.

As previously disclosed Norwood took the decision in 2021 to close its retail operations. The cessation of retail activities was completed in January 2024 with the closure of the two remaining shops. These two shops generated income of £0.2m (2023: £0.2m).

## **Income**

Total income generated in the year was £29.8m (2023: £28.8m), a £1.0m increase on the prior year, substantially due to successfully securing annual increases from most local authorities. 77% (£22.8m) of the charity's income came from Adults Learning Disability Services through its supported living and residential accommodation services. 20% (£6.0m) came from donations and grants largely from the parent company while the remaining 3% came from Children and Families Services, investment and other income including our retail shops.

## **Expenditure**

Total expenditure in the year was £29.5m (2023: £28.4m) of which 87% (£25.6m) was expended on Adults Learning Disability Services. 11% (£3.1m) was expended on Children and Families Services, and the remaining 2% on generating voluntary, trading, and investment income. Included in the cost of services is £5.2m (2023: £4.7m) support and governance costs. Staff costs (£21.6m; (2023: £20.4m), representing 73% of the expenditure, remains the largest spend of the charity. Efficiencies in staffing structures were achieved to counter the cost of agency staff which grew to £2.7m (2023: £3.6m).

## **Going Concern**

These financial statements have been prepared on a going concern basis. The majority of Norwood Schools' income is secure as it arises from statutory sources. However, we have modelled a 4% and 6% reduction in statutory income due to attrition rates, with 6% being an extreme case. The

forecasting performed and support in the form of an intercompany grant from the parent charity endorses the accounts being prepared on a going concern basis.

Norwood Ravenswood intends to support Norwood Schools Limited for at least 12 months from the date of approval of the statutory financial statements for the year ended 31 March 2024 and has the liquidity to do so. The trustees consider this uncertainty not to be material and hence do not consider the charities ability to continue as a going concern to be at risk for at least 12 months from the signing of the accounts. Accordingly, the trustees have prepared these accounts on a going concern basis.

### Reserves Policy

An important role for trustees is to manage the long-term sustainability of the charity. Norwood Schools' reserves policy sets out the basic principles that should:

- demonstrate to beneficiaries, commissioners, funders and the public, Norwood School's resilience and capacity to manage unforeseen financial difficulties.
- give voluntary funders an understanding of why funding is needed to undertake various projects especially where there are restrictions as to the application of funds.
- give assurance to lenders and creditors that Norwood School can meet its financial commitments.
- give confidence to funders and commissioners by demonstrating good stewardship and active financial management.
- manage the risk to Norwood's reputation of holding substantial unspent funds at the year-end without an explanation or insight into its capital commitments.

The trustees calculate the free reserves at Group level due to how the parent and subsidiary entities operate. Norwood Schools Limited acts as the operating entity within the Group structure which the parent company, Norwood Ravenswood, generates voluntary income to meet the funding gap and support the operations of the charity undertaken through Norwood Schools. The Group's free reserves is the unrestricted income fund that is freely available after taking account of the restricted funds that have been donated and earmarked for specific projects. Understanding the nature of the funds allows trustees to identify unrestricted funds which can be spent on the core activities of the charity. As at 31 March 2024, unrestricted reserves were £27.9m whilst the free reserves of Norwood Schools was £2.7m. However, the free reserves for the Group was £9.4m (2023: £5.3m).

#### *Free Reserves for Norwood Schools Limited*

	31-Mar-24	31-Mar-23
	£m	£m
Group net assets (Total reserves)	33.4	33.2
Less restricted funds	(5.5)	(6.0)
Unrestricted funds	27.9	27.2
Less unrestricted fixed assets	(18.5)	(19.3)
Less Investment property	(6.7)	(7.0)
<b>Free Reserves</b>	<b>2.7</b>	<b>0.9</b>

### Free Reserves for the Group

	31-Mar-24	31-Mar-23
	£m	£m
Group net assets (Total reserves)	46.1	42.9
Less endowment funds	(2.0)	(1.9)
Less restricted funds	(5.6)	(6.0)
<b>Unrestricted reserves</b>	<b>38.5</b>	<b>35.0</b>
Less unrestricted fixed assets	(18.7)	(19.7)
Less Investment property	(10.4)	(10.0)
<b>Free Reserves</b>	<b>9.4</b>	<b>5.3</b>

The trustees have set a target range of free reserves for the Group of 3 months or more of its annual expenditure, being £7.4m. Free reserves are over the target set, in addition two thirds of the charity's income is from statutory sources and Norwood has sufficient liquidity within its investment portfolio of £10.2m to meet its working capital requirements for the foreseeable future.

### Investment Policy and Performance

Norwood Schools holds investments to generate income for the furtherance of its charitable activities. As part of the trustees' diversification strategy, two fund managers are appointed to manage its investment portfolio.

The trustees understand that to generate returns, in the longer term, in excess of the rate of inflation and net of the total costs associated with managing and operating an investment fund, it will be necessary to expose the portfolio to a degree of risk. The trustees' risk appetite for all funds is medium risk and the charity's investment policy mandates that any decisions taken by its investment managers are consistent with its social care policies. The Board of Trustees has delegated the regular monitoring of investment performance and ethical objectives to the group's Investment Committee.

At the end of the financial year, Norwood Schools portfolio was valued at the 31 March 2024 at £1.6m (2023: £1.4m).

## Principal Risks

The Board of Trustees believe that the principal risks impacting the charity at the current time are as follows:

Risk Title	Existing Treatment and Mitigating Actions
Uncertainty over the future of Ravenswood Village	<ul style="list-style-type: none"> <li>• Maintaining close engagement with potential partners</li> <li>• Working collaboratively with regulators and local authorities where appropriate</li> <li>• Continue with a 'business as usual' approach across the site to ensure safe, high-quality services and ensuring property is maintained appropriately</li> </ul>
Failure to recruit or retain staff	<ul style="list-style-type: none"> <li>• New people and culture strategy included within transformation plan</li> <li>• Carrying out staff satisfaction surveys and acting on the results</li> <li>• Providing pay rises to ensure that existing staff wish to stay with the organisation and to attract new joiners</li> </ul>
Fundraising income lower than required	<ul style="list-style-type: none"> <li>• New Fundraising committee established</li> <li>• New Trustee appointed with wide experience of fund raising</li> <li>• External consultant appointed to develop fundraising strategy</li> </ul>
Commissioned fee income is insufficient	<ul style="list-style-type: none"> <li>• Fee recovery project established in 2023-24 raised additional £4m in statutory fees for commissioned care hours from local authorities</li> <li>• Project is continuing in 2024/25</li> <li>• Wider project commenced to review operational efficiency and reducing central overhead costs</li> </ul>
Adequate fire prevention and evacuation in the event of an incident	<ul style="list-style-type: none"> <li>• Fire risk assessments developed</li> <li>• Carry out regular fire evacuation tests</li> <li>• People we support have individual Person Emergency Evacuation Plans</li> <li>• Built environment regularly checked to ensure compliance with regulations</li> </ul>

## Compliance and Operational Risk Management

Risk is inherent in our operations and the decisions made in pursuit of our charitable goals. The Board is responsible for the nature and extent of the principal risks that we are willing to take. It reviews the principal risks to the organisation and ensures that risks are effectively managed through our governance structure.

We have a comprehensive risk management framework to identify and manage financial, strategic, operational, and regulatory risks that may impact our ability to meet Norwood's objectives. Our risk management procedures are benchmarked against best practice found within social care providers

and other not-for-profit organisations. In 2023-24 we have been reviewing our corporate and departmental risk registers and will be working with RSM, our internal auditors to ensure Norwood is fully identifying, analysing and managing any uncertainties as we operationalise our new strategy.

These risks are managed on a day-to-day basis by the Senior Leadership Team and over-seen by the Audit and Risk Committee on behalf of the board.

### **Quality and Compliance**

By the end of the financial year 2023-24 all our services were rated 'Good' or 'Outstanding' by the CQC. We had two inspections under the former CQC inspection framework, our London Supported Living services retained its 'Good' rating and our residential home Carlton Avenue, obtained an 'Outstanding' rating from CQC with the inspector highlighting the positive and inclusive culture within the service and the use of assistive technology that empowers people to live their best lives. The report specifically highlighted, *'The service continuously explored, introduced, and used various digital communication tools to enable people to be more involved and to be more included in making decisions about their care. This ensured that people live in an inclusive environment and were able to clearly communicate their needs with staff and others. For example, the service purchased an alternative and augmentative (enhancing) communication (AAC) App. This supported people who cannot speak or who have unclear speech to communicate more clearly and tell staff what help they required. The service introduced 'OrCam' which is assistive technology which can be used by people who were visually impaired to identify objects that they had difficulty seeing, reading or recognising. This helped one person in particular and had a big impact on the person becoming less anxious and being more involved in the day to day running of the service.'*

As CQC have launched their new single assessment process we are supporting managers to prepare for inspection under the new approach.

The launch of the electronic care records project in 2024 has seen the roll out of care planning software 'Nourish' to our Adult Services. This has been fully embraced by our staff and with the project due to complete in the Autumn of 2024, we will be seeking to develop understanding and use of the system to capture outcomes and feedback from the people we support, families and staff.

### **Safeguarding**

In 2023 we commissioned the Ann Craft Trust to carry out a strategic review of our safeguarding processes. This involved meeting with staff, volunteers, people we support and trustees and visiting services across London and Berkshire. The report highlighted the work that had been undertaken in the previous years to make safeguarding personal and developing an open and transparent culture. and the recommendations will be enacted during 2024-25. There have been no notifications to the charity commission in 2023-24 in relation to safeguarding and we continue to track and report all concerns and share themes and trends with Trustees via the Safeguarding Group.

### **Health and Safety**

In 2024, the Senior Leadership Team all completed the IOSH safety for executives and directors to ensure that we integrate top level safety management into the wider organisation. Health and Safety remains a high priority and considerable work has been carried out during 2023 and continues in 2024 on Fire Safety and Norwood Fire Strategy.

All health and safety incidents continued to be tracked and monitored during 2023-24 and themes and trends reported to the board and committees as appropriate.

## Data Security and Data Protection

In 2023 Norwood successfully completed the Data Security and Protection Toolkit and submitted as 'standards met'. We have fulfilled our legal responsibility throughout 2022/3 in terms of data protection and security in line with the Information Commissioners Code of Practice. There has been no requirement to report to the ICO during 2023-24. The team plan to work toward cyber essentials certification during 2024-25.

## Streamlined Energy and Carbon Report (SECR)

Norwood Ravenswood are required to report under the Streamlined Energy and Carbon Reporting (SECR) framework, under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. This report covers the SECR requirement for Norwood. The tabulated energy use and carbon emissions can be found below. This covers the 12 months ending 31 March 2024 reflecting the financial year of Norwood. Norwood has reviewed and agrees with all report inclusions and any exclusions where relevant.

### Methodology


Norwood's footprint is calculated in accordance with the Greenhouse Gas (GHG) Protocol and Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance.


### Scope


This report includes UK energy use, and the associated GHG emissions, that relate to:

- Activities for which Norwood is responsible involving the combustion of gas, or consumption of fuel for the purposes of transport; and
- The purchase of electricity by the company for its own use, including for the purpose of transport.

### SECR Dashboard

 Scope 1 Energy Consumption	Energy Consumption (kWh)			
	Current Year	Previous Year	SECR Baseline	Variance
	2023/24	2022/23	2018/19	%
Scope 1 Energy Consumption	4,537,316	4,131,164	6,041,297	-25%
Scope 2 Energy Consumption	1,349,994	1,439,330	2,159,306	-37%
<b>Total energy Consumption</b>	<b>5,887,310</b>	<b>5,570,494</b>	<b>8,200,603</b>	<b>-28%</b>

 Scope 1 Emissions	Carbon Emissions (tCO <sub>2</sub> e)			
	Current Year	Previous Year	SECR Baseline	Variance
	2023/24	2022/23	2018/19	%
Scope 1 Emissions	839	762	1,136	-26%
Scope 2 - Location Based (LB)	280	278	611	-54%
Scope 2 - Market Based (MB)	203	376	624	-67%
<b>Total Carbon - LB (tCO<sub>2</sub>)</b>	<b>1,118</b>	<b>1,040</b>	<b>1,747</b>	<b>-36%</b>
<b>Total Carbon - MB (tCO<sub>2</sub>)</b>	<b>1,042</b>	<b>1,137</b>	<b>1,760</b>	<b>-41%</b>

 (tCO <sub>2</sub> e/Headcount) (Scopes 1- 2 Emissions)	Intensity Ratio			
	Current Year	Previous Year	SECR Baseline	Variance
	2023/24	2022/23	2018/19	%
	1.5	1.7	2.7	-43%

## **Energy Efficiency Measures undertaken by the charity**

Work to upgrade our energy efficiency during the year has included:

- LED lighting has been installed across the estate where previous lighting has failed, or additional lighting was required.
- There have been upgrades to the thermostatic controls at sites and lagging on hot water pipes has been replaced.
- Where boilers have been replaced, these have been replaced with new more efficient systems: using A-rated systems (Energy-Related Products Directive) for both hot water and heating efficiency.

## **Trustees' Responsibilities Statement**

The trustees (who are also directors of Norwood Schools Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and accounting 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;

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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.

*Miles Webber*

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**Miles Webber**  
Director/Chair

27 September 2024

*Ben Freeman*

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**Ben Freeman**  
Director/Joint Treasurer

# Independent auditor's report to the members of Norwood Schools Limited

## Opinion

We have audited the financial statements of Norwood Schools for the year ended 31 March 2024 which comprise Trustees' Annual Report (incorporating Strategic report), Statement of Financial Activities, Balance Sheet, 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 charitable company's affairs as at 31 March 2024 and of the charitable company's net movement in funds, including the 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 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 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 charity 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are

required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Annual Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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.

### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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:

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to revenue recognition, in particular in relation to recording income and charitable activities in the correct accounting period and management override of controls. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the charity relevant to the preparation of the financial statements to ensure these were in place throughout the year;
- Reviewing debtor recoverability post year end.
- Reviewing post balance sheet events.
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions, and
- Challenging assumptions and judgements made by management in their critical accounting estimates including legacy valuations and investment property valuations.

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 the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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

**Richard Weaver**

Senior Statutory Auditor  
for and on behalf of Haysmacintyre LLP  
Statutory Auditor

10 Queen Street Place  
London EC4R 1AG

27 September 2024

## Statement of Financial Activities

For the year ended 31 March 2024

(Incorporating the Income and Expenditure Account)

	Notes	Continuing Operations			Discontinued Operations			Total 2023
		Unrestricted Funds 2024	Restricted Funds 2024	Total Funds 2024	Unrestricted Funds 2024	Total Funds 2024	Total 2024	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income from:</b>								
Donations and legacies	2	5,300	764	<b>6,064</b>	-	-	<b>6,064</b>	9,502
Charitable activities	3	23,068	-	<b>23,068</b>	-	-	<b>23,068</b>	18,574
Trading activities	4	-	-	-	168	<b>168</b>	<b>168</b>	231
Investments	5	480	-	<b>480</b>	-	-	<b>480</b>	463
<b>Total income</b>		<b>28,848</b>	<b>764</b>	<b>29,612</b>	<b>168</b>	<b>168</b>	<b>29,780</b>	28,770
<b>Expenditure on:</b>								
Raising voluntary income and marketing	6a	516	-	<b>516</b>	-	-	<b>516</b>	224
Trading activities	6a	-	-	-	79	<b>79</b>	<b>79</b>	177
Charitable activities	6a	27,799	1,080	<b>28,879</b>	-	-	<b>28,879</b>	28,003
<b>Total cost</b>		<b>28,315</b>	<b>1,080</b>	<b>29,395</b>	<b>79</b>	<b>79</b>	<b>29,474</b>	28,404
Operating surplus/ (deficit)		<b>533</b>	<b>(316)</b>	<b>217</b>	89	<b>89</b>	<b>306</b>	366
Net gains /(losses) on investments	10	131	-	<b>131</b>	-	-	<b>131</b>	(57)
Net (losses)/gains on revaluation of investment properties	10	(310)	-	<b>(310)</b>	-	-	<b>(310)</b>	(386)
<b>Net income / (expenditure)</b>		<b>354</b>	<b>(316)</b>	<b>38</b>	<b>89</b>	<b>89</b>	<b>127</b>	<b>(77)</b>
Transfers between funds	14	<b>132</b>	<b>(132)</b>	-	-	-	-	-
<b>Net movement in funds</b>		<b>486</b>	<b>(448)</b>	<b>38</b>	<b>89</b>	<b>89</b>	<b>127</b>	<b>(77)</b>
<b>Reconciliation of funds:</b>								
Total funds brought forward	18	27,426	5,987	<b>33,413</b>	(148)	<b>(148)</b>	<b>33,265</b>	33,342
<b>Total funds carried forward</b>		<b>27,912</b>	<b>5,539</b>	<b>33,451</b>	<b>(59)</b>	<b>(59)</b>	<b>33,392</b>	33,265

All income and expenditure derived from continuing operations is shown separately from discontinued trading operations. The comparative figures for each fund are shown in the notes to the financial statements (Note 18). The accompanying notes on pages 23 to 37 of this report form an integral part of these accounts.

There were no gains or losses other than those included in the Statement of Financial Activities.

## Balance Sheet

As at 31 March 2024

		2024	2023
<b>Fixed Assets</b>	Notes	£'000	£'000
Intangible fixed assets	8	177	151
Tangible fixed assets	9	19,894	20,880
Investments: Managed investment portfolio	10a	1,577	1,446
Directly managed property	10b	6,660	6,970
<b>Total fixed assets</b>		<b>28,308</b>	<b>29,447</b>
<b>Current Assets</b>			
Debtors	11	11,038	10,971
Cash at bank and in hand		982	554
<b>Total current assets</b>		<b>12,020</b>	<b>11,525</b>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	12a	(3,940)	(4,312)
<b>Net current assets</b>		<b>8,080</b>	<b>7,213</b>
<b>Total assets less current liabilities</b>		<b>36,388</b>	<b>36,660</b>
Creditors: amount falling due after one year	13	(2,996)	(3,395)
<b>Total net assets</b>		<b>33,392</b>	<b>33,265</b>
<b>Funds</b>			
Including cumulative revaluation gains of £1.7 m (2023: £1.9m)			
Restricted funds	14,15	5,539	5,987
Unrestricted funds	15	27,853	27,278
<b>Total Fund</b>		<b>33,392</b>	<b>33,265</b>

The accompanying notes on pages 23 to 37 of this report form an integral part of these accounts.

Approved by the Board of Trustees on 27 September 2024

*Miles Webber*

**Miles Webber**  
Director/Chair

*Ben Freeman*

**Ben Freeman**  
Director/Joint Treasurer

Company Registration Number 00516901  
Charity Registration Number 1059050

# Notes to the Financial Statements for the year ended 31 March 2024

## 1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

### a) Basis of preparation

The financial statements have been prepared in accordance with 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) (effective 1 January 2019) - Charities SORP (FRS 102) and the Companies Act 2006.

Norwood Schools Limited is incorporated in the United Kingdom and meets the definition of a public benefit entity under FRS 102. The financial statements are presented in Sterling (£), rounded to thousands.

### b) Preparation of the accounts on a going concern basis

These financial statements have been prepared on a going concern basis. The majority of Norwood Schools' income is secure as it arises from statutory sources. However, we have modelled a 4% and 6% reduction in statutory income due to attrition rates, with 6% being an extreme case. The forecasting performed and support in the form of an intercompany grant from the parent charity endorses the accounts being prepared on a going concern basis. Norwood Ravenswood intends to support Norwood Schools Limited for at least 12 months from the date of approval of the statutory financial statements for the year ended 31 March 2024 and has the liquidity to do so. The trustees consider this uncertainty not to be material and hence do not consider the charities ability to continue as a going concern to be at risk for at least 12 months from the signing of the accounts. Accordingly, the trustees have prepared these accounts on a going concern basis.

### c) Estimates

The preparation of financial statements requires management to make estimates, judgements and assumptions that affect reported assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

#### *Financial instruments*

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the income and expenditure account under finance costs or income as appropriate.

#### *Fair value of investment properties*

Directly managed investment properties are periodically valued on the basis of fair value in accordance with the RICS valuation and relevant accounting standards, with desktop valuations conducted in the interim (where there has been no significant change to the underlying asset), with any change recognised in the Statement of Financial Activities. A special assumption that the office element of the property, occupied by Norwood, was sold on a long leasehold basis for a term of 999 years, at a peppercorn. The purpose of this special assumption is so that we can provide an opinion of Fair Value of the Supermarket element of the property, in isolation.

## **1. Accounting policies (continued)**

### **c) Estimates (continued)**

#### *Other significant estimates and assumptions*

Significant estimates and assumptions in these Financial Statements require the exercise of judgment and are used for, but not limited to, allowance for doubtful clients and local authorities' account, estimates of future cash flows and other assumptions associated with asset impairment tests, including the reversal of previous impairments, useful lives for depreciation, determination of discount and other rate assumptions for contingencies. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may be different from these estimates.

There are no significant judgements.

### **d) FRS 102 Cash flow exemption applied**

In line with Financial Reporting Standard 102, a qualifying entity may take advantage of certain disclosure exemptions, including the preparation of a cash flow statement. Norwood Schools Limited is a qualifying entity as it is a member of a group where the parent company, Norwood Ravenswood, prepares publicly available consolidated financial statements which are intended to give a true and fair view of its assets, liabilities, financial position and profit or loss.

### **e) Income recognition**

All income is accounted for when Norwood has entitlement, there is probability of receipt and the amount is measurable. If income relates to a future period or event and the purpose of that income is to support the costs and activities in the future, the income is deferred and recognised in the appropriate period.

#### *Gifts in kind*

Donated goods and services are included as income within the Statement of Financial Activities (with an equivalent amount in expenditure) at the estimated value to Norwood, where this is reasonably quantifiable, measurable and material.

#### *Volunteers*

The charity benefits from the involvement and enthusiastic support of its volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

#### *Grants*

Grant income is recognised in the statement of financial activities when received or when Norwood becomes entitled to receipt. Grants that have been received will be treated as deferred income where there are specific requirements in the terms of the grant that the income recognition is dependent on certain activities being completed in a future accounting period.

#### *Interest receivable*

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by Norwood which is usually upon notification of the interest paid or payable by the Bank.

## **1. Accounting policies (continued)**

### **f) Fund accounting**

Restricted, designated and unrestricted funds are separately disclosed, as set out in Note 15. Restricted funds are resources donated, the uses of which are subject to specific restrictions imposed by the donors or by the nature of the appeal. Designated funds are unrestricted funds set aside at the discretion of the Board for specific purposes. All other types of funds which are not restricted or designated funds form part of general funds. General funds are available to spend at the discretion of the Board, in furtherance of the charitable objectives of the charity. Transfers to and from designated funds are recognised as and when the Board designates or undesignates funds.

### **g) Expenditure**

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

#### *Cost of raising funds*

The costs of raising funds comprise of costs associated with charitable expenditure including fundraising, trading costs and publicity.

#### *Irrecoverable VAT*

Irrecoverable VAT is charged as a cost to the Statement of Financial Activities, being allocated on the same basis as the underlying expenditure to which it relates.

#### *Support costs*

Support costs are allocated to the different categories of activities. This is based on different apportionment bases as identified in Note 6 of the financial statements. Support costs include financial management, information systems, central management, human resources, property and facilities management, Jewish culture, volunteering and risk and assurance.

#### *Governance costs*

Governance costs, other than those disclosed specifically in the notes to these accounts, are included within support costs and allocated on the same basis across services, as per Note 6. Governance costs relate to costs associated with the governance arrangements of the Norwood. These costs will normally include internal and external audit fees, legal advice for trustees and costs associated with constitutional and statutory requirements, for example the cost of trustee meetings and preparing statutory accounts. Also included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the charity's activities. An appropriate proportion of the central management support costs have also been attributed as governance costs to reflect the cost of Norwood's employees involved in meetings with the trustees and the cost of all administrative support provided to the trustees.

#### *Grants payable*

Grants to individuals are recognised on payment and grants to institutions are recognised when there is a constructive obligation to make the payment.

## 1. Accounting policies (continued)

### h) Intangible and tangible fixed assets

#### *Intangible fixed assets*

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses (if applicable). Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use.
- The intention to complete the software and use.
- The ability to use the software.
- The software will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangible assets less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Software costs	- 4 to 7 years
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#### *Tangible fixed assets*

Operational assets are held at depreciated cost. Expenditure relating to tangible fixed assets is expected to be used over several years and where the combined value of the asset or group of assets exceeds £1,000 they are capitalised at cost and depreciated over their estimated useful economic lives on a straight line basis.

Depreciation is provided on tangible fixed assets in order to write off their cost to their estimated realisable values by annual instalments over the following expected useful lives:

Freehold land	- not depreciated
Freehold buildings	- 50 years
Long leasehold land and buildings	- 50 years or length of lease if shorter
Freehold and leasehold improvements	- 10 years
Motor vehicles	- 10 years
Furniture, fixtures, fittings and equipment	- 10 years

Where there are indications that assets are or may be impaired in value or use, an impairment review is undertaken to establish the net realisable value and the value in use. The carrying amount of the assets is reduced by any excess over the higher of these valuations.

In the course of capital projects where costs are incurred for payments on account and assets under construction or installation of equipment, they are not subject to depreciation until they are reclassified after their completion and available for use.

## **1. Accounting policies (continued)**

### **i) Financial instruments**

Norwood operates basic financial instruments in terms of its assets and liabilities.

#### *Financial assets*

Financial asset represents financial resources available to the charity and include financial investments in equities, debtors, intercompany debtors, cash and accrued income. Financial assets are carried at fair value and changes in fair value are recognised in the Statement of Financial Activities. Fair value of financial instruments is established by the open market value of the asset.

#### *Financial liabilities*

Financial liabilities are recognised on the date on which Norwood becomes a party to the contractual provisions of the instrument giving rise to the liability. These include trade creditors, other creditors, loan, accruals and intercompany creditors. Financial liabilities are initially recognised at fair value plus transaction costs and are no longer recognised when the contractual obligations are discharged, cancelled or expire. The bank loan shown in creditor amount falling due after one year is recognised at its principal amount advanced less capital repayments.

### **j) Investments**

#### *Investment properties*

Investment properties are revalued annually by the trustees and periodically by independent Chartered Surveyors on a fair value basis. Gains and losses are recognised in the Statement of Financial Activities account for the period. Therefore no depreciation is provided on investment properties.

#### *Equity investments*

Equity investments are stated at fair value. Changes in fair value are recorded in the Statement of Financial Activities. Unrealised gains and losses are calculated based on the carrying value of the investments in the Balance Sheet.

#### *Investment management fees*

Norwood investments are held within collective investment schemes and managed by fund managers. The investment income is reported net of investment management costs. The investment management fees are disclosed in the Statements of Financial Activities. There are no 'investment management costs' to report in respect of the COIF Fund holdings. This is because there are no costs netted off investment income as costs are to the Fund.

### **k) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### **l) Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

## 1. Accounting policies (continued)

### m) Creditors and provisions

Creditors and provisions are recognised when Norwood 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. Most amounts provided for are expected to be settled within 12 months and are therefore recognised at the estimated settlement amount.

### n) Employee benefits

Short-term employee benefits are those expected to be settled wholly before twelve months after the end of the annual reporting period during which employee services are rendered, but to not include termination benefits. These include wages, salaries and any other benefits paid to current employees. All short-term employee benefits are recognised as expenses in the period in which they are incurred. Post-employment benefits, representing contributions into defined contribution plans for current employees are equally recognised as expenses in the period in which the contribution payable is exchanged for services rendered by employees. The assets of the scheme are held separately from the charity.

A termination benefit liability is recognised at the earlier of the following dates:

- when the entity can no longer withdraw the offer of those benefits or;
- when the entity recognises costs for the restructuring which involves the payment of termination benefits.

### o) Leases

Operating lease rentals are charged to the Statement of Financial Activities as they are incurred.

### p) Tax accounting policy

The entity is exempt from corporation tax as the net income is for charitable purposes.

## 2. Incoming resources from donations and legacies

	Unrestricted Funds	Restricted Funds	Total 2024	Total 2023
	£'000	£'000	£'000	£'000
Donations	-	763	763	495
Grant from parent entity	5,300	-	5,300	9,000
Grants	-	1	1	7
<b>Total</b>	<b>5,300</b>	<b>764</b>	<b>6,064</b>	<b>9,502</b>

## 3a. Incoming resources from charitable activities by income type

	Unrestricted Funds	Restricted Funds	Total 2024	Total 2023
	£'000	£'000	£'000	£'000
Statutory income from Local Authorities	21,582	-	21,582	17,156
Gross fee income	103	-	103	233
Rental income	1,320	-	1,320	1,146
Other income	41	-	41	21
Government Grant	22	-	22	18
<b>Total</b>	<b>23,068</b>	<b>-</b>	<b>23,068</b>	<b>18,574</b>

### 3b. Incoming resources from charitable activities by service area

	Unrestricted Funds	Restricted Funds	Total 2024	Total 2023
	£'000	£'000	£'000	£'000
Adults services	22,816	-	22,816	17,698
Family services	99	-	99	46
Children services	145	-	145	691
Support services	8	-	8	139
<b>Total</b>	<b>23,068</b>	<b>-</b>	<b>23,068</b>	<b>18,574</b>

### 4. Trading activities – discontinued

	Unrestricted Funds	Restricted Funds	Total 2024	Total 2023
	£'000	£'000	£'000	£'000
Trading income	168	-	168	231
<b>Total</b>	<b>168</b>	<b>-</b>	<b>168</b>	<b>231</b>

### 5. Incoming resources from investments

	Unrestricted Funds	Restricted Income Funds	Total 2024	Total 2023
	£'000	£'000	£'000	£'000
Bank deposit interest	39	-	39	64
Rental income from investment properties	441	-	441	399
<b>Total</b>	<b>480</b>	<b>-</b>	<b>480</b>	<b>463</b>

### 6a. Resources expended

	Direct Staff Costs	Other Direct Costs	Reallocated Support Cost	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000
Cost of generating voluntary income	130	139	247	516	224
Cost of trading - discontinued	73	(13)	19	79	177
Charitable expenditure:					
Adults services	16,900	4,785	3,953	25,638	24,353
Family services	707	104	393	1,204	1,168
Children & educational services	471	912	560	1,943	2,482
Other	-	94	-	94	-
<b>Total cost of charitable expenditure</b>	<b>18,078</b>	<b>5,895</b>	<b>4,906</b>	<b>28,879</b>	<b>28,003</b>
<b>Total resources expended</b>	<b>18,281</b>	<b>6,021</b>	<b>5,172</b>	<b>29,474</b>	<b>28,404</b>

## 6b. Analysis of reallocated support costs with bases of apportionment

Support costs (basis of apportionment)	Adults services	Family services	Children services	Fund- raising	Trading	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Financial Management</b> <i>(percentage of staff)</i>	796	50	111	40	4	<b>1,001</b>	765
<b>Information Systems</b> <i>(number of PCs)</i>	703	162	108	104	4	<b>1,081</b>	1,039
<b>Assistive Technology</b> <i>(equipment and time spent)</i>	66	14	14	-	-	<b>94</b>	68
<b>Human Resources</b> <i>(percentage of staff)</i>	923	58	128	39	5	<b>1,153</b>	966
<b>Property and Facilities</b> <i>(percentage of staff)</i>	633	40	88	27	3	<b>791</b>	713
<b>Central Management</b> <i>(percentage of staff)</i>	445	22	59	21	2	<b>549</b>	676
<b>Jewish culture</b> <i>(percentage of staff)</i>	47	5	5	2	-	<b>59</b>	62
<b>Risk and Assurance</b> <i>(percentage of staff)</i>	63	3	9	3	-	<b>78</b>	73
<b>Volunteering</b> <i>(number of volunteers)</i>	21	23	2	-	-	<b>46</b>	65
<b>Governance</b> <i>(percentage of staff)</i>	256	16	36	11	1	<b>320</b>	310
<b>Total</b>	<b>3,953</b>	<b>393</b>	<b>560</b>	<b>247</b>	<b>19</b>	<b>5,172</b>	<b>4,737</b>

## 6c. Resources expended also include:

		Total 2024	Total 2023
		£'000	£'000
External audit and related costs:	Fees payable to the charitable company's auditor for the audit of the charitable company's annual accounts	<b>30</b>	39
Depreciation of owned fixed assets		<b>1,567</b>	1,578
Interest payable		<b>209</b>	122
Operating lease rentals:	Plant & machinery	<b>116</b>	183
	Properties	<b>267</b>	146
Trustees' indemnity insurance premiums		<b>7</b>	7
Gains/(losses) on disposal of fixed assets		<b>313</b>	(54)

## 7a. Staff costs

	2024	2023
	£'000	£'000
<b>Direct staff expenditure:</b>		
Wages and salaries	<b>16,581</b>	14,600
Social security costs	<b>1,475</b>	1,373
Pension costs	<b>449</b>	431
<b>Total direct staff costs</b>	<b>18,505</b>	<b>16,404</b>
<b>Other Staff expenditure:</b>		
Agency costs	<b>2,665</b>	3,553
Other staff costs	<b>456</b>	501
<b>Total staff expenditure</b>	<b>21,626</b>	<b>20,458</b>

**7b. Redundancy and Termination costs:**

	2024	2023
	£'000	£'000
Statutory redundancy payments	122	7
Payments in Lieu of notice period	13	45
Compensation for loss of office	228	88
<b>Total payments on termination included above</b>	<b>363</b>	<b>140</b>

**7c. Average number of staff employed and the full-time equivalent**

	Staff employed	
	2024	2023
	Number	Number
Fundraising	17	6
Adults' Services	583	517
Children and Family Services	62	82
Education and Support	1	15
Support Services	57	59
	<b>720</b>	<b>679</b>

**7d. Earnings above £60,000**

The number of employees who earned more than £60,000 during the year was:

	2024	2023
	Number	Number
£60,001 - £70,000	3	3
£70,001 - £80,000	4	4
£80,001 - £90,000	1	1
£90,001 - £100,000	2	2
£100,001 - £110,000	1	2
£110,001 - £120,000	1	-

Contributions made to the pension scheme for the twelve (2023: twelve) employees who earned more than £60,000 amounted to £42,000 (2023: £55,000).

The trustees and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis.

Trustees received no remuneration and were not reimbursed any expenses in either year.

The total employee benefits of Key Management Personnel of the group were £890,000 (2023: £884,000).

**7e. Pension**

Norwood operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the charity. Contributions payable in respect of the year were £411,000 (2023: £431,000) of which £239,000 was outstanding at 31 March 2024.

## 8. Intangible fixed assets

	Computer Software	Total
	£'000	£'000
<b>Cost</b>		
At 1 April 2023	2,870	2,870
Additions	94	94
Disposals	(27)	(27)
<b>At 31 March 2024</b>	<b>2,937</b>	<b>2,937</b>
<b>Depreciation</b>		
At 1 April 2023	2,719	2,719
Charge for the year	68	68
Impairment	-	-
Disposals	(27)	(27)
<b>At 31 March 2024</b>	<b>2,760</b>	<b>2,760</b>
<b>Net Book Values:</b>		
<b>At 31 March 2024</b>	<b>177</b>	<b>177</b>
<b>At 31 March 2023</b>	151	151

## 9. Tangible fixed assets

	Freehold properties	Leasehold properties	Motor vehicles	Fixtures, Furniture & Equipment	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 April 2023	32,441	2,565	675	8,851	44,532
Additions	275	1	9	416	701
Disposals	(25)	(357)	(140)	(129)	(651)
<b>At 31 March 2024</b>	<b>32,691</b>	<b>2,209</b>	<b>544</b>	<b>9,138</b>	<b>44,582</b>
<b>Depreciation</b>					
At 1 April 2023	15,734	1,268	481	6,169	23,652
Charge for the year	833	95	45	528	1,501
Disposals	(13)	(206)	(137)	(109)	(465)
<b>At 31 March 2024</b>	<b>16,554</b>	<b>1,157</b>	<b>389</b>	<b>6,588</b>	<b>24,688</b>
<b>Net Book Values:</b>					
<b>At 31 March 2024</b>	<b>16,137</b>	<b>1,052</b>	<b>155</b>	<b>2,550</b>	<b>19,894</b>
<b>At 31 March 2023</b>	16,707	1,297	194	2,682	20,880

### 10a. Investments - managed investment portfolio

<b>Market Value</b>	<b>2024</b>	<b>2023</b>
	£'000	£'000
Market values at 1 April	<b>1,446</b>	1,503
Disposals in the year	-	-
Net investment gains/(losses)	<b>131</b>	(57)
<b>Market value at 31 March</b>	<b>1,577</b>	<b>1,446</b>

<b>Historical Cost for comparison</b>	<b>2024</b>	<b>2023</b>
	£'000	£'000
Historical cost at 31 March	<b>1,288</b>	1,288

Cumulative revaluation gains (investment portfolio) **289** 158

The underlying investments may also be analysed as follows:

<b>Equity Investments by type</b>	<b>2024</b>	<b>2023</b>
	£'000	£'000
Multi-asset Investment Funds	<b>1,577</b>	1,446
Cash	-	-
<b>Market Value at 31 March</b>	<b>1,577</b>	<b>1,446</b>

### 10b. Investments - directly managed properties

<b>Market Value</b>	<b>2024</b>	<b>2023</b>
	£'000	£'000
Valuation at 1 April	<b>6,970</b>	7,380
Net investment (losses)/gains - unrealised	<b>(310)</b>	(380)
Provision for Capital expenditure	-	(30)
<b>Carrying values at 31 March</b>	<b>6,660</b>	<b>6,970</b>

Historical cost at 31 March **5,200** 5,200

Cumulative property revaluation gains for the year **1,460** 1,770

The investment property relates to the ground floor of the building at 80-82 The Broadway, Stanmore leased to a third party. In April 2024, an independent valuer, Cluttons LLP, undertook a valuation of the investment property.

### 10c. Net gains/(losses) on revaluations

<b>Market Value</b>	<b>2024</b>	<b>2023</b>
	£'000	£'000
Net (losses)/gains on investments: managed portfolio	<b>131</b>	(57)
Net (losses)/gains on financial instruments: interest rate cap	-	(6)
Net (losses)/gains on investments: directly managed property	<b>(310)</b>	(380)
<b>Net (losses)/gains on investments</b>	<b>(179)</b>	<b>(443)</b>

The Interest Rate Cap arrangement, which had been valued by J.C. Rathbone Associates Limited, a financial institution authorised and regulated by the Financial Conduct Authority, ended in February 2023.

## 11. Debtors

	2024	2023
	£'000	£'000
Trade debtors and Local Authorities' debts	1,560	874
Amount due from group undertakings	8,810	9,489
Other debtors	308	214
Prepayments	360	347
Accrued income	-	47
<b>Total debtors</b>	<b>11,038</b>	<b>10,971</b>

## 12a. Creditors: amount falling due within one year

	2024	2023
	£'000	£'000
Trade creditors	1,059	1,454
Accruals and deferred income	1,532	1,770
Bank loan repayable within one year	349	346
Other creditors	377	253
Other taxes and social security costs	623	489
<b>Total creditors due in less than one year</b>	<b>3,940</b>	<b>4,312</b>

## 12b. Deferred income

	2024	2023
	£'000	£'000
Opening balance at 1 April	647	702
Amounts released in year	(647)	(631)
Amounts deferred in year	580	576
<b>Closing balance at 31 March</b>	<b>580</b>	<b>647</b>

Deferred income relates to fee income invoices raised at the year-end which pertain to future periods.

## 13. Creditors: amount falling due after one year

	2024	2023
	£'000	£'000
Bank loan repayable within two to five years	1,437	1,421
Bank loan repayable after five years	1,519	1,924
	<b>2,956</b>	<b>3,345</b>
Provision for Dilapidation	-	50
Rental Deposit	40	-
<b>Total creditors due in more than one year</b>	<b>2,996</b>	<b>3,395</b>

Bank loan: In October 2007 Norwood purchased Broadway House in Stanmore with a 25 year loan taken from RBS of £6.68m. Capital repayments commenced after 60 months of loan issue (first 5 years is interest only). The bank loan is secured by a charge over the property and is repayable in 240 monthly instalments from November 2012. The final payment will be in October 2032.

## 14. Restricted Funds

	<i>Note</i>	<b>1 April 2023</b>	<b>Incoming resources</b>	<b>Outgoing resources</b>	<b>Transfer between funds</b>	<b>31 March 2024</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
JCoSS PSRP Fund	<i>i</i>	701	-	(284)	-	<b>417</b>
JAPH	<i>ii</i>	25	-	-	-	<b>25</b>
Somers Court & Residential Fund	<i>iii</i>	177	-	(17)	-	<b>160</b>
Somers Court (ex Daniel Ct.)		308	-	-	-	<b>308</b>
Supported Living Properties Fund:	<i>iv</i>	7	22	-	-	<b>29</b>
11 Highview Gardens		602	-	(15)	-	<b>587</b>
Holmbury Avenue		320	-	(17)	-	<b>303</b>
Greenwood Road		163	-	(6)	-	<b>157</b>
The Grange Fund	<i>v</i>	143	-	(11)	(132)	-
Phyllis Somers Capital & Service Fund	<i>vi</i>	2,466	-	-	-	<b>2,466</b>
Assistive Technology Fund	<i>vii</i>	251	-	(10)	-	<b>241</b>
Lyonsdown Road Rear Garden	<i>viii</i>	30	2	(3)	-	<b>29</b>
Heads Up Kids	<i>ix</i>	27	8	(35)	-	-
Rochelle & Alan Bernard Fund	<i>x</i>	58	-	-	-	<b>58</b>
Capital Projects	<i>xi</i>	502	250	(158)	-	<b>594</b>
Binoh SEND Fund	<i>xii</i>	35	-	(4)	-	<b>31</b>
Lyonsdown minibus operational costs	<i>xiii</i>	28	14	(13)	-	<b>29</b>
Braude Trust for Staff Training	<i>xiv</i>	33	-	(33)	-	-
Autism Services	<i>xv</i>	23	-	-	-	<b>23</b>
Transformational Change Management	<i>xvi</i>	-	40	-	-	<b>40</b>
Unity	<i>xvii</i>	-	53	(53)	-	-
Under £20k		88	375	(421)	-	<b>42</b>
<b>Total</b>		<b>5,987</b>	<b>764</b>	<b>(1,080)</b>	<b>(132)</b>	<b>5,539</b>

### Restricted funds:

- i* Fund supporting the Pear's Special Resource Provision at JCoSS.
- ii* JAPH Fund to assist Jewish people with physical and/or learning disabilities.
- iii* Somers Court & Residential Accommodation Fund to provide accommodation for young adults with learning disabilities.
- iv* Supported Living Properties Fund including capital investments.
- v* The Grange Fund represents the donation of a flat, disposed of in year.
- vi* Phyllis Somers Service Delivery Fund: Towards construction, refurbishment and associated costs of family centres and accommodation for adults with disability, plus the operating cost of such services.
- vii* Assistive Technology and Digital Fund: Grants from KC Shasha Charitable Foundation and other Trusts to provide AT and associated support to people with LD and complex needs.
- viii* Lyonsdown Road Rear Garden supporting the landscaping of rear garden.
- ix* Heads Up Kids - supports our work in partnership with Heads Up Kids and Pajes.
- x* A memorial fund set up in memory of Rochelle and Alan Bernard to support children dealing with trauma.
- xi* Capital Projects provided by the Leo Baeck Housing Association, the Locker Foundation and the Gerald and Gail Ronson Family Foundation to support building improvements.
- xii* Binoh Send Fund supports Binoh's Special Educational Needs and Disabilities Programme.
- xiii* A fund to support the Lyonsdown minibus operational costs: Driver, fuel and fleet charges.
- xiv* Braude Trust funding for staff training and inductions.
- xv* Autism Services funding.
- xvi* Transformational Change Management Funding.
- xvii* Funds used to support the Unity service including staffing costs.

## 15. Analysis of net assets between funds

	Unrestricted Fund	Designated Fund	Restricted Fund	Total Fund
	£'000	£'000	£'000	£'000
<b>2024</b>				
Fixed assets	18,527	-	1,544	20,071
Investments	8,237	-	-	8,237
Net current assets/(liabilities)	4,085	-	3,995	8,080
Liability due after one year	(2,996)	-	-	(2,996)
<b>Total net assets</b>	<b>27,853</b>	<b>-</b>	<b>5,539</b>	<b>33,392</b>
<b>2023</b>				
Fixed assets	19,311	-	1,720	21,031
Investments	8,416	-	-	8,416
Net current assets/(liabilities)	2,946	-	4,267	7,213
Liability due after one year	(3,395)	-	-	(3,395)
<b>Total net assets</b>	<b>27,278</b>	<b>-</b>	<b>5,987</b>	<b>33,265</b>

## 16. Commitments under operating leases

The future minimum payments under non-cancellable operating leases are:

	Leased Properties 2024	Other 2024	Leased Properties 2023	Other 2023
	£'000	£'000	£'000	£'000
Within one year	240	116	302	101
Between one and five years	961	320	961	-
Over five years	2,536	-	2,776	-
	<b>3,737</b>	<b>436</b>	<b>4,039</b>	<b>101</b>

## 17. Related parties

### Group companies:

In the year, there were related party transactions between the charity and members of the group.

Norwood Schools Limited paid for expenditure of £15,000 (2023: £99,000) on behalf of The Hope Charity. The Hope Charity repaid to Norwood Schools £207,000 (2023 £nil) At the year-end Norwood Schools Limited was owed £810,000 (2023: £1,001,000) by The Hope Charity.

Norwood Schools Limited received income of £5,300,000 (2022: £9,470,000) from Norwood Ravenswood. Norwood Schools Limited incurred expenditure of £3,725,000 (£2023: £1,210,000) on behalf of Norwood Ravenswood. At the year-end Norwood Schools Limited was owed £7,947,000 (2023: £8,486,000) by Norwood Ravenswood.

Norwood Schools Limited accounts are consolidated into Norwood Ravenswood, the parent company. Norwood Ravenswood is a registered charity limited by guarantee, registered in England and Wales with charity registration number 1059050 and company registration number 03263519. The principal and registered office for Norwood Ravenswood is Broadway House, 80-82 The Broadway, Stanmore HA7 4HB.

### Key management personnel compensation:

In line with paragraph 33.6 of FRS102 Related Party Disclosures, compensation paid to key management personnel in respect of services provided to the reporting entity is disclosed in Note 7.

## 18. Comparative Statement of Financial Activities

	Continuing Operations			Discontinued Operations			
	Unrestricted Funds	Restricted Funds	Total funds	Unrestricted Funds	Total Funds	Total	Total
	2023	2023	2023	2023	2023	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income from:</b>							
Donations and legacies	9,004	498	9,502	-	-	9,502	9,371
Charitable activities	18,556	18	18,574	-	-	18,574	19,031
Other trading activities	-	-	-	231	231	231	321
Investments	463	-	463	-	-	463	414
Profit on disposal of property	-	-	-	-	-	-	-
<b>Total income</b>	<b>28,023</b>	<b>516</b>	<b>28,539</b>	<b>231</b>	<b>231</b>	<b>28,770</b>	<b>29,137</b>
<b>Expenditure on:</b>							
Raising voluntary income	224	-	224	-	-	224	170
Trading activities	-	-	-	177	177	177	151
Charitable activities	26,904	1,099	28,003	-	-	28,003	28,378
<b>Total cost</b>	<b>27,128</b>	<b>1,099</b>	<b>28,227</b>	<b>177</b>	<b>177</b>	<b>28,404</b>	<b>28,699</b>
Operating surplus/(deficit)	895	(583)	312	54	54	366	438
Net gains on investments	(443)	-	(443)	-	-	(443)	1,204
<b>Net income /(expenditure)</b>	<b>452</b>	<b>(583)</b>	<b>(131)</b>	<b>54</b>	<b>54</b>	<b>(77)</b>	<b>1,642</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward	26,974	6,570	33,544	(202)	(202)	33,342	31,700
<b>Total funds carried forward</b>	<b>27,426</b>	<b>5,987</b>	<b>33,413</b>	<b>(148)</b>	<b>(148)</b>	<b>33,265</b>	<b>33,342</b>

**NORWOOD SCHOOLS LTD**

England & Wales - Charity number 307992

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# Accounts

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# **NORWOOD SCHOOLS LIMITED**

(A Charitable Company Limited by Guarantee)

**Trustees' Annual Report and  
Financial Statements  
For the year ended 31 March 2023**

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## Charity Information

<b>Trustees and Directors</b>	The directors of the charity are its trustees for the purpose of charity law. The trustees that served during the financial year and since the year end are:	
	Neville Kahn Ben Freeman Tim Isaacs	
<b>Senior Leadership Team</b>	Chief Executive Officer	
	- to 11.11.22	Beverley Jacobson
	- from 16.1.23	Naomi Dickson
	Director of Finance and Corporate Services	Patrick Murphy
	Director of Engagement	
	- to 20.8.22	Hazel Kaye
	Director of Fundraising, Communications and Community Engagement	
	- from 12.10.22	Liz Jessel
	Director of Services and Development	
	- to 1.4.23	Caroline Taylor
	- from 1.4.23	Hannah Barnett
	Director of Human Resources	Steve Bennett
	Director of Change Management	
	- to 31.1.23	Johanna Day
	Director of Risk and Compliance	Philippa Shirtcliffe
	Director of Major Projects	
	- from 1.4.23	Caroline Taylor
<b>Company Secretary</b>	Patrick Murphy	
<b>Auditors</b>	Grant Thornton UK LLP, 30 Finsbury Square, London EC2A 1AG	
<b>Investment Managers</b>	CCLA Investment Management Ltd, 85 Queen Victoria St, London EC4V 4ET Sarasin & Partners LLP, 100 St Paul's Churchyard, London EC4M 8BU	
<b>Bankers</b>	Barclays Bank plc, 126 Station Road, Edgware, HA8 7RY	
<b>Principal and Registered Office</b>	Broadway House, 80-82 The Broadway, Stanmore, HA7 4HB	

## **Trustees' Annual Report (incorporating Strategic Report)**

The trustees are pleased to present their annual report and audited financial statements for the year ended 31 March 2023. These statements comply with the Charities Act 2011 and the Charities (Protection and Social Investment) Act 2016, the Companies Act 2006, the Memorandum and Articles of Association, and the 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 – FRS102 (effective 1 January 2019).

### **About Norwood**

Founded in 1795, Norwood is the oldest Jewish charity in the UK. We support people with learning disabilities and autism and offer support to vulnerable children and families. The ways we work continually evolves but our motivation remains the same: to do everything we can to help people live their best possible lives.

Each year, Norwood supports the needs of more than 2,500 people, including some of the Jewish community's most vulnerable children, adults and families.

### **Our Services**

Norwood's sector-leading services celebrate our Jewish culture and are run in accordance with Jewish vales but are open to all who need our support. Our services fall into two main categories namely: children and families facing challenges and anyone with a learning disability or autism.

We offer a range of programmes for children and the whole family experiencing a range of social, educational, and mental health challenges. These include family support, parenting programmes, support groups for siblings and parents of children with learning disabilities, short breaks for families who have children with complex needs, specialist therapy, counselling, and psychotherapy. Our adult services comprise registered care and supported living homes for those with a learning disability or autism, and other associated complex needs.

### **Children & Family Services**

The Children and Family team has returned to delivering a range of 'in person' one-on-one and group support sessions during the past year (since the Covid-19 pandemic), whether based at the Kennedy Leigh Family Centre or in a school environment.

Our holistic offer provides practical, social and emotional support to families impacted by learning disability and autism. This includes:

- Support Groups for the individual affected and their family members
- Parenting Courses (Non-Violent Resistance and Exploring Autism)
- Key worker support to provide holistic support to ensure that the family and child receive cohesive and well-coordinated services
- Unity (our short breaks holiday provision)
- Inbetweeners (Sunday recreational transition group for young adults aged 16–25 years with learning disabilities)

We continue to offer advice, support and signposting to the community through our direct-to-user advice line. We also provide generic groups and courses, including:

- Rainbows (for the parents of children with a range of need)
- Rainbow Plus (for the parents of older children with a range of need)
- 2Gether Group (parenting drop in)
- Twins and More (multiple birth drop in)

Our Psychotherapy and Counselling service delivers:

- Individual and group psychotherapy for children/young people in schools
- Individual and group psychotherapy for children/young people in the community
- Individual psychotherapy for young adults (18-25) with learning disability and autism
- Psychotherapeutic parenting support
- Adult counselling
- A range of groups designed to build resilience and increased social and emotional competence
- Sessions to enable children with ongoing difficulties to explore their experiences in a safe and non-judgemental space

Our Schools & Education team provide a range of services to schools and the wider community.

- Specialist teaching, Occupational Therapy, Speech and Language Therapy and Educational Psychology to support children in Jewish schools with SEND / EHCP needs
- Training and consultancy to teachers/schools
- Support to parents through advice clinics, information sessions and courses/training

### **Adult Services**

- Our work with adults with learning disabilities and autism is core to our service. It is geared to providing the individual care and support that each person needs, both residential and supported living accommodation services, in London and Berkshire. Our adult service includes the provision of Assistive Technology - Overcoming challenges, enhancing safety and promoting independence through the use of technology
- Complementary services – promoting good physical and mental wellbeing through education and ease of access to health services.
- Transition services – information, guidance, and advocacy
- Benefits and welfare advice
- Employment training and social enterprise

### **Compliance and Operational Risk Management**

Risk is inherent in our operations and the decisions made in pursuit of our charitable goals. The Board is responsible for the nature and extent of the principal risks that we are willing to take. It reviews the principal risks to the organisation and ensures that risks are effectively managed through our governance structure.

We have a comprehensive risk management framework to identify and manage financial, strategic, operational, and regulatory risks that may impact our ability to meet Norwood's objectives. Our risk management procedures are bench marked against best practice found within social care providers and other not-for-profit organisations.

We identify and manage risks in the following ways:

- Strategic risks are identified and, where necessary, escalated to the Board via committees.
- We undertake regular reviews with the Senior Leadership Team, who are risk owners, to assess the likelihood and impact of risks, and the effectiveness of mitigation strategies.
- Our internal audit function is outsourced to RSM UK Group LLP. Our internal audit plan is informed by an analysis of the risks Norwood is exposed to.
- The Audit & Risk Committee monitors the progress of these plans quarterly.

### **Quality and Compliance**

During 2022-23 Norwood, in preparation for CQC's changing approach to inspection, has changed the audit process to ensure it is focused on the experience of people using our services and working within our services. In preparation for the required digitalisation of care and support plans, the team has been working to standardise the paperwork used by managers within our services and to ensure our policies and procedures meet best practices and are accessible for all.

In 2022-23, as part of our Positive Behaviour Support (PBS) strategy, we re-established the Positive Behaviour Support Panel, conducted a review of the PBS Training and have an experienced core group of PROACT-SCIPr practitioners supporting our services and training our staff. We successfully recruited a Practice Improvement Manager and Positive Behaviour Support Manager to work with the people we support and our staff. In 2023, we commissioned an audit of our PBS approach and will be working with a board-certified behaviour analyst to provide clinical supervision to our PBS practitioners to ensure positive outcomes for the people we support.

### **Safeguarding**

In 2022-23, following a comprehensive training programme, we re-introduced face-to-face safeguarding training at Levels 2 and 3. We provided managers with fact finding training led by an external training specialist and the senior managers attended Level 4 designated lead training to enhance their knowledge and skills further.

In 2023 we commissioned the Ann Craft Trust to carry out a strategic review of our safeguarding processes. This will involve meeting with staff, volunteers, people we support and trustees. We will use the learning from the review to strengthen our approach to safeguarding.

### **Health and Safety**

In 2023, we ran an awareness campaign with operational staff to develop their understanding of accidents, incidents and near-miss reporting and ran a series of workshops to improve practice. This has been supported by managers undertaking the Institute of Occupational Safety & Health training to deepen the registered manager and locality manager's knowledge. In addition, every incident is reviewed and reported upon weekly with monthly themes and trends shared.

### **Data Security and Data Protection**

In 2022 Norwood successfully completed the Data Security and Protection Toolkit and submitted as 'standards met'. We have fulfilled our legal responsibility throughout 2022/3 in terms of data protection and security in line with the Information Commissioners Code of Practice.

## Our Goals, Challenges and Achievements

### 1. Overview and Adults Services Restructuring

Our new Chief Executive Naomi Dickson assumed the role in January 2023 and began the process of reviewing the organisation.

- We undertook a review of our Adult Services structure in London and restructured the management of those services and model of care to bring them in line with the CQC's revised strategy around ensuring that social care settings prioritise maximising people's choice, control and independence.
- We embarked on a dialogue with families of adults supported in some of our services, with a view to changing the registration of some of our registered care homes to supported living, which the CQC advocates in an effort to provide care that empowers adults to live independent lives.
- We reviewed the care packages for some of the residents in supported living services, in light of their changing care needs, and supported them and their families with a transfer to more appropriate care provision in a registered care home.
- We successfully completed the deregistration of Edgeworth Crescent in order for it to become a supported living service.
- We participated in an industry-wide staff survey to help us to establish what our staff think we do well at Norwood and to understand where we can improve, as well as benchmarking our performance against other organisations in the sector.

### 2. Pay Review and Financial Sustainability

The Board of Trustees approved a recommendation by the Senior Leadership Team to significantly increase Support Worker pay rates. On 1<sup>st</sup> February 2023 the hourly rate for all permanent and bank Support Workers was increased to £11.50 per hour, which represented an average 12.7% increase for all frontline care staff. This uplift in Support Worker pay represents an increase in operating costs of £1.4 million a year for Norwood, at a very challenging time for charities and for fundraising. The move was made ahead of the National Living Wage increase to £10.42 per hour, which became mandatory on 1<sup>st</sup> April 2023. In the interim, and before introducing the new salary scale, Norwood made a series of one-off Cost of Living Relief payments as a short-term solution to help support front-line care staff through this latest crisis.

We simultaneously embarked on a comprehensive and systematic review of all current care packages for the adults Norwood supports. We have been working to redress the discrepancy between the cost of the statutory services we provide and the funding that we receive from the Local Authority, in line with their obligations to provide the care and support required by the individual in the most appropriate environment. We have embarked on a systematic process of working to resolve the funding issues identified, to help ensure that the required funding from Local Authorities is in place to support the level of care we are committed to providing. This renegotiation has already borne fruit, as we continue to work with all relevant agencies and residents' families. This work will continue into 2023-24.

### 3. Fundraising

There were some key successes throughout the year. The London Marathon saw our biggest team compete with 26 runners and £78,000 raised and we launched a new cycle Challenge in Botswana.

We hosted our first in-person Property Lunch since the start of the Covid-19 pandemic, and ran a second matched funding campaign, which reached its budgeted target of £2,100,000. Other successful corporate and community events included YN Property Awards, the Distressed Investing Dinner, the first ever Norwood Carnival, and our Golf Day.

However, we also experienced some real challenges, largely impacted by the cost of living crisis. Total trust income for the 22/23 financial year was approximately two thirds of a budgeted £1.4m. The shortfall was due to a shift in many Trusts' focus to support smaller grassroots charities. Our Philanthropy Team continued to focus on improving the stewardship of our donors, maximising all our fundraising opportunities, and our Young Norwood fundraiser joined their team to ensure the pipeline of future mid-level and major donors is well-stewarded.

#### **4. Recruitment and Retention**

Despite well documented care sector-wide staffing challenges, Support Worker recruitment and retention performance in the year ended 31<sup>st</sup> March 2023 was significantly improved on prior year. Retention in particular was markedly better, with permanent Support Worker turnover 41% lower than in 2021/22.

As mentioned above, in February 2023, a 12.7% increase was applied to Support Worker pay rates across the charity to a base rate of £11.50 per hour, and early indications are that this has materially increased the volume of employment applications.

In March of the same year, Norwood participated in a national staff wellbeing and engagement survey operated by an independent charity consultancy. In total, 40% of the workforce responded and the management team have developed an action plan to address key findings, which in turn should further enhance recruitment and retention performance in 2023/24 and beyond.

#### **5. Ravenswood Village**

In October 2022, we announced an in-principle decision to transfer operations at Ravenswood Village from Norwood to an alternative provider. Members of Norwood's Board of Trustees and Senior Leadership Team offered staff and family members the opportunity to scrutinise the plans for the transfer and the future operations objectives at the Village. Subsequent to this, due to the worsening economic climate, the previously-communicated process of due diligence that is required in order to complete the transfer of operations was delayed, and we updated stakeholders to inform them that the process of transfer was taking longer than previously anticipated. We are continuing to keep both staff and families of people supported at the Village updated as to the latest timing of the intended transfer.

In the meantime, Norwood remains fully committed to providing high standards of care for the residents at Ravenswood Village. We welcomed five new residents into the Village in 2022-23 and continue to explore appropriate referrals to fill voids across the Village. We have also reviewed the needs and care plans of existing residents, facilitating a transfer to other homes that more appropriately meet their needs, where necessary, which included transferring residents of Kadimah to other provision in the Village to facilitate extensive planned refurbishment of that home, to maximise capacity in the future.

### **Our Strategic Priorities and Focus for 2023/2024**

#### **Children and Family Services Review**

Following an extensive review on our future Children & Family service provision, a decision was taken not to renew the current statutory and private educational services that Norwood provides beyond the end of this academic year. This forms part of Norwood's commitment to ensuring we focus our

resources to meet the needs of the community's children and families as possible, specialising in holistic support for families of children and young people with learning disabilities and autism.

We are conducting a review of our short-breaks provision, which will see us pause overnight short-breaks services over the Summer 2023 period, though day services will remain. This will allow us to continue conversations with Local Authority Commissioners to identify where the need for short-breaks lies. We will also conduct surveys of existing users of short-breaks services, as well as our broader children and family service users to determine what they would like to see from our provision to ensure it meets the needs of the community.

We have appointed a new Head of Children & Family Services, who will take up the role in Summer 2023 and who will lead on a review of our children and family operations structure and planning.

### **Adult Services Review**

We plan to embed the adult services staffing restructure across the organisation. We will continue to work to review, update and ensure care packages accurately reflect each individual's care needs discussing the costs with the relevant local authorities, as well as upgrading properties.

We are working to develop consistent staff retention, particularly across our operational services, to ensure we are able to create sustained relationships between staff and service users.

Our Chief Executive, supported by the Senior Leadership Team is planning to undertake a review of Norwood's vision, mission, values and strategy review in the second quarter of the financial year, which will be partly informed by an organisation-wide series of conversations reflecting on what Norwood does well and what can be improved, comprising staff, service users, families and volunteers.

### **Ravenswood Village**

The Board of Trustees is committed to continuing to engage with the third-party provider who is interested in taking over the operation of services at the Village. In the meantime, supporting the residents who live there alongside their dedicated staff continues to remain a priority, with new residents settling in well.

## **Section 172(1) Statement Of The Companies Act 2006**

During the course of their duties, the trustees have had full regard for their obligations in promoting the success of the organisation. Norwood's detailed charitable objects are contained within its memorandum and articles and in keeping with these, the trustees' strategic priorities ensure that the charity's activities are carried out for the public benefit. This has been further clarified in the following sections of this report:

- Our Services (Page 4)
- Our Goals, Challenges and Achievements (Page 7)
- Employee Engagement (Page 9)
- Our volunteers (Page 10)
- Business Relationships (Page 10)
- Energy Efficiency Measures Undertaken (Page 17)

### **Employee Engagement**

The ongoing challenges presented by the coronavirus pandemic necessitated that we consider new ways of promoting engagement with staff throughout the organisation. In front line services, operations managers have been supported to improve communications through the introduction of a monthly Staff Bulletin, issued by the Director of Services & Development, with the objective of improving the quality and consistency of engagement with and amongst staff, and as a means of

creating a formal channel for upward communication. The executive management team has developed an organisation-wide leadership development initiative called, *'Lead to Succeed'* to support managers in improving their performance with respect to staff engagement and motivation. Within the central functions, as most organisations, we have now adopted hybrid (office and home based) working practices, which means less face-to-face interaction, as a consequence of which we have sought ways to better use technology and online systems of working. Significant investment in our IT infrastructure has significantly improved engagement, knowledge sharing, and problem resolution, and in many instances the increased use of Teams meetings has enhanced the quality and effectiveness of cross-functional interactions.

### **Our Volunteers**

During 2022/23, our regular volunteering activities in homes across London and Ravenswood and at the Kennedy Leigh Centre were able to resume, following the lifting of lockdown restrictions and infection control measures.

Much of our calendar of volunteer-led activities were able to recommence in-person, including extensive Mitzvah Day activities to deliver daily and seasonal volunteer-led activities direct to our residents.

Our two Charity shops (Stanmore & Southgate) are both full of volunteers 6 days a week, 2 shifts per day and both shops are running a full Duke of Edinburgh programme to students over 14 years.

Volunteers played an integral part in Norwood's Matched Giving Campaign both for the telethon and as team leaders. We have been able to invite our volunteers back into Broadway House in Stanmore this year and have seen a growth in the number of placements and new recruits who support Head Office staff.

We are delivering training to new staff starters monthly on the importance of volunteering to Norwood and the people we support, the process of requesting new volunteers for their service and volunteer management within the organisation.

### **Business Relationships**

Norwood works closely with its customers and donors with relationships, some of which span several decades to ensure we are providing a high level of care to the people we support. Norwood values its suppliers and has multi-year contracts with key suppliers. Norwood reports its performance and practices in line with reporting requirements.

## **Structure, Governance and Management**

Every year, we provide direct intervention to two and half thousand individuals including children, young adults and families experiencing social, emotional and wellbeing challenges and children and adults with learning disabilities and autism. While our head office is in Stanmore, we support individuals living in more than thirty homes across London and Berkshire, we run a family centre in north-west London with hubs in both Hackney and Redbridge. This is to ensure that we can continue to provide localised and bespoke care and support. As set out in our Memorandum and Articles of Association, our charitable purposes are “to provide relief for children, young people and adults drawn primarily, but not exclusively, from the Jewish community, who are in need by reason of disability, abuse, neglect, financial hardship or other disadvantages, through providing or securing or assisting in the provision of education, training, support, care, treatment, substitute family care, accommodation and/or other assistance of a charitable nature.”

Norwood Schools is governed by its Memorandum and Articles of Association. The subscribers to the Memorandum of Association were the first members of the charity. Any individual or organisation wanting to become a member has to apply to the board of trustees. The members of Norwood are entitled to attend and vote at the Annual General Meetings (AGM) and Extraordinary General Meetings (EGM). The responsibility of overseeing Norwood’s activities lies with our board of trustees which exercises all the powers of the charity other than where they are subject to restrictions imposed by Companies House, the Charity Commission, the Memorandum and Articles of Association and any special resolution. Our trustees have due regard for their specific responsibilities in respect of the charity and apply care and diligence in ensuring that the requirements of the Charities Act 2011 and the Charities (Protection and Social Investment) Act 2016 are adhered to.

Our board of trustees delegates the day-to-day management of Norwood’s operations to the Chief Executive Officer and the Senior Leadership Team. To support the crucial role of the Norwood’s board, sub-committees and service review, panels were set up with specific terms of reference and delegated authorities. Trustees are appointed for a four-year term and may serve a second consecutive term. An advisory council was set up to provide valuable advice and guidance to our board on the delivery of safe, quality and viable services. The members of our advisory council are professionals in their fields, contributing a wealth of knowledge to Norwood’s governance. While the advisory council meets once a year, the board of trustees meets at least six times in a year.

To support the overarching responsibilities of Norwood’s board, three main committees (the Corporate Services Committee, the Operational Services Committee and the Fundraising Committee) were set up with specific terms of reference and authorities delegated to them by the board. The Corporate Services Committee has since established an Audit and Risk Committee, an Investment Committee and a Property Strategy Group. The Fundraising Committee provides support in achieving our fundraising strategy and annual fundraising targets. The membership of each sub-committee is drawn from the board and a pool of lay leaders (i.e. co-optees) with relevant expertise. Committees meet at least four times a year and reported in the financial statements of Norwood Ravenswood (charity number; 1059050).

## **Trustees And Lay Leaders’ Recruitment and Remuneration Policy**

We adopt a transparent and objective approach when recruiting our trustees and lay leaders. Arrangements are made for new members to meet the Trustees, the Chief Executive and the Senior Leadership Team, visit some of our homes and meet with some of the people we support. Our trustees are also provided with key sector updates. All are invited to attend relevant training, some of which is mandatory, to ensure they are kept abreast of prevailing changes that may affect the charity and the social care sector.

None of our trustees or lay leaders receive remuneration, expense claims or benefits in kind for their work with the charity. They are, however, entitled to receive reimbursements of travel expenses. Any connection between a trustee and the charity's stakeholders is declared to the board of trustees in the same way as any contractual relationship with a related party. Such disclosures are dealt with by the board and committee meetings in the form of Declaration of Interests. No allegation of fraud was raised against any trustee or lay leaders in the year. Details of related party transactions and trustees' expenses are disclosed in Note 17 of the financial statements.

## Financial Review

The operating surplus for the year was £0.4m (2022: £0.4m), before recognising unrealised revaluation losses of £0.4m (2022: gains £1.2m). This included a £9.0m grant (2022: £8.5m) received from the parent company – Norwood Ravenswood – which operates as the fundraising arm of the group of entities. At the end of the financial year, Norwood Schools generated £18.6m (2022: £19.0m) income from its core charitable activities and expended £28.0m (2022: £28.3m) on core services, reflecting a funding shortfall of £9.4m (2022: £9.3m). Whilst some of the charity's activities are chargeable and funded by commissioning authorities such as the adults learning disability care and autism services, the charity relies on voluntary donations to deliver its children and families support services and meet the funding gap in statutory services.

Like other social care providers, Norwood Schools continues to feel the impact of the growing funding gap for adult social care from local authorities. While our London supported living services returned a contribution of £0.1m, a turnaround of £0.7m compared to the prior year, our registered care services' performance was substantially worse. We were successful at securing annual increases from some local authorities, however most local authorities we work with were not forthcoming with increases. Norwood Schools will continue to pursue operational efficiencies and maximise limited resources. During the year work was undertaken to perform an hours and pricing review for every service user, on top of annual uplifts to address cost of living increases. With this data we have begun to take a robust approach with Local Authorities around unsustainable contracts.

Norwood took the decision in 2021, due to the challenges faced by the high street, to commence the phased closure of its retail operations. Trading from the two remaining shops generated income of £0.2m (2022: £0.3m).

## Income

Total income generated in the year was £28.8m (2022: £29.1m), a £0.3m decrease on the prior year, substantially due to lower statutory income due to changes in our children's services. 61% (£17.7m) of the charity's income came from Adults Learning Disability Services through its supported living and residential accommodation services. 33% (£9.5m) came from donations and grants largely from the parent company while the remaining 6% came from Children and Families Services, investment and other income including our retail shops.

## Expenditure

Total expenditure in the year was £28.4m (2022: £28.7m) of which 86% (£24.3m) was expended on Adults Learning Disability Services. 13% (£3.6m) was expended on Children and Families Services, and the remaining 1% on generating voluntary, trading, and investment income. Included in the cost of services is £4.7m (2022: £4.8m) support and governance costs. Staff costs (£20.4m), representing 72% of the expenditure, remains the largest spend of the charity. Efficiencies in staffing structures were achieved to counter the cost of agency staff which grew to £3.6m (2022: £2.7m).

## Reserves Policy

An important role for trustees is to manage the long-term sustainability of the charity. Norwood Schools' reserves policy sets out the basic principles that should:

- demonstrate to beneficiaries, commissioners, funders and the public, Norwood School's resilience and capacity to manage unforeseen financial difficulties.
- give voluntary funders an understanding of why funding is needed to undertake various projects especially where there are restrictions as to the application of funds.
- give assurance to lenders and creditors that Norwood School can meet its financial commitments.
- give confidence to funders and commissioners by demonstrating good stewardship and active financial management.
- manage the risk to Norwood's reputation of holding substantial unspent funds at the year-end without an explanation or insight into its capital commitments.

The trustees calculate the free reserves at Group level due to how the parent and subsidiary entities operate. Norwood Schools Limited acts as the operating entity within the Group structure which the parent company, Norwood Ravenswood, generates voluntary income to meet the funding gap and support the operations of the charity undertaken through Norwood Schools. The Group's free reserves is the unrestricted income fund that is freely available after taking account of the restricted funds that have been donated and earmarked for specific projects. Understanding the nature of the funds allows trustees to identify unrestricted funds which can be spent on the core activities of the charity. As at 31 March 2023, unrestricted reserves were £27.3m whilst the free reserves of Norwood Schools was £1.0m. However, the free reserve for the Group was £4.8m (2022: £8.0m).

### Free Reserves for Norwood Schools Limited

	<b>31-Mar-23</b>	<b>Restated 31-</b>
	<b>£'000</b>	<b>Mar-22</b>
		<b>£'000</b>
Net assets (Total reserves)	33,265	33,342
Less restricted funds	(5,987)	(6,570)
Less unrestricted fixed assets	(19,311)	(19,842)
Less Investment Property	(6,970)	(7,380)
<b>Free Reserves</b>	<b>997</b>	<b>(450)</b>

## Free Reserves for the Group

	<b>31-Mar-23</b>	<b>Restated 31- Mar-22</b>
	<b>£'000</b>	<b>£'000</b>
Group net assets (Total reserves)	42,447	47,472
Less Endowment fund	(1,888)	(1,982)
Less restricted fund	(6,040)	(6,622)
Less unrestricted fixed assets	(19,728)	(20,325)
Less Investment property	(9,970)	(10,580)
<b>Free Reserves</b>	<b>4,821</b>	<b>7,963</b>

The trustees have set a target range of free reserves for the Group of 3 months or more of its annual expenditure, being £7.8m. Whilst free reserves are under the target set, Norwood has sufficient liquidity within its managed investment portfolio of £15.7m to meet its working capital requirements over the next 12 months and beyond.

### Investment Policy and Performance

Norwood Schools holds investments to generate income for the furtherance of its charitable activities. The trustees adopt a Total Return investment policy to ensure potential returns are well balanced with the appropriate levels of risks. The Investment Policy Statement was reviewed by the Investment Committee during the year to ensure it remained effective and relevant given the dynamics of the investment markets and the charity's operating environment.

The Board of Trustees has delegated the regular monitoring of investment performance against investment objectives to the Investment Committee. The Trustees understand that to generate returns, in the longer term, in excess of inflation and net of the portfolio total expenses ratio (TER), it will be necessary to expose the portfolio to a degree of risk. The trustees risk appetite for all its funds is medium risk. The TER is a measure of the total costs associated with managing and operating an investment fund. Valuation as at 31 March 2023 was £1.4m (2022: £1.5m).

### Going Concern

These financial statements have been prepared on a going concern basis. The majority of Norwood Schools' income is secure as it arises from statutory sources. However, we have modelled a 4% and 6% reduction in statutory income due to attrition rates, with 6% being an extreme case. The forecasting performed and support in the form of an intercompany grant from the parent charity endorses the accounts being prepared on a going concern basis.

Norwood Ravenswood intends to support Norwood Schools Limited for at least 12 months from the date of approval of the statutory financial statements for the year ended 31 March 2023 and has the liquidity to do so. The trustees consider this uncertainty not to be material and hence do not consider the charities ability to continue as a going concern to be at risk for at least 12 months from the signing of the accounts. Accordingly, the trustees have prepared these accounts on a going concern basis.

## Principal Risks

Risk Title	Existing Treatment and Mitigating Actions
The future of Ravenswood Village	<p>Continue to manage the project professionally and diligently; being transparent with our information sharing (including timely updates regarding our financial position)</p> <ul style="list-style-type: none"> <li>- Maintaining close engagement with potential partners and working collaboratively where appropriate</li> </ul> <p>Continue with a 'business as usual' approach across the site to ensure safe, high-quality services.</p>
Losses continue due to significant underfunding of care hours, lack of historical fee increases and rising costs, including staff salaries and regulatory requirements	<p>A proactive targeted approach to fee management and increases. Engagement with Access Care to support fee negotiations.</p>
Pay rates and recruitment and retention continue to present staffing challenges for the organisation	<p>A 12.7% increase was applied to Support Worker pay rates across the charity to a base rate of £11.50 per hour, and early indications are that this has materially increased the volume of employment applications.</p> <p>Norwood participated in a national staff wellbeing and engagement survey operated by an independent charity consultancy. 40% of the workforce responded and management developed an action plan to address key findings, which should further enhance recruitment and retention performance in 2023/24 and beyond.</p>
Lack of regulatory compliance with CQC and Ofsted result in services being closed, registration being suspended, harm to people we support and staff, and reputational damage	<p>Quality Audit Framework in place with Key Audits, follow up and Thematic audits taking place, with resulting action plans developed to drive continuous improvement.</p> <p>Weekly reporting on safeguarding and incident analysis is carried out, with monthly internal reviews and trustee committee meetings.</p> <p>Face to Face Induction training is now delivered over 4 days in the classroom, with a work-based competency assessment required before full induction is signed off.</p> <p>Governance Meetings in place for both regulated services in which lessons are shared and risks highlighted.</p>

Risk Title	Existing Treatment and Mitigating Actions
Risk of underreporting in services, contrary to regulatory requirements	<p>Several external audits, recent surveys upon the changes in service provider and the change of recent internal personnel suggest all regulatory compliance is in place.</p> <p>To mitigate the risk of under-reporting within services, a new programme of Health and Safety support visits have commenced by the Health &amp; Safety Manager, as well as monitoring via the Health and Safety Operational meetings. A Risk, Health &amp; Safety Committee has now been established of senior leaders and stakeholders (including an external industry representative) to provide additional oversight that Norwood remains compliant with its regulatory obligations.</p>
Historic underinvestment in IT solutions including care management system, intranet and CRM has created inefficient paper-based working methods, contrary to best practice for adult social care provision.	<p>Pilots completed on care planning software and strategy developed following competitive tendering process with project commenced to implement digital care planning.</p> <p>Phase 1 of a new website has been rolled out with phase at planning stage. The development of a new intranet platform has commenced with completion anticipated by Autumn 2023.</p> <p>Work to improve the CRM applications has commenced to improve user experience and functionality.</p>

## Streamlined Energy and Carbon Report (SECR)

Norwood Ravenswood is required to report under the Streamlined Energy and Carbon Reporting (SECR) framework. The Trustees are committed to complying with the new mandatory UK-wide energy and carbon reporting framework which seeks to improve transparency and help reduce UK carbon emissions associated with large business and charities.

### Methodology

Norwood's footprint is calculated in accordance with the Greenhouse Gas (GHG) Protocol and Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance. 2022 Department for Environment, Food and Rural Affairs (DEFRA) emission factors have been used for all emission sources as this provides the most comprehensive list of factors available. They allow an activity to be converted into carbon dioxide equivalent (CO<sub>2</sub>e). Market based emissions factors have been sourced from each relevant supplier.

### Scope

The scope of emission included natural gas, diesel (gas oil), electricity, Bio Diesel and petrol. For ease of reporting and comparison, the emission types were categorised as:

- Scope 1: comprises emissions associated with the combustion of fuels as well as additional emissions sources such as transport fuels.
- Scope 2: comprises primarily the emissions associated with electricity consumption as well as emissions associated with any other generated electricity.

- Scope 3: relates to indirect emissions occurring as a consequence of activities not owned or controlled by the company e.g. business travel.

## SECR Annual Report Statement

Energy Consumption		2022/23	2021/22	2020/21	2019/20	2018/19	Variance
Scope 1: Combustion of fuel and operation of facilities.	Natural Gas (kWh)	3,995,206	4,682,688	4,947,534	4,564,859	5,667,946	-30%
	Direct Transport Company Cars (kWh)	135,959	107,016	82,938	290,998	304,871	-55%
	Red Diesel (kWh)	0	859	1,934	1,934	68,480	-100%
	Refrigerants (kg)	0	2	0	0	0	
	<b>Total Scope 1 Energy (kWh) excl Refrigerants</b>	<b>4,131,164</b>	<b>4,790,563</b>	<b>5,032,406</b>	<b>4,857,791</b>	<b>6,041,297</b>	<b>-32%</b>
Scope 2: Electricity purchased.	Total Electricity (kWh)	1,439,330	1,543,584	1,972,074	1,989,474	2,159,306	-33%
Scope 3 : Indirect Transport	Employee owned Vehicles (kWh)	0	18,027	0	0	0	
<b>Total Scope 1,2 and 3 Energy Consumption (kWh)</b>		<b>5,570,494</b>	<b>6,352,174</b>	<b>7,004,479</b>	<b>6,847,265</b>	<b>8,200,603</b>	<b>-32%</b>

Emissions Assessment		2022/23	2021/22	2020/21	2019/20	2018/19	Variance
Scope 1: Combustion of fuel and operation of facilities.	Natural Gas (tCO <sub>2</sub> e)	729.3	857.7	909.7	839.2	1,042.1	-30%
	Direct Transport (tCO <sub>2</sub> e)	32.5	25.3	19.8	70.8	74.6	-56%
	Red Diesel (tCO <sub>2</sub> e)	0.0	0.2	0.5	0.5	18.9	-100%
	Refrigerants (tCO <sub>2</sub> e)	0.0	3.5	0	0	0.0	
	<b>Total Scope 1 - tCO<sub>2</sub>e</b>	<b>762</b>	<b>887</b>	<b>930</b>	<b>911</b>	<b>1,136</b>	<b>-33%</b>
Scope 2: Electricity purchased and heat and steam generated.	Location Based (LB) (tCO <sub>2</sub> e)	278.3	327.7	459.8	508.5	611.2	-54%
	Market Based (MB) (tCO <sub>2</sub> e)	375.7	290.2	351.0	575.0	624.0	-40%
Scope 3 : Indirect transport	Employee owned Vehicles (tCO <sub>2</sub> e)	0.0	4.2	0.0	0.0	0.0	
Location Based	<b>Total Scope 1, 2 and 3 Emissions (tCO<sub>2</sub>e)</b>	<b>1,040</b>	<b>1,219</b>	<b>1,390</b>	<b>1,419</b>	<b>1,747</b>	<b>-40%</b>
Market Based	<b>Total Scope 1, 2 and 3 Emissions (tCO<sub>2</sub>e)</b>	<b>1,137</b>	<b>1,181</b>	<b>1,281</b>	<b>1,486</b>	<b>1,760</b>	<b>-35%</b>

Intensity Metric Assessment		2022/23	2021/22	2020/21	2019/20	2018/19	Variance
Intensity Ratio	<b>Total scope 1-3 (LB) (tCO<sub>2</sub>e/headcount)</b>	<b>1.7</b>	<b>2.0</b>	<b>2.4</b>	<b>2.3</b>	<b>2.7</b>	<b>-39%</b>

## Energy Efficiency Measures undertaken by the charity

Work to upgrade our energy efficiency during the year has included:

- LED lighting has been installed across the estate where previous lighting has failed, or additional lighting was required.
- There have been upgrades to the thermostatic controls at sites and lagging on hot water pipes has been replaced.
- Where boilers have been replaced, these have been replaced with new more efficient systems: using A-rated systems (Energy-Related Products Directive) for both hot water and heating efficiency.

We anticipate that further improvements will take place during the coming year, which will include new LED lighting, insulation improvements and boiler upgrades.

## Trustees' Responsibilities Statement

The trustees (who are also directors of Norwood Schools Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and accounting 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;

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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.

*Neville Kahn*

*Ben Freeman*

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**Neville Kahn**

Director/Chair

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**Ben Freeman**

Director/Joint Treasurer

04 August 2023

## Independent auditor's report to the members of Norwood Schools Limited

### Opinion

We have audited the financial statements of Norwood Schools Limited (the 'charitable company') for the year ended 31 March 2023, which comprise the Statement of Financial Activities, the Balance Sheet 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 charitable company's affairs as at 31 March 2023 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 Companies Act 2006.

### Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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

We are responsible for concluding on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the charitable company's business model including effects arising from macro-economic uncertainties such as Brexit, Covid-19 and cost of living crisis, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

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

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

Our responsibilities and the responsibilities of the directors 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 Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Trustees' Annual Report.

### **Matters on which we are required to report by exception**

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

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

## Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial statements

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We understood how Norwood Schools Limited is complying with those legal and regulatory frameworks by making enquiries of management, those responsible for legal and compliance procedures and the audit committee. We corroborated our enquiries through our review of board minutes, papers provided to the Audit Committee and correspondence received from regulatory bodies.
- The company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur; the 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 (effective 1 January 2019) ('Charities SORP (FRS 102)'), Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), Charities Act 2011, Companies Act 2006 and tax legislation.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of certain controls management has in place to prevent and detect fraud
  - Challenging assumptions and judgments made by management in its significant accounting policies

- Identifying and testing journal entries
  - Identifying and testing related party transactions
  - Inspecting the board minutes
  - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
  - The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
    - Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation
    - Knowledge of the industry in which the company operates, and
    - Understanding of the legal and regulatory requirements specific to the entity including the provisions of the applicable legislation.
  - The team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition through manipulation of donation income, grant income, income from charitable activities, trading income and investment income.
  - We did not identify any matters relating to non-compliance with laws and regulation and fraud.
  - In assessing the potential risks of material misstatement, we obtained an understanding of:
    - The company's operations, including the nature of its revenue sources, to understand the classes of transactions, accounts balances, expected financial statement disclosures and business risks that may result in risks of material misstatement, and
    - The company's control environment, including
      - Management's knowledge of relevant laws and regulations and how the company is complying with those laws and regulations
      - The adequacy of procedures for authorisation of transactions and review of management accounts, and
      - Procedures to ensure that possible breaches of laws and regulations are appropriately resolved.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an

auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Stephen Dean**

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

**London**

**04 August 2023**

**Statement of Financial Activities**  
**For the year ended 31 March 2023**  
**(Incorporating the Income and Expenditure Account)**

	Notes	Continuing Operations			Discontinued Operations			
		Unrestricted	Restricted	Total	Unrestricted	Total	Total	Total
		Funds	Funds	Funds	Funds	Funds	2023	2022
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income from:</b>								
Donations and legacies	2	9,004	498	<b>9,502</b>	-	-	<b>9,502</b>	9,371
Charitable activities	3	18,556	18	<b>18,574</b>	-	-	<b>18,574</b>	19,031
Trading activities	4	-	-	-	<b>231</b>	<b>231</b>	<b>231</b>	321
Investments	5	463	-	<b>463</b>	-	-	<b>463</b>	414
<b>Total income</b>		<b>28,023</b>	<b>516</b>	<b>28,539</b>	<b>231</b>	<b>231</b>	<b>28,770</b>	<b>29,137</b>
<b>Expenditure on:</b>								
Raising voluntary income and marketing	6a	224	-	<b>224</b>	-	-	<b>224</b>	170
Trading activities	6a	-	-	-	<b>177</b>	<b>177</b>	<b>177</b>	151
Charitable activities	6a	26,904	1,099	<b>28,003</b>	-	-	<b>28,003</b>	28,378
<b>Total cost</b>		<b>27,128</b>	<b>1,099</b>	<b>28,227</b>	<b>177</b>	<b>177</b>	<b>28,404</b>	<b>28,699</b>
Operating surplus/ (deficit)		<b>895</b>	<b>(583)</b>	<b>312</b>	<b>54</b>	<b>54</b>	<b>366</b>	438
Net (losses) / gains on investments	10	(442)	-	<b>(442)</b>	-	-	<b>(442)</b>	1,204
<b>Net income / (expenditure)</b>		<b>453</b>	<b>(583)</b>	<b>(130)</b>	<b>54</b>	<b>54</b>	<b>(76)</b>	<b>1,642</b>
<b>Reconciliation of funds:</b>								
Total funds brought forward	18	26,973	6,570	33,543	(202)	(202)	33,342	31,700
<b>Total funds carried forward</b>	15	<b>27,426</b>	<b>5,987</b>	<b>33,413</b>	<b>(148)</b>	<b>(148)</b>	<b>33,265</b>	<b>33,342</b>

All income and expenditure derived from continuing operations is shown separately from discontinued trading operations. The comparative figures for each fund are shown in the notes to the financial statements (Note 18). The accompanying notes on pages 26 to 42 of this report form an integral part of these accounts.

**Balance sheet**  
**as at 31 March 2023**

		2023	2022
<b>Fixed Assets</b>	Note	<b>£'000</b>	<b>£'000</b>
Intangible fixed assets	8	151	164
Tangible fixed assets	9	20,880	21,478
Investments: Managed investment portfolio	10	1,446	1,503
Directly managed property	10	6,970	7,380
Interest rate derivative		-	5
<b>Total fixed assets</b>		<b>29,447</b>	<b>30,530</b>
<b>Current Assets</b>			
Debtors	11	10,971	10,403
Cash at bank and in hand		554	799
<b>Total current assets</b>		<b>11,525</b>	<b>11,202</b>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	12	(4,312)	(4,584)
<b>Net current assets</b>		<b>7,213</b>	<b>6,618</b>
<b>Total assets less current liabilities</b>		<b>36,660</b>	<b>37,148</b>
Creditors: amount falling due after one year	13	(3,395)	(3,806)
<b>Total net assets</b>		<b>33,265</b>	<b>33,342</b>
<b>Funds</b>			
Including cumulative revaluation gains of £1.9m (2022: £2.3m)			
Restricted funds	14	5,987	6,570
Unrestricted funds		27,278	26,771
<b>Total Funds</b>		<b>33,265</b>	<b>33,342</b>

The accompanying notes on pages 26 to 42 of this report form an integral part of these accounts.

Approved by the Board of Trustees on 04 August 2023

*Neville Kahn*

**Neville Kahn**

Director/Chair

*Ben Freeman*

**Ben Freeman**

Director/Joint Treasurer

Norwood Schools Ltd

Registered Company Number: 00516901

## Notes to the Financial Statements for the year ended 31 March 2023

### 1: Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### a) Basis of preparation

The financial statements have been prepared in accordance with 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) (effective 1 January 2019) - Charities SORP (FRS 102) and the Companies Act 2006.

Norwood Schools Limited is incorporated in the United Kingdom and meets the definition of a public benefit entity under FRS 102. The financial statements are presented in Sterling (£).

#### b) Preparation of the accounts on a going concern basis

These financial statements have been prepared on a going concern basis. The majority of Norwood Schools' income is secure as it arises from statutory sources. However, we have modelled a 4% and 6% reduction in statutory income due to attrition rates, with 6% being an extreme case. The forecasting performed and support in the form of an intercompany grant from the parent charity endorses the accounts being prepared on a going concern basis. Norwood Ravenswood intends to support Norwood Schools Limited for at least 12 months from the date of approval of the statutory financial statements for the year ended 31 March 2023 and has the liquidity to do so. The trustees consider this uncertainty not to be material and hence do not consider the charities ability to continue as a going concern to be at risk for at least 12 months from the signing of the accounts. Accordingly, the trustees have prepared these accounts on a going concern basis.

#### c) Estimates

The preparation of financial statements requires management to make estimates, judgements and assumptions that affect reported assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

#### Financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the income and expenditure account under finance costs or income as appropriate.

### **Fair value of investment properties**

Directly managed investment properties are periodically valued on the basis of fair value in accordance with the RICS valuation and relevant accounting standards, with desktop valuations conducted in the interim (where there has been no significant change to the underlying asset), with any change recognised in the Statement of Financial Activities. A special assumption that the office element of the property, occupied by Norwood, was sold on a long leasehold basis for a term of 999 years, at a peppercorn. The purpose of this special assumption is so that we can provide an opinion of Fair Value of the Supermarket element of the property, in isolation.

### **Other significant estimates and assumptions**

Significant estimates and assumptions in these Financial Statements require the exercise of judgement and are used for, but not limited to, allowance for doubtful clients and local authorities' account, estimates of future cash flows and other assumptions associated with asset impairment tests, including the reversal of previous impairments, useful lives for depreciation, determination of discount and other rate assumptions for contingencies. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may be different from these estimates.

There are no significant judgements.

### **d) FRS 102 Cash flow exemption applied**

In line with Financial Reporting Standard 102, a qualifying entity may take advantage of certain disclosure exemptions, including the preparation of a cash flow statement. Norwood Schools Limited is a qualifying entity as it is a member of a group where the parent company, Norwood Ravenswood, prepares publicly available consolidated financial statements which are intended to give a true and fair view of its assets, liabilities, financial position and profit or loss.

### **e) Income recognition**

All income is accounted for when Norwood has entitlement, there is probability of receipt and the amount is measurable. If income relates to a future period or event and the purpose of that income is to support the costs and activities in the future, the income is deferred and recognised in the appropriate period.

### **Gifts in kind**

Donated goods and services are included as income within the Statement of Financial Activities (with an equivalent amount in expenditure) at the estimated value to Norwood, where this is reasonably quantifiable, measurable and material.

### **Volunteers**

The charity benefits from the involvement and enthusiastic support of its volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

**Grants**

Grant income is recognised in the statement of financial activities when received or when Norwood becomes entitled to receipt. Grants that have been received will be treated as deferred income where there are specific requirements in the terms of the grant that the income recognition is dependent on certain activities being completed in a future accounting period.

**Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by Norwood which is usually upon notification of the interest paid or payable by the Bank.

**f) Fund Accounting**

Restricted, designated and unrestricted funds are separately disclosed, as set out in Note 15.

Restricted funds are resources donated, the uses of which are subject to specific restrictions imposed by the donors or by the nature of the appeal. Designated funds are unrestricted funds set aside at the discretion of the Board for specific purposes. All other types of funds which are not restricted or designated funds form part of general funds. General funds are available to spend at the discretion of the Board, in furtherance of the charitable objectives of the charity. Transfers to and from designated funds are recognised as and when the Board designates or un-designates funds.

**g) Expenditure**

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

**Cost of raising funds**

The costs of raising funds comprise of costs associated with charitable expenditure including fundraising, trading costs and publicity.

**Irrecoverable VAT**

Irrecoverable VAT is charged as a cost to the Statement of Financial Activities, being allocated on the same basis as the underlying expenditure to which it relates.

**Support costs**

Support costs are allocated to the different categories of activities. This is based on different apportionment bases as identified in Note 6 of the financial statements. Support costs include financial management, information systems, central management, human resources, property and facilities management, Jewish culture, volunteering and risk and assurance.

**Governance Costs**

Governance costs, other than those disclosed specifically in the notes to these accounts, are included within support costs and allocated on the same basis across services, as per Note 6. Governance costs relate to costs associated with the governance arrangements of the Norwood. These costs will

normally include internal and external audit fees, legal advice for trustees and costs associated with constitutional and statutory requirements, for example the cost of trustee meetings and preparing statutory accounts. Also included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the charity's activities. An appropriate proportion of the central management support costs have also been attributed as governance costs to reflect the cost of Norwood's employees involved in meetings with the trustees and the cost of all administrative support provided to the trustees.

### **Grants payable**

Grants to individuals are recognised on payment and grants to institutions are recognised when there is a constructive obligation to make the payment.

## **h) Intangible and tangible fixed assets**

### **Intangible fixed assets:**

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses (if applicable). Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use.
- The intention to complete the software and use.
- The ability to use the software.
- The software will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangible assets less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Software costs 4 to 7 years

### **Tangible fixed assets**

Operational assets are held at depreciated cost. Expenditure relating to tangible fixed assets is expected to be used over several years and where the combined value of the asset or group of assets exceeds £1,000 they are capitalised at cost and depreciated over their estimated useful economic lives on a straight line basis.

Depreciation is provided on tangible fixed assets in order to write off their cost to their estimated realisable values by annual instalments over the following expected useful lives:

Freehold land	- not depreciated
Freehold buildings	- 50 years

Long leasehold land and buildings	- 50 years or length of lease if shorter
Freehold and leasehold improvements	- 10 years
Motor vehicles	- 10 years
Furniture, fixtures, fittings and equipment	- 10 years

Where there are indications that assets are or may be impaired in value or use, an impairment review is undertaken to establish the net realisable value and the value in use. The carrying amount of the assets is reduced by any excess over the higher of these valuations.

In the course of capital projects where costs are incurred for payments on account and assets under construction or installation of equipment, they are not subject to depreciation until they are reclassified after their completion and available for use.

#### **i) Financial instruments**

Norwood operates basic financial instruments in terms of its assets and liabilities.

##### **Financial assets**

Financial asset represents financial resources available to the charity and include financial investments in equities, debtors, intercompany debtors, cash and accrued income. Financial assets are carried at fair value and changes in fair value are recognised in the Statement of Financial Activities. Fair value of financial instruments is established by the open market value of the asset.

##### **Financial Liabilities**

Financial liabilities are recognised on the date on which Norwood becomes a party to the contractual provisions of the instrument giving rise to the liability. These include trade creditors, other creditors, loan, accruals and intercompany creditors. Financial liabilities are initially recognised at fair value plus transaction costs and are no longer recognised when the contractual obligations are discharged, cancelled or expire. The bank loan shown in creditor amount falling due after one year is recognised at its principal amount advanced less capital repayments.

#### **j) Investments**

##### **Investment properties**

Investment properties are revalued annually by the trustees and periodically by independent Chartered Surveyors on a fair value basis. Gains and losses are recognised in the Statement of Financial Activities account for the period. Therefore no depreciation is provided on investment properties.

##### **Equity Investments:**

Equity investments are stated at fair value. Changes in fair value are recorded in the Statement of Financial Activities. Unrealised gains and losses are calculated based on the carrying value of the investments in the Balance Sheet.

**Investment management fees:**

Norwood investments are held within collective investment schemes and managed by fund managers. The investment income is reported net of investment management costs. The investment management fees are disclosed in the Statements of Financial Activities. There are no 'investment management costs' to report in respect of the COIF Fund holdings. This is because there are no costs netted off investment income as costs are to the Fund.

**k) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**l) Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**m) Creditors and provisions**

Creditors and provisions are recognised when Norwood 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. Most amounts provided for are expected to be settled within 12 months and are therefore recognised at the estimated settlement amount.

**n) Employee benefits**

Short-term employee benefits are those expected to be settled wholly before twelve months after the end of the annual reporting period during which employee services are rendered, but to not include termination benefits. These include wages, salaries and any other benefits paid to current employees. All short-term employee benefits are recognised as expenses in the period in which they are incurred. Post-employment benefits, representing contributions into defined contribution plans for current employees are equally recognised as expenses in the period in which the contribution payable is exchanged for services rendered by employees. The assets of the scheme are held separately from the charity.

A termination benefit liability is recognised at the earlier of the following dates:

- when the entity can no longer withdraw the offer of those benefits or;
- when the entity recognises costs for the restructuring which involves the payment of termination benefits.

**o) Leases**

Operating lease rentals are charged to the Statement of Financial Activities as they are incurred.

**2: Incoming resources from donations and legacies**

	Unrestricted Funds	Restricted Income Funds	Total 2023	Total 2022
	£'000	£'000	£'000	£'000
Donations	-	495	<b>495</b>	867
Grant from parent entity	9,000	-	<b>9,000</b>	8,500
Grants	4	3	<b>7</b>	4
<b>Total</b>	<b>9,004</b>	<b>498</b>	<b>9,502</b>	<b>9,371</b>

**3a: Incoming resources from charitable activities by income type**

	Unrestricted Funds	Restricted Income Funds	Total 2023	Total 2022
	£'000	£'000	£'000	£'000
Statutory income from Local Authorities	17,156	-	<b>17,156</b>	16,842
Gross fee income	233	-	<b>233</b>	286
Rental income	1,146	-	<b>1,146</b>	1,208
Other income	21	-	<b>21</b>	42
Government Grant	-	18	<b>18</b>	653
<b>Total</b>	<b>18,556</b>	<b>18</b>	<b>18,574</b>	<b>19,031</b>

Included within Government Grants - Furlough Grants is £nil (2022: £118,000) relating to the Coronavirus Job Retention Scheme (CJRS), Infection Control Fund (ICF) Grants £18,000 (2022: £535,000).

**3b: Incoming resources from charitable activities by service area**

	Unrestricted Funds	Restricted Income Funds	Total 2023	Total 2022
	£'000	£'000	£'000	£'000
Adults services	17,680	18	<b>17,698</b>	17,522
Family services	46	-	<b>46</b>	76
Children services	691	-	<b>691</b>	1,323
Support services	139	-	<b>139</b>	110
<b>Total</b>	<b>18,556</b>	<b>18</b>	<b>18,574</b>	<b>19,031</b>

**4: Trading activities - discontinued**

	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
	£'000	£'000	£'000	£'000
Trading income	231	-	<b>231</b>	294
Governments Grants	-	-	-	27
<b>Total</b>	<b>231</b>	<b>-</b>	<b>231</b>	<b>321</b>

As a result of the challenges faced by the high street, Norwood took the decision to commence the phased closure of its retail operations in 2021. Included within Government Grants - Unrestricted Fund shop grants is £nil (2022: £22,000). Furlough Grant was £nil (2022: £5,000) relating to the Coronavirus Job Retention Scheme (CJRS).

**5: Incoming resources from investments**

	Unrestricted Funds	Restricted Income Funds	Total 2023	Total 2022
	£'000	£'000	£'000	£'000
Bank deposit interest	64	-	<b>64</b>	41
Rental income from investment properties	399	-	<b>399</b>	373
<b>Total</b>	<b>463</b>	<b>-</b>	<b>463</b>	<b>414</b>

**6a: Resources expended**

	Direct Staff Costs	Other Direct Costs	Reallocated Support Cost	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000
Cost of generating voluntary income	3	-	221	<b>224</b>	<b>170</b>
Cost of trading - discontinued	74	64	39	<b>177</b>	<b>151</b>
Charitable expenditure:					
Adults services	15,396	5,312	3,644	<b>24,352</b>	<b>25,108</b>
Family services	953	(120)	335	<b>1,168</b>	<b>1,049</b>
Children & educational services	942	1,042	498	<b>2,482</b>	<b>2,221</b>
<b>Total cost of charitable expenditure</b>	<b>17,291</b>	<b>6,234</b>	<b>4,477</b>	<b>28,003</b>	<b>28,378</b>
<b>Total resources expended</b>	<b>17,369</b>	<b>6,298</b>	<b>4,737</b>	<b>28,404</b>	<b>28,699</b>

Within note 6a costs of trading represent costs of discontinued operations.

**6b: Analysis of reallocated support costs with bases of apportionment**

Support costs (basis of apportionment)	Adults services	Family services	Children services	Fundraising	Trading	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Financial Management</b> <i>(percentage of staff)</i>	616	32	85	26	6	<b>765</b>	879
<b>Information Systems</b> <i>(number of PCs)</i>	692	143	91	100	13	<b>1,039</b>	1,153
<b>Assistive Technology</b> <i>(equipment and time spent)</i>	48	10	10	-	-	<b>68</b>	101
<b>Human Resources</b> <i>(percentage of staff)</i>	779	40	107	33	7	<b>966</b>	951
<b>Property and Facilities</b> <i>(percentage of staff)</i>	575	30	79	24	5	<b>713</b>	536
<b>Central Management</b> <i>(percentage of staff)</i>	545	28	75	23	5	<b>676</b>	557
<b>Jewish culture</b> <i>(percentage of staff)</i>	50	3	7	2	-	<b>62</b>	58
<b>Risk and Assurance</b> <i>(percentage of staff)</i>	59	3	8	2	1	<b>73</b>	32
<b>Volunteering</b> <i>(number of volunteers)</i>	30	33	2	-	-	<b>65</b>	158
<b>Governance</b> <i>(percentage of staff)</i>	250	13	34	11	2	<b>310</b>	341
<b>Total</b>	<b>3,644</b>	<b>335</b>	<b>498</b>	<b>221</b>	<b>39</b>	<b>4,737</b>	<b>4,765</b>

**6c: Resources expended also include:**

	Total 2023	Total 2022
	£'000	£'000
External audit and related costs:		
Fees payable to the charitable company's auditor for the audit of the charitable company's annual accounts	39	33
Depreciation of owned fixed assets	1,578	1,491
Interest payable	122	50
Operating lease rentals:		
Plant & machinery	183	183
Properties	146	251
Trustees' indemnity insurance premiums	7	6
(Losses)/gains on disposal of fixed assets	(54)	(19)

**7a: Staff costs**

	2023	2022
	£'000	£'000
<b>Direct staff expenditure:</b>		
Wages and salaries	14,600	15,810
Social security costs	1,373	1,395
Pension costs	431	493
<b>Total direct staff costs</b>	<b>16,404</b>	<b>17,698</b>
<b>Other Staff expenditure:</b>		
Agency costs	3,553	2,652
Other staff costs	501	531
<b>Total staff expenditure</b>	<b>20,458</b>	<b>20,881</b>

**7b: Redundancy and Termination costs:**

	2023	2022
	£'000	£'000
Statutory redundancy payments	7	89
Payments in Lieu of notice period	45	122
Compensation for loss of office	88	3
<b>Total payments on termination included above</b>	<b>140</b>	<b>214</b>

**7c: Average number of staff employed and the full-time equivalent**

	Staff employed		Full-time equivalent	
	2023	2022	2023	2022
	Number	Number	Number	Number
Fundraising	6	6	6	5
Adults' Services	517	598	351	407
Children and Family Services	82	28	29	21
Education and Support	15	18	6	10
Support Services	59	57	55	51
	<b>679</b>	<b>707</b>	<b>447</b>	<b>494</b>

**7d: Earnings above £60,000**

The number of employees who earned more than £60,000 during the year was:

	2023	2022
	Number	Number
£60,001 - £70,000	3	3
£70,001 - £80,000	4	4
£80,001 - £90,000	1	-
£90,001 - £100,000	2	1
£100,001 - £110,000	2	-
£110,001 - £120,000	-	1
£120,001 - £130,000	-	1

Contributions made to the pension scheme for the twelve (2022: ten) employees who earned more than £60,000 amounted to £54,854 (2022: £49,133).

The trustees and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

Trustees received no remuneration and were not reimbursed any expenses in either year.

The total employee benefits of Key Management Personnel of the group were £884,154 (2022: £693,549).

**7e: Pension**

Norwood operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the charity. Contributions payable in respect of the year were £431,000 (2022: £493,000) of which £122,000 was outstanding at 31 March 2023.

**8: Intangible fixed assets**

	Computer Software	Total
	£'000	£'000
<b>Cost</b>		
At 1 April 2022	2,814	2,814
Additions	56	56
<b>At 31 March 2023</b>	<b>2,870</b>	<b>2,870</b>
<b>Depreciation</b>		
At 1 April 2022	2,650	2,650
Charge for the year	69	69
<b>At 31 March 2023</b>	<b>2,719</b>	<b>2,719</b>
<b>Net Book Values:</b>		
<b>At 31 March 2023</b>	<b>151</b>	<b>151</b>
<b>At 31 March 2022</b>	<b>164</b>	<b>164</b>

**9: Tangible fixed assets**

	Freehold properties	Leasehold properties	Motor vehicles	Fixtures, Furniture & Equipment	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 April 2022	32,052	2,730	851	8,413	<b>44,046</b>
Additions	431	10	-	566	<b>1,007</b>
Disposals	(42)	(175)	(176)	(128)	<b>(521)</b>
<b>At 31 March 2023</b>	<b>32,441</b>	<b>2,565</b>	<b>675</b>	<b>8,851</b>	<b>44,532</b>
<b>Depreciation</b>					
At 1 April 2022	14,898	1,332	594	5,744	<b>22,568</b>
Charge for the year	863	100	57	498	<b>1,518</b>
Disposals	(27)	(164)	(170)	(73)	<b>(434)</b>
<b>At 31 March 2023</b>	<b>15,734</b>	<b>1,268</b>	<b>481</b>	<b>6,169</b>	<b>23,652</b>
<b>Net Book Values:</b>					
<b>At 31 March 2023</b>	<b>16,707</b>	<b>1,297</b>	<b>194</b>	<b>2,682</b>	<b>20,880</b>
<b>At 31 March 2022</b>	<b>17,154</b>	<b>1,398</b>	<b>257</b>	<b>2,669</b>	<b>21,478</b>

**10a: Investments - Managed Investment Portfolio**

<b>Market Value</b>	<b>2023</b>	<b>2022</b>
	£'000	£'000
Market values at 1 April	1,502	1,383
Disposals in the year	0	0
Net investment (losses)/gains	(56)	119
<b>Market value at 31 March</b>	<b>1,446</b>	<b>1,502</b>

<b>Historical Cost for comparison</b>	<b>2023</b>	<b>2022</b>
	£'000	£'000
Historical cost at 31 March	1,288	1,288
Cumulative revaluation gains (investment portfolio)	158	214

The underlying investments may also be analysed as follows:

<b>Equity Investments by type</b>	<b>2023</b>	<b>2022</b>
	£'000	£'000
Multi-asset Investment Funds	1,446	1,502
Cash	0	0
<b>Market Value at 31 March</b>	<b>1,446</b>	<b>1,502</b>

**10b: Investments - Directly Managed Properties**

<b>Market Value</b>	<b>2023</b>	<b>2022</b>
	£'000	£'000
Valuation at 1 April	7,380	6,300
Net investment (losses)/gains - unrealised	(380)	1,080
Provision for Capital expenditure	(30)	-
<b>Carrying values at 31 March</b>	<b>6,970</b>	<b>7,380</b>

	<b>2023</b>	<b>2022</b>
	£'000	£'000
Historical cost at 31 March	5,200	5,200
Cumulative property revaluation gains for the year	1,770	2,180

The investment property relates to the ground floor of the building at 80-82 The Broadway, Stanmore leased to a third party (LIDL). In April 2023, an independent valuer, Cluttons LLP, undertook a valuation of the investment property.

**11: Debtors**

	2023	2022
	£'000	£'000
Trade debtors and Local Authorities' debts	874	1,066
Amount due from group undertakings	9,489	8,810
Other debtors	214	187
Prepayments	347	332
Accrued income	47	8
<b>Total debtors</b>	<b>10,971</b>	<b>10,403</b>

**12: Creditors: amount falling due within one year**

	2023	2022
	£'000	£'000
Trade creditors	1,454	1,092
Accruals and deferred income	1,770	2,532
Bank loan repayable within one year	346	363
Other creditors	253	141
Other taxes and social security costs	489	456
<b>Total creditors due in less than one year</b>	<b>4,312</b>	<b>4,584</b>

**12a: Deferred income**

	2023	2022
	£'000	£'000
Opening balance at 01 April	702	586
Amounts released in year	(631)	(586)
Amounts deferred in year	576	702
<b>Closing balance at 31 March</b>	<b>647</b>	<b>702</b>

Deferred income relates to fee income invoices raised at the year-end which pertain to future periods.

**13: Creditors: amount falling due after one year**

	2023	2022
	£'000	£'000
Bank loan repayable within two to five years	1,421	1,495
Bank loan repayable after five years	1,924	2,219
	3,345	3,714
Provision for Dilapidation	50	50
Rental Deposit	-	42
<b>Total creditors due in more than one year</b>	<b>3,395</b>	<b>3,806</b>

Loan: In October 2007 Norwood purchased Broadway House in Stanmore with a 25 year loan taken with RBS for 80% of purchase price, £6.68m. Capital repayments commenced after 60 months of loan issue (first 5 years is interest only). The bank loan is secured by a charge over Broadway House, Stanmore and is repayable in 240 monthly instalments from November 2012.

**14: Restricted Funds**

	Note	1 April 2022	Incoming resources	Outgoing resources	31 March 2023
		£'000	£'000	£'000	£'000
JCoSS PSRP Fund	i	976	-	(275)	701
JAPH	ii	25	-	-	25
Somers Court & Residential Fund	iii	194	-	(17)	177
Somers Court (ex Daniel Ct.)		308	-	-	308
Supported Living Properties Fund:	iv	21	-	(14)	7
11 Highview Gardens		617	-	(15)	602
Holmbury Avenue		337	-	(17)	320
Greenwood Road		169	-	(6)	163
The Grange Fund	v	154	-	(11)	143
Phyllis Somers Capital & Service Fund	vi	2,466	-	-	2,466
Assistive Technology Fund	vii	177	115	(41)	251
Lyonsdown Road Rear Garden	viii	35	-	(5)	30
Heads Up Kids	ix	87	13	(73)	27
Rochelle & Alan Bernard Fund	x	58	-	-	58
Capital Projects	xi	502	164	(164)	502
Binoh SEND Fund	xii	11	38	(14)	35
Lyonsdown minibus operational costs	xiii	28	14	(14)	28
Braude Trust for Staff Training	xiv	217	-	(184)	33
Autism Services	xv	23	-	-	23
Under £20k		165	172	(249)	88
<b>Total</b>		<b>6,570</b>	<b>516</b>	<b>(1,099)</b>	<b>5,987</b>

**Restricted funds**

- i Fund supporting the Pear's Special Resource Provision at JCoSS.
- ii JAPH Fund to assist Jewish people with physical and/or learning disabilities.
- iii Somers Court & Residential Accommodation Fund to provide accommodation for young adults with learning disabilities.
- iv Supported Living Properties Fund including capital investments.
- v The Grange Fund represents the donation of a flat.
- vi Phyllis Somers Service Delivery Fund: Towards construction, refurbishment and associated costs of family centres and accommodation for adults with disability, plus the operating cost of such services.
- vii Assistive Technology (AT) Fund: Grants from KC Shasha Charitable Foundation and other Trusts to provide AT and associated support to people with LD and complex needs.
- viii Lyonsdown Road Rear Garden supporting the landscaping of rear garden.
- ix Heads Up Kids - supports our work in partnership with Heads Up Kids and PaJes.
- x A memorial fund set up in memory of Rochelle and Alan Bernard to support children dealing with trauma.
- xi Capital Projects provided by the Leo Baeck Housing Association, the Locker Foundation and the Gerald and Gail Ronson Family Foundation to support building improvements.
- xii Binoh Send Fund supports Binoh's Special Educational Needs and Disabilities Programme.
- xiii A fund to support the Lyonsdown minibus operational costs: Driver, fuel and fleet charges.
- xiv Braude Trust funding for staff training and inductions.
- xv Autism Services funding.

**15: Analysis of Net Assets Between Funds**

	Unrestricted Fund	Designated Fund	Restricted Fund	Total Fund
	£'000	£'000	£'000	£'000
<b>2023</b>				
Fixed assets	19,311	-	1,720	21,031
Investments	8,416	-	-	8,416
Net current assets/(liabilities)	2,946	-	4,267	7,213
Liability due after one year	(3,395)	-	-	(3,395)
<b>Total net assets</b>	<b>27,278</b>	<b>-</b>	<b>5,987</b>	<b>33,265</b>
<b>2022</b>				
Fixed assets	19,842	-	1,800	21,642
Investments	8,888	-	-	8,888
Net current assets/(liabilities)	1,848	-	4,770	6,618
Liability due after one year	(3,806)	-	-	(3,806)
<b>Total net assets</b>	<b>26,772</b>	<b>-</b>	<b>6,570</b>	<b>33,342</b>

**16: Commitments under operating leases**

The future minimum payments under non-cancellable operating leases are:

	Leased Properties 2023	Other 2023	Leased Properties 2022	Other 2022
	£'000	£'000	£'000	£'000
Within one year	302	101	317	154
Between one and five years	961	-	895	37
Over five years	2,776	-	2,711	-
	<b>4,039</b>	<b>101</b>	<b>3,923</b>	<b>191</b>

## 17: Related Parties

In the year, there was a related party transaction between the charity and The Radlett Centre Trust for the provision of theatre hire amounting to £nil (2022: £2,098). One of the trustees is a director in The Radlett Centre Trust.

### Group companies:

In the year, there were related party transactions between the charity and members of the group.

Norwood Schools Limited paid for expenditure of £99,262 (2022: £56,700) on behalf of The Hope Charity. Norwood Schools Limited received funds totalling £Nil (2022: £11,300) from The Hope Charity. At the year-end Norwood Schools Limited was owed £1,003,000 (2022: £904,000) by The Hope Charity.

Norwood Schools Limited received income of £9,470,000 (2022: £9,350,000) from Norwood Ravenswood. Norwood Schools Limited incurred expenditure of £1,210,000 (2022: £589,000) on behalf of Norwood Ravenswood. At the year-end Norwood Schools Limited was owed £8,486,000 (2022: £7,907,000) by Norwood Ravenswood.

Norwood Schools Limited accounts are consolidated into Norwood Ravenswood, the parent company. Norwood Ravenswood is a registered charity limited by guarantee, registered in England and Wales with charity registration number 1059050 and company registration number 03263519. The principal and registered office for Norwood Ravenswood is:

Broadway House  
80-82 The Broadway  
Stanmore  
HA7 4HB

### Key management personnel compensation:

In line with paragraph 33.6 of FRS102 Related Party Disclosures, compensation paid to key management personnel in respect of services provided to the reporting entity is disclosed in Note 7.

## 18. Comparative figures for individual funds

Statement of Financial Activities  
(incorporating the income and expenditure account)

	Continuing Operations			Discontinued Operations				
	Unrestricted	Restricted	Total	Unrestrict	Restrict	Total	Total	Total
	Funds	Funds	funds	d Funds	d Funds	funds	2022	2021
	2022	2022	2022	2022	2022	2022	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income from:</b>								
Donations and legacies	8,504	867	9,371	-	-	-	<b>9,371</b>	10,399
Charitable activities	18,378	653	19,031	-	-	-	<b>19,031</b>	19,361
Other trading activities	-	-	-	316	5	321	<b>321</b>	472
Investments	414	-	414	-	-	-	<b>414</b>	408
Profit on disposal of property	-	-	-	-	-	-	-	232
<b>Total income</b>	<b>27,296</b>	<b>1,520</b>	<b>28,816</b>	<b>316</b>	<b>5</b>	<b>321</b>	<b>29,137</b>	<b>30,872</b>
<b>Expenditure on:</b>								
Raising voluntary income								
Trading activities	170	-	170	-	-	-	<b>170</b>	241
Investments	-	-	-	146	5	151	<b>151</b>	843
Charitable activities	26,634	1,744	28,377	-	-	-	<b>28,378</b>	29,002
<b>Total cost</b>	<b>26,804</b>	<b>1,744</b>	<b>28,547</b>	<b>146</b>	<b>5</b>	<b>151</b>	<b>28,699</b>	<b>30,086</b>
Operating surplus / (deficit)	492	(224)	268	169	-	169	<b>438</b>	786
Net gains on investments	1,204	-	1,204	-	-	-	<b>1,204</b>	281
<b>Net income / (expenditure)</b>	<b>1,696</b>	<b>(224)</b>	<b>1,472</b>	<b>169</b>	<b>-</b>	<b>169</b>	<b>1,642</b>	<b>1,067</b>
Transfers between funds	157	(157)	-	-	-	-	-	-
<b>Net movement in funds</b>	<b>1,853</b>	<b>(381)</b>	<b>1,472</b>	<b>169</b>	<b>-</b>	<b>169</b>	<b>1,642</b>	<b>1,067</b>
<b>Reconciliation of funds:</b>								
Total funds brought forward	25,120	6,951	32,071	(371)	-	(371)	<b>31,700</b>	30,634
							-	
<b>Total funds carried forward</b>	<b>26,973</b>	<b>6,570</b>	<b>33,543</b>	<b>(202)</b>	<b>-</b>	<b>(202)</b>	<b>33,342</b>	<b>31,701</b>

**NORWOOD SCHOOLS LTD**

England & Wales - Charity number 307992

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# Accounts

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**NORWOOD  
SCHOOLS  
LIMITED**

(A Charitable Company Limited by Guarantee)

**Trustees' Annual Report and  
Financial Statements  
For the year ended 31 March 2022**

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**CHARITY INFORMATION**

**Trustees and Directors** The directors of the charity are its trustees for the purpose of charity law. The trustees that served during the financial year and since the year end are:

Neville Kahn  
Ben Freeman  
Tim Isaacs

**Senior Management Team**

Chief Executive Officer	Beverley Jacobson
Director of Finance and Corporate Services	Patrick Murphy
Director of Engagement	Hazel Kaye
Director of Services and Development:	
- <i>resigned 6.8.21</i>	Mikkel Togsverd
- <i>appointed 23.8.21</i>	Caroline Taylor
Director of Human Resources	Steve Bennett
Director of Change Management	Johanna Day
<i>appointed 1.12.21</i>	
Director of Risk and Compliance	Philippa Shirtcliffe
<i>appointed 1.5.22</i>	

**Company Secretary**

Patrick Murphy

**Auditors**

Grant Thornton UK LLP, 30 Finsbury Square, London, EC2A 1AG

**Investment Managers**

CCLA Investment Management Ltd, 85 Queen Victoria Street, London, EC4V 4ET

**Bankers**

Barclays Bank Plc, 1250 High Road, London N20 0PB

**Principal and Registered Office**

Broadway House, 80-82 The Broadway, Stanmore, HA7 4HB

## Trustees' Annual Report (Incorporating the Strategic Report)

The trustees are pleased to present their annual report and audited financial statements for the year ended 31 March 2022. These statements comply with the Charities Act 2011 and the Charities (Protection and Social Investment) Act 2016, the Companies Act 2006, the Memorandum and Articles of Association, and the 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 – FRS102 (effective 1 January 2019).

### About Norwood

Norwood provides a lifeline to children and families facing significant challenges due to learning difficulties, mental health or wellbeing issues and lifelong support for people of any age with learning disabilities or autism. We are dedicated to enabling the People We Support (PWS) to live fulfilling, meaningful and active lives, taking their rightful place as valued members of society.

Every year, Norwood transforms over 2,500 lives. When we talk about “Taking on life together”, this is both a promise and a reality – Norwood’s support is available for the whole family and throughout the whole of one’s life.

Norwood also advocates and campaigns on pertinent issues affecting the PWS. We do this as a leader in social care to inspire and direct change enhancing the lives of those we support, but to also share knowledge and learnings so we continue to lead from the front.

Norwood is proud to continue to be the only Jewish charity that enjoys the patronage of Her Majesty the Queen.

### Our Services

Norwood’s services celebrate our Jewish culture and are run in accordance with Jewish values but are open to all who need our support. Our services fall into two main categories namely: *Children and Family Services* supporting those facing challenges and *Adult Services* providing registered care and supported living services to those with a learning disability or autism.

### Children & Family Services

The Children and Family Services team has continued to deliver a range of 'in-person' and online support during the year depending on the preferences of our service users and national guidance/restrictions.

Our **Psychotherapy and Counselling** services delivers:

- individual and group psychotherapy for children/young people in schools
- individual and group psychotherapy for children/young people in the community
- psychotherapeutic parenting support
- adult counselling

Our **Schools & Education** team provide a range of services to schools and the wider community.

- specialist teaching, occupational therapy, speech and language therapy, and educational psychology to support children in Jewish schools with SEND / EHCP needs
- training and consultancy to teachers/schools
- support to parents through advice clinics, information sessions and courses/training

Our **Whole Life Offer** provides practical and emotional support to families impacted by Learning Disability and Autism. This includes:

- Support Groups both in person and online
- Parenting Courses (NVR and Cygnet)
- Key Worker to coordinator support
- Unity (our short breaks holiday provision)
- Inbetweeners (Sunday groups)

We continue to offer advice, support and signposting to the community through our '**one front door**' referral and advice service. We also provide generic groups and courses, including:

- Talking Teens
- Strengthening Families
- Step Up, Walk Tall
- 2Gether Group (parenting drop in)
- Twins and More (multiple birth drop in)

### **Adult Services**

Our work with adults with learning disabilities and autism is core to our service. It is geared to providing the individual care and support that each person needs, both residential and supported living accommodation services, in London and Berkshire. Our adult services include the provision of:

- Assistive Technology - Overcoming challenges, enhancing safety and promoting independence through the use of technology
- Complementary services – promoting good physical and mental wellbeing through education and ease of access to health services.
- Transition services – information, guidance, and advocacy
- Benefits and welfare advice
- Employment training and social enterprise

## **Our Goals, Challenges and Achievements in 2021/22**

### **1. Covid-19**

Our main priority throughout the global Covid-19 pandemic has been safeguarding the health and wellbeing of the PWS, our staff and volunteers. In order to mitigate risk to them and to our service provision, Norwood undertook a comprehensive educational and advocacy programme around Covid-19 vaccination. This is in support of the government's position that maximising vaccination remains the best way of protecting the PWS and our staff from Covid-19. As a result of this, we had a very high proportion of members of both groups electing to have the two doses of the Covid-19 vaccines, as well as the booster once available to them. With the easing of national lockdown restrictions and under sector-specific advice from relevant local and health authorities, Norwood has also been committed to facilitating family visits to support the care and wellbeing of the PWS, where possible.

### **2. Organisational change and Financial Sustainability**

The Senior Management Team have been transforming Norwood's services and culture and ensuring that the organisation is 'Safe and Sound' to face the future. We have refocused all organisational effort on our services to find ways to support them better including a sounder financial footing. We have started several initiatives to improve our level of engagement with the staff team including regular organisational updates.

Over the year we:

- Embedded finance business partnering with operational colleagues to support the organisation in continuing to improve the financial performance of services.
- Began undertaking a service user by service user review, updated individual costings for a fair fee review and began renegotiating with local authorities to be paid fairly for the work we do.
- Continued work with local authorities to recover additional costs incurred due to Covid-19, through infection control funding, workforce recruitment and retention funding, and other funding made available by local and central government.

We are benefitting from fixed gas and electricity prices which we expect will translate to an anticipated saving of circa £0.6m in the coming year.

### **3. Recruitment and Retention**

In our Human Resources department, we introduced Occupop, a recruitment system, which facilitates the full tracking of candidates' journeys, from their initial application to being hired and through their induction. This allows for more

seamless and comprehensive information sharing between the department and hiring managers, comprising CVs, right to work documents and qualifications.

The final two months of the last financial year saw a marked improvement in care worker recruitment across the charity, with a total of 42 new hires (Permanent and Bank) in February and March 2022. The labour market remains challenging, with UK employment levels now back to pre-pandemic levels, but recent increases in new starts have been encouraging. However, high care worker turnover continues to be a problem, and we are reviewing the main reasons given by care workers for leaving us – by means of an online exit survey – to help inform what actions we can take progressively to improve staff retention.

#### **4. Ravenswood Village**

In recent years, it has become increasingly difficult to ensure that the high standard of care and support to which Norwood is committed can continue to be met at Ravenswood Village, given the declining number of residents and increasing deficit. In May 2020, plans for the redevelopment of the site, which had been ongoing for six years, were no longer able to proceed after planning permission was denied and the development partner withdrew from the project. Norwood began to explore other options. Following this, in April 2021, Norwood’s Board of Trustees and the Senior Management Team decided to launch a wide-ranging consultation into options for the future of Ravenswood Village to determine the future of our services there. That initial consultation drew to a close in Autumn 2021 but was extended to February 2022 to allow for additional submissions to be made by the residents’ families, as well as the commissioning of additional reports and information to help facilitate a robust decision-making process. The feedback received by Norwood from all parties, including families, residents, staff and local authorities, has been shared with the Board of Trustees and will form an important part of the process. Norwood has outlined a range of possible options for the residents at Ravenswood, with a focus on their longer-term needs and wellbeing and these options are still under discussion. The Board of Trustees, supported by the Senior Management Team, is continuing to explore all the options in the consultation into the future of Ravenswood Village and at the point of writing, all options remain under consideration.

#### **5. Technology Transformation**

We have completed the first phase of Norwood’s technology transformation. This involved moving our IT estate out of Citrix and providing staff with new hardware and access to Microsoft Modern Workspace. We moved away from an outsourced IT provider by moving to a cloud-first strategy hosting our platforms and applications in Microsoft Azure and in-sourcing our IT helpdesk. This has future-proofed the organisation and will enable it to make better choices around the technology it uses and ultimately better support for PWS.

### **Our Strategic Priorities and Focus for 2022/23**

#### **1. Ravenswood**

The Board of Trustees has been working to reach a decision regarding the future of Ravenswood Village and has undertaken an extensive consultation with its key stakeholders in order to understand their views and the available options. That consultation was launched in April 2021, since when much work has been done to fully explore the potential options for its future and the views on those options. The Board of Trustees and the Senior Management Team recognises that this has created significant uncertainty for everyone connected with Ravenswood and are working with urgency to determine the best possible/most viable option. They remain committed to fully consider all the views shared by everyone before reaching a decision. The Board aims to provide clarity on the future plans for the Village as a priority as early on in this financial year as possible.

#### **2. Children & Family Services Review**

Another key priority during this year is to provide greater clarity on the long-term vision for our Children & Family Services, after the lengthy period of disruption following the necessary adaption of the service provision during Covid-19. The aim is to continue to adapt according to the need and to ensure our services are of value to Jewish families, schools and children facing a range of social, education, and mental health challenges.

#### **3. Adult Services Restructuring and Property Review**

In 2021/22 we commenced a restructuring of our Adult Services in London, to ensure we meet the CQC’s aims that “the model of care and setting should maximise people’s choice, control and independence; the right care is person-centred and promotes people’s dignity, privacy and human rights; the right culture is about the values, attitudes and behaviours of all staff which should ensure people using services lead confident, inclusive and

empowered lives". In the case of Norwood's Adult Services – beginning with London as discussions over the future of Ravenswood Village continue – which are currently delivered within both Registered Care Homes and Supported Living models, this involved reviewing our properties to determine how best we can achieve these aims both now and in the future. This review will continue in 2022/23.

We identified that this was likely to involve changing some of our registrations to Supported Living, as well as developing more supported living services in the future. To that end, we've been having discussions with families about deregistering Edgeworth Crescent as a Registered Care Home, to support its transition to a Supported Living Service. We have also been having discussions about closing other services, which no longer provide an ideal environment for the PWS there and transition their care to other Norwood services.

## **Compliance and Operational Risk Management**

We have a comprehensive risk management framework to identify and manage financial, strategic, operational, and regulatory risks that may impact our ability to meet Norwood's objectives. Our risk management procedures are benchmarked against best practice found within social care providers and other not for profit organisations.

We identify and manage risks in the following ways:

- Strategic risks are identified and, where necessary, escalated to the Board of Trustees via committees
- We undertake regular reviews with the Senior Management Team, who are risk owners, to assess the likelihood and impact of risks, and the effectiveness of mitigation strategies.
- Our internal audit function is outsourced to RSM UK Group LLP. Our internal audit plan is informed by an analysis of the risks Norwood is exposed to.
- Audit & Risk Committee (ARC) monitors the progress of these plans.

### **1. Resilient Services - Covid Response**

As part of Norwood's Business Continuity response, a Coronavirus Taskforce had been implemented at the start of the pandemic. In response to the new variant, the scope and membership was widened allowing Norwood to respond robustly to rapidly changing operational issues across all areas of the charity and ensuring the safety and wellbeing of the PWS is reviewed on a daily risk call.

December 2021 to March 2022 saw adult services significantly impacted by staff absences due to testing positive to covid and self-isolation and we worked closely with partners in local authorities and the UK Health Security Agencies. In January 2022, over 1,000 working days were lost due to covid related absence which was a consistent picture across all providers. There have been however no hospitalisations due to COVID for staff or PWS, and no notifications were required to be sent to CQC for critical staffing levels.

We engaged with the Government's Covid-19 vaccination scheme since it commenced in December 2020 and we have worked and continue to work with services to promote the vaccine uptake for the PWS. We also had a fully vaccinated workforce in Adult Residential services and were working to ensure full compliance when the 'vaccination as a condition of deployment' was revoked. We continue to work with health partners to ensure that those who are eligible to receive additional boosters have equitable access to services.

To ensure compliance with the changing guidance, manager workshops were set up weekly to cascade the information and share knowledge.

### **2. Listening and Acting - Quality and Compliance**

Between 1 January and 31 December 2021, 74 Quality Key Audits were completed. In the first quarter of 2022, there was a focus on covid compliance using a newly developed tool and we reviewed the key audit tool to move the quality audit to align it to revised CQC inspection methodology. In Q2 2022 the working group finalised the tool and we started rolling out the new audit programme. This new methodology will help prepare services for the changes to CQC inspection from April 2023.

Following the appointment of a Health and Safety Manager, all services underwent a health and safety review, and a new audit tool has been developed to support managers to identify risks easily. Data from the Quality and Health and Safety Audits now feed into a newly developed Quality Risk Profile for each service allowing senior management oversight of key risks.

### **3. Safeguarding**

In Q1 of 2022 we reviewed our safeguarding policies and procedures to ensure they reflect the definition of safeguarding introduced by the Charity Commission. The updated policy was used as basis for a new face to face training programme that was commissioned from an external provider. We rolled out 'train the trainer' courses to a wide group of staff and provided classroom based safeguarding investigation training for managers to support our services in London and Berkshire. In Q4 2021, a Safeguarding subcommittee was established to review all incidents within our services in London

and Berkshire, identify themes and trends and share best practice. This committee reports into the Safeguarding Committee and the Adult Integrated Governance Committee.

#### **4. Positive Behaviour Support**

Building on the 'Safe and Sound' transformation programme from 2020/21, we carried out a root and branch review of positive behaviour support (PBS) across our services. We invested in PROACT- SCRPr™ practitioner training, the person-centred training that underpins PBS, for several managers to ensure we have robust in-house support. A review of our training strategy for PBS took place with a clear programme now in-situ and being rolled out. To strengthen our good governance, a new PBS panel has been set up to identify themes, review incidents and share good practice.

### **Section 172(1) Statement Of The Companies Act 2006**

During the course of their duties, the trustees have had full regard for their obligations in promoting the success of the organisation. Norwood's detailed charitable objects are contained within its memorandum and articles and in keeping with these, the trustees' strategic priorities ensure that the charity's activities are carried out for the public benefit. This has been further clarified in the following sections of this report:

- Our Services (Pages 4 –5)
- Our Goals, Challenges and Achievements (Pages 5 – 6)
- Employee Engagement (Page 8)
- Our volunteers (Page 8)
- Business Relationships (Page 9)
- Energy Efficiency Measures Undertaken (Page 13)

#### **Employee Engagement**

The ongoing challenges presented by Covid-19 necessitated that we consider new ways of promoting engagement with staff throughout the organisation. In front line services, operations managers have been supported to improve communications through the introduction of a monthly Ops Staff Bulletin, issued by the Director of Services & Development. This has the objective of improving the quality and consistency of engagement with and amongst staff, and as a means of creating a formal channel for upward communication. The Senior Management Team has developed an organisation-wide leadership development initiative, called '*Lead to Succeed*', to support managers in improving their performance with respect to staff engagement and motivation.

Within the central functions, similar to many organisations, we have now adopted hybrid (office and home based) working practices, which means less face-to-face interaction, as a consequence of which we have sought ways to better use technology and online systems of working. Significant investment in our IT infrastructure has substantially improved engagement, knowledge sharing, and problem resolution, and in many instances the increased use of Teams video meetings has enhanced the quality and effectiveness of cross-functional interactions.

#### **Our Volunteers**

During 2021/22, Covid-19 restrictions were still in place, severely impacting regular volunteering.

Our volunteers have continued to run our virtual volunteering programme 'Connect Together'. This weekly calendar of activities has continued to expand and deliver daily volunteer led activities direct to our residents.

Our charity shops (Stanmore and Southgate) are supported by volunteers 6 days a week, 2 shifts per day and also both are running a full Duke of Edinburgh programme to students over 14 years old.

Volunteers played an integral part in Norwood's Matched Giving Campaign both for the telethon and as team leaders. We have been able to invite our volunteers back into Broadway House this year and have seen a growth in the number of placements and new recruits who support Head office staff.

We are delivering training to new staff starters monthly on the importance of volunteering with Norwood and the PWS, the process of requesting new volunteers for their service and volunteer management within the organisation.

### Business Relationships

Norwood works closely with its customers and donors with relationships spanning several decades to ensure we are providing a high level of care to the PWS. Norwood values its suppliers and has multi-year contracts with key suppliers. Norwood reports its performance and practices in line with reporting requirements.

### Risk Appetite and Other Principal Risks

Risk Title	Existing Treatment and Mitigating Actions
<p>The evaluation of the strategic options for the Village leading to sub-optimal outcomes.</p>	<p>A complex piece of work is required to determine and work through the best outcome for Norwood and various stakeholders.</p> <p>A detailed framework and governance structure are in place with a working group of trustees and a program working group.</p> <p>Various future options have been developed and are being thoroughly explored with all relevant stakeholders.</p> <p>For the three main stakeholder groups (people Living at Ravenswood, families and staff) independent, external facilitators, all expert in their fields were engaged to support the consultation process</p> <p>Reasonable adjustments were made to the consultation process to take account of the disabilities of the residents of Ravenswood. These included engaging a consultancy company with expertise and experience of communicating complex information to people with learning disabilities and engaging independent advocacy to act on people's behalf as appropriate.</p> <p>An Equality Impact Assessment was commissioned.</p> <p>Legal advice and other professional expert advice has been taken on items to be considered and acted upon in the program and as part of the stakeholder consultation process.</p> <p>A detailed program risk register is in place articulating, and assisting with the management of, the risks of the program as it evolves.</p>
<p>Lack of operational regulatory compliance resulting in significant safeguarding incidents</p>	<p>Quality Audit Framework in place with Key Audits, follow up and Thematic audits taking place. Action plans developed to drive continuous improvement. Managers complete monthly provider visits to assess quality each month within Services.</p> <p>Weekly reporting on safeguarding and incident analysis is carried out. This is shared with the Operational Services Committee, ensuring incidents or concerns are promptly dealt with and reported at the Audit and Risk Committee (as required). A safeguarding committee is also in place, and it performs a very active oversight role.</p> <p>Training compliance is linked to key audit and follow up audits with non-compliance impacting on quality scores. Induction training is now delivered over 5 days in the classroom, with a work-based competency assessment required before full induction is signed off.</p>

Risk Title	Existing Treatment and Mitigating Actions
<p>The ongoing pandemic, Ukrainian crisis, and increase in the cost of living may impact on fundraising</p>	<p>Government grants, infection control funding and the furlough scheme have supported some business elements, but not covered the whole financial impact.</p> <p>A fundraising strategy has been approved by the Board of Trustees but, nevertheless, the economic impact of the pandemic alongside challenges with the Ukrainian crisis, and the rise in the cost of living may continue to affect funding from existing donors, trusts and other income streams.</p> <p>A targeted strategy to review our most important fundraising campaigns case-by-case is also being implemented so as to maximise 2022 fundraising potential.</p>
<p>Failure to comply with prevailing regulations such as GDPR, Health &amp; Safety, Fundraising Regulator etc.</p>	<p>Several external audits, recent surveys upon the changes in service provider and the change of recent internal personnel suggest all regulatory compliance is in place.</p> <p>To mitigate the risk of under reporting within services, a new programme of Health and Safety support visits have commenced by the Health and Safety Manager, as well as monitoring via the Health and Safety Operational Meetings.</p> <p>A Risk, Health &amp; Safety Staff Committee has now been established of senior leaders and stakeholders (including an external industry representative) to provide additional oversight that Norwood remains compliant with its regulatory obligations.</p>

## FINANCIAL REVIEW

The operating surplus for the year was £0.4m (2021: £0.8m), before recognising unrealised revaluation gains of £1.2m (2021: £0.3m). This included an £8.5m grant (2021: £8.8m) received from the parent company – Norwood Ravenswood – which operates as the fundraising arm of the group of entities. At the end of the financial year, Norwood Schools generated £19.0m (2021: £19.3m) income from its core charitable activities and expended £28.3m (2021: £29.0m) on core services, reflecting a funding shortfall of £10.3m (2021: £9.7m). Whilst some of the charity’s activities are chargeable and funded by commissioning authorities such as the adults learning disability care and autism services, the charity relies on voluntary donations to deliver its children and families support services and meet the funding gap in statutory services. Like other social care providers, Norwood Schools continues to feel the impact of the growing funding gap for adult social care from local authorities. While we were successful at securing annual increases from some local authorities, particularly in response to Covid-19, most local authorities we work with were not forthcoming with increases and some challenged the level of fees already being paid. Norwood Schools will continue to pursue operational efficiencies and maximise limited resources.

As a result of challenges faced by the high street, Norwood took the decision in the prior year to commence the phased closure of its retail operations. Trading from the two remaining shops generated income of £0.3m (2021: £0.1m). Government assistance in the form of retail grants and furlough ceased once the shops were able to open all year.

### Income

Total income generated in the year was £29.1m (2021: £30.9m), a £1.8m decrease on the prior year, substantially due to lower donation income and the sale of a property in the prior year. 60% (£17.5m) of the charity's income came from Adults Learning Disability Services through its supported living and residential accommodation services. 32% (£9.3m) came from donations and grants largely from the parent company while the remaining 8% came from Children and Families Services, investment and other income and the trading shops.

### Expenditure

Total expenditure in the year was £28.7m (2021: £30.1m) of which 87% (£25.1m) was expended on Adults Learning Disability Services. 12% (£3.3m) was expended on Children and Families Services, and the remaining 1% on generating voluntary, trading, and investment income. Included in the cost of services is £4.8m (2021: £4.7m) support and governance costs. Staff costs (£20.3m), representing 71% of the expenditure, remains the largest spend of the charity.

### Going Concern

In addition to the risks outlined above, additional work has been carried out to assess the going concern of the charity. The majority of Norwood Schools' income is secure as it arises from statutory sources. However, we have modelled a 4% and 6% reduction in statutory income due to attrition rates, with 6% being an extreme case. The forecasting performed and support in the form of an intercompany grant from the parent charity endorses the accounts being prepared on a going concern basis. Factoring in these additional assessments and financial forecast scenarios with the conclusion it is appropriate that the financial statements continue to be prepared on a going concern basis.

### Reserves Policy

An important role for trustees is to manage the long-term sustainability of the charity. Norwood Schools' reserves policy sets out the basic principles that should:

- demonstrate to beneficiaries, commissioners, funders and the public, Norwood School's resilience and capacity to manage unforeseen financial difficulties
- give voluntary funders an understanding of why funding is needed to undertake various projects especially where there are restrictions as to the application of funds
- give assurance to lenders and creditors that Norwood School can meet its financial commitments
- give confidence to funders and commissioners by demonstrating good stewardship and active financial management
- manage the risk to Norwood's reputation of holding substantial unspent funds at the year-end without an explanation or insight into its capital commitments.

The trustees calculate the free reserves at Group level due to how the parent and subsidiary entities operate. Norwood Schools Limited acts as the operating entity within the Group structure which the parent company, Norwood Ravenswood, generates voluntary income to meet the funding gap and support the operations of the charity undertaken through Norwood Schools. The Group's free reserves is the unrestricted income fund that is freely available after taking account of the restricted funds that have been donated and earmarked for specific projects. Understanding the nature of the funds allows trustees to identify unrestricted funds which can be spent on the core activities of the charity. As at 31 March 2022, the free reserves of the Norwood Schools was £6.9m (2021: £4.6m) however, the free reserve for the Group was £18.5m (2021: £16.3m).

#### Free Reserves for Norwood Schools Limited

	31 March 2022 £'000	31 March 2021 £'000
Net assets	33,339	31,700
Less restricted fund	(6,605)	(6,951)
Less unrestricted tangible fixed assets	(19,842)	(20,132)
<b>Free Reserves</b>	<b>6,892</b>	<b>4,617</b>

## Free Reserves for the Group

	31 March 2022 £'000	31 March 2021 £'000
Group net assets	47,472	45,840
Less Endowment fund	(1,982)	(1,900)
Less restricted fund	(6,622)	(7,015)
Less unrestricted tangible fixed assets	(20,325)	(20,649)
<b>Free Reserves</b>	<b>18,543</b>	<b>16,276</b>

The trustees have set a target range of free reserves for the Group of between 3 and 6 months of its annual expenditure. This is equivalent to between £7.7m and £15.4m.

### Investment Policy and Performance

Norwood Schools holds investments to generate income for the furtherance of its charitable activities. The trustees adopt a Total Return investment policy to ensure potential returns are well balanced with the appropriate levels of risks. The Investment Policy Statement was reviewed by the Investment Committee during the year to ensure it remained effective and relevant given the dynamics of the investment markets and the charity's operating environment. The trustees appointed CCLA as fund managers to manage the investment portfolio.

The Board of Trustees has delegated the regular monitoring of investment performance against investment objectives to the Investment Committee. The investment objective is long term total return of CPI+3.5% over a rolling 3-year period. Valuation as at 31 March 2022 was £1.5m (2021: £1.4m), representing an investment gain of 8.6%.

### Going Concern

These financial statements have been prepared on a going concern basis. The majority of Norwood Schools' income is secure as it arises from statutory sources. However, we have modelled a 4% and 6% reduction in statutory income due to attrition rates, with 6% being an extreme case. The forecasting performed and support in the form of an intercompany grant from the parent charity endorses the accounts being prepared on a going concern basis. Norwood Ravenswood intends to support Norwood Schools Limited for at least 12 months from the date of approval of the statutory financial statements for the year ended 31 March 2022 and has the liquidity to do so. The trustees consider this uncertainty not to be material and hence do not consider the charities ability to continue as a going concern to be at risk for at least 12 months from the signing of the accounts. Accordingly, the trustees have prepared these accounts on a going concern basis.

### Streamlined Energy and Carbon Report (SECR)

Norwood Ravenswood is required to report under the Streamlined Energy and Carbon Reporting (SECR) framework. The Trustees are committed to complying with the new mandatory UK-wide energy and carbon reporting framework which seeks to improve transparency and help reduce UK carbon emissions associated with large business and charities.

### Methodology

Norwood's footprint is calculated in accordance with the Greenhouse Gas (GHG) Protocol and Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance. Department for Environment, Food and Rural Affairs (DEFRA) emission factors have been used for all emission sources as this provides the most comprehensive list of factors available. They allow an activity to be converted into carbon dioxide equivalent (CO2e). Market based emissions factors have been sourced from each relevant supplier.

## Scope

The scope of emission included natural gas, diesel (gas oil), electricity, Bio Diesel and petrol. For ease of reporting and comparison, the emission types were categorised as:

- Scope 1: comprises emissions associated with the combustion of fuels as well as additional emissions sources such as refrigerant leakages.
- Scope 2: comprises primarily the emissions associated with electricity consumption as well as emissions associated with any other generated electricity
- Scope 3: relates to indirect emissions occurring as a consequence of activities not owned or controlled by the company e.g. business travel.
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## SECR Dashboard

Energy Consumption (kWh)			
	Current Year	SECR Baseline	Variance
	2021/22	2018/19	%
Scope 1 Energy Consumption	4,790,563	6,041,297	-21%
Scope 2 Energy Consumption	1,543,584	2,159,306	-29%
Scope 3 Energy Consumption	18,027	0	

Carbon Emissions (tCO <sub>2</sub> e)			
	Current Year	SECR Baseline	Variance
	2021/22	2018/19	%
Scope 1	886.7	1,135.6	-22%
Scope 2 - Location Based (LB)	327.7	611.2	-46%
Scope 2 - Market Based (MB)	290.2	624.0	-53%
Scope 3	4.2	0.0	
Total Carbon - LB (tCO <sub>2</sub> )	1,219	1,747	-30%
Total Carbon - MB (tCO <sub>2</sub> )	1,181	1,760	-33%

Intensity Ratio			
	Current Year	SECR Baseline	Variance
	2021/22	2018/19	%
Ratio 1 (tCO <sub>2</sub> e/Headcount)	2.0	2.7	-28%



### BASE YEAR

Due to the impact of Covid19, the base year chosen for all future SECR comparisons is the Financial Year 2018/19 (April to March) as this was felt to be more representative of a 'typical' year.

## Energy Efficiency Measures undertaken by the charity

In the period covered by the report Covid-19 and the safety of our staff and service users has been the priority. Work to upgrade our energy efficiency has been limited, but where we have replaced lighting, we have taken the opportunity to install LED lighting. In addition, where pumps have been replaced, these have been replaced with new more efficient systems. We anticipate that further improvements will take place during the years 22/23, which will include new LED lighting, insulation improvements and boiler upgrades.

### **Structure, Governance and Management**

Every year, we provide direct intervention to two and half thousand individuals including children, young adults and families experiencing social, emotional and wellbeing challenges and children and adults with learning disabilities and autism. While our head office is in Stanmore, we support individuals living in more than thirty homes across London and Berkshire, we run a family centre in north-west London with hubs in both Hackney and Redbridge. This is to ensure that we can continue to provide localised and bespoke care and support. As set out in our Memorandum and Articles of Association, our charitable purposes are “to provide relief for children, young people and adults drawn primarily, but not exclusively, from the Jewish community, who are in need by reason of disability, abuse, neglect, financial hardship or other disadvantages, through providing or securing or assisting in the provision of education, training, support, care, treatment, substitute family care, accommodation and/or other assistance of a charitable nature.”

Norwood Schools is governed by its Memorandum and Articles of Association. The subscribers to the Memorandum of Association were the first members of the charity. Any individual or organisation wanting to become a member has to apply to the board of trustees. The members of Norwood are entitled to attend and vote at the Annual General Meetings (AGM) and Extraordinary General Meetings (EGM). The responsibility of overseeing Norwood’s activities is down to our Board which also exercises all the powers of the charity other than where they are subject to restrictions imposed by Companies House, the Charity Commission, the Memorandum and Articles of Association and any special resolution. Our trustees have due regard for their specific responsibilities in respect of the charity and apply care and diligence in ensuring that the requirements of the Charities Act 2011 and the Charities (Protection and Social Investment) Act 2016 are adhered to.

Our board of trustees delegates the day-to-day management of Norwood’s operations to the Chief Executive Officer and the senior management team. To support the crucial role of the Norwood’s board, sub-committees and service review, panels were set up with specific terms of reference and delegated authorities. Trustees are appointed for a four-year term and may serve a second consecutive term. An advisory council was set up to provide valuable advice and guidance to our board on the delivery of safe, quality and viable services. The members of our advisory council are professionals in their fields, contributing a wealth of knowledge to Norwood’s governance. While the advisory council meets once a year, the board of trustees meets at least six times in a year.

To support the overarching responsibilities of Norwood’s board, three main committees (the Corporate Services Committee, the Operational Services Committee and the Fundraising Committee) were set up with specific terms of reference and authorities delegated to them by the board. The Corporate Services Committee has since established an Audit and Risk Committee, an Investment Committee and a Property Strategy Group. The Fundraising Committee provides support in achieving our fundraising strategy and annual fundraising targets. The membership of each sub-committee is drawn from the board and a pool of lay leaders (i.e. co-optees) with relevant expertise. Committees meet at least four times a year and reported in the financial statements of Norwood Ravenswood (charity number; 1059050).

### **Trustees And Lay Leaders’ Recruitment and Remuneration Policy**

We adopt a transparent and objective approach when recruiting our trustees and lay leaders. Arrangements are made for new members to meet the Trustees, the Chief Executive and the Senior Leadership Team, visit some of our homes and meet with some of the people we support. Our trustees are also provided with key sector updates. All are invited to attend relevant training, some of which is mandatory, to ensure they are kept abreast of prevailing changes that may affect the charity and the social care sector.

None of our trustees or lay leaders receive remuneration, expense claims or benefits in kind for their work with the charity. They are, however, entitled to receive reimbursements of travel expenses. Any connection between a trustee and the charity’s stakeholders is declared to the board of trustees in the same way as any contractual relationship with a related party. Such disclosures are dealt with by the board and committee meetings in the form of Declaration of Interests. No allegation of fraud was raised against any trustee or lay leaders in the year. Details of related party transactions and trustees’ expenses are disclosed in Note 21 of the financial statements.

## Trustees' Responsibilities Statement

The trustees (who are also directors of Norwood Schools Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently,
- Observe the methods and principles in the Charities SORP (FRS 102),
- Make judgments and accounting 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,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- So far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all the steps that they ought to have taken as trustees to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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.

*Neville Kahn*

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**Neville Kahn**

Chairman of the Board

*Ben Freeman*

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**Benjamin Freeman**

Joint Treasurer

8 July 2022

## Independent auditor's report to the members of Norwood Schools Limited

### Opinion

We have audited the financial statements of Norwood Schools Limited (the 'charitable company') for the year ended 31 March 2022, which comprise the Statement of Financial Activities, the Balance Sheet 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 charitable company's affairs as at 31 March 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 Companies Act 2006.

### Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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

We are responsible for concluding on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the charitable company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

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

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

The responsibilities of the trustees with respect to going concern are described in the 'Responsibilities of trustees for the financial statements' section of this report.

### Other information

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or

apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Trustees' Annual Report.

### **Matters on which we are required to report by exception**

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

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

### **Responsibilities of trustees for the financial statements**

As explained more fully in the Trustees' Responsibilities Statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial

statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We understood how Norwood Schools Limited is complying with those legal and regulatory frameworks by making enquiries of management, those responsible for legal and compliance procedures and the audit committee. We corroborated our enquiries through our review of board minutes, papers provided to the Audit Committee and correspondence received from regulatory bodies.
- The company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur; the 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 (effective 1 January 2019) ('Charities SORP (FRS 102)'), Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), Charities Act 2011, Companies Act 2006 and tax legislation.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of certain controls management has in place to prevent and detect fraud
  - Challenging assumptions and judgments made by management in its significant accounting policies
  - Identifying and testing journal entries
  - Identifying and testing related party transactions
  - Inspecting the board minutes
  - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation
  - Knowledge of the industry in which the group operates, and
  - Understanding of the legal and regulatory requirements specific to the group including the provisions of the applicable legislation.
- The team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition through manipulation of donation income, grant income, income from charitable activities, trading income and investment income.
- We did not identify any matters relating to non-compliance with laws and regulation and fraud.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The company's operations, including the nature of its revenue sources, to understand the classes of transactions, accounts balances, expected financial statement disclosures and business risks that may result in risks of material misstatement, and

- The company's control environment, including
  - o Management's knowledge of relevant laws and regulations and how the company is complying with those laws and regulations
  - o The adequacy of procedures for authorisation of transactions and review of management accounts, and
  - o Procedures to ensure that possible breaches of laws and regulations are appropriately resolved.

**Use of our report**

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

*Grant Thornton UK LLP*

**Stephen Dean**

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

**London**

**08 July 2022**

**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**Statement of Financial Activities**  
**For the year ended 31 March 2022**  
**(Incorporating the Income and Expenditure Account)**

	Notes	Continuing Operations			Discontinued Operations				2021	
		Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds			
							2022	2022		2022
£'000	£'000	£'000	£'000	2022	2022	2022	Total	2022	Total	2021
<b>Income from:</b>										
Donations and legacies	2	8,504	867	9,371	-	-	-	9,371		10,399
Charitable activities	3	18,378	653	19,031	-	-	-	19,031		19,361
Trading activities	4	-	-	-	316	5	321	321		472
Investments	5	414	-	414	-	-	-	414		408
<b>Other Income</b>										
Profit on disposal of property		-	-	-	-	-	-	-		232
<b>Total income</b>		<b>27,296</b>	<b>1,520</b>	<b>28,816</b>	<b>316</b>	<b>5</b>	<b>321</b>	<b>29,137</b>		<b>30,872</b>
<b>Expenditure on:</b>										
Raising voluntary income and marketing	6a	170	-	170	-	-	-	170		241
Trading activities	6a	-	-	-	146	5	151	151		843
Charitable activities	6a	26,634	1,744	28,378	-	-	-	28,378		29,002
<b>Total cost</b>		<b>26,804</b>	<b>1,744</b>	<b>28,548</b>	<b>146</b>	<b>5</b>	<b>151</b>	<b>28,700</b>		<b>30,086</b>
Operating surplus/ (deficit)		492	(224)	268	169	-	169	438		786
Net gains on investments	10c	1,204	-	1,204	-	-	-	1,204		281
<b>Net income / (expenditure)</b>		<b>1,696</b>	<b>(224)</b>	<b>1,472</b>	<b>169</b>	<b>-</b>	<b>169</b>	<b>1,642</b>		<b>1,067</b>
Transfers between funds	15	157	(157)	-	-	-	-	-		-
<b>Net movement in funds</b>		<b>1,853</b>	<b>(381)</b>	<b>1,472</b>	<b>169</b>	<b>-</b>	<b>169</b>	<b>1,642</b>		<b>1,067</b>
<b>Reconciliation of funds:</b>										
Total funds brought forward	23	25,120	6,951	32,071	(371)	-	(371)	31,700		30,634
<b>Total funds carried forward</b>	<b>21</b>	<b>26,973</b>	<b>6,570</b>	<b>33,543</b>	<b>(202)</b>	<b>-</b>	<b>(202)</b>	<b>33,342</b>		<b>31,700</b>

There were no gains and losses other than those included in the Statement of Financial Activities. All income and expenditure derived from continuing operations is shown separately from discontinued trading operations. The comparative figures for each fund are shown in the notes to the financial statements (Note 23). The accompanying notes on pages 22 to 44 of this report form an integral part of these accounts.

**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**Balance sheet**  
**as at 31 March 2022**

		<b>2022</b>	<b>2021</b>
		<b>£'000</b>	<b>£'000</b>
<b>Fixed Assets</b>	Note		
Intangible fixed assets	8	164	52
Tangible fixed assets	9	21,478	21,756
Investments: Managed investment portfolio	10a	1,503	1,383
Directly managed property	10b	7,380	6,300
Interest rate derivative	10c	5	-
<b>Total fixed assets</b>		<b>30,530</b>	<b>29,491</b>
<b>Current Assets</b>			
Debtors	11	10,403	8,000
Cash at bank and in hand		799	2,781
<b>Total current assets</b>		<b>11,202</b>	<b>10,781</b>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	12	(4,584)	(4,295)
<b>Net current assets</b>		<b>6,618</b>	<b>6,486</b>
<b>Total assets less current liabilities</b>		<b>37,148</b>	<b>35,976</b>
Creditors: amount falling due after one year	13	(3,806)	(4,277)
<b>Total net assets</b>		<b>33,342</b>	<b>31,699</b>
<b>Funds</b>			
Including cumulative revaluation gains of £2.3m (2021: £1.2m)			
Restricted funds	14	6,570	6,951
Unrestricted funds	16	26,771	24,749
<b>Total Fund</b>		<b>33,342</b>	<b>31,700</b>

The accompanying notes on pages 22 to 44 of this report form an integral part of these accounts.

Approved by the Board of Trustees on 8 July 2022

*Neville Kahn*

**Neville Kahn**

Chair

*Ben Freeman*

**Ben Freeman**

Joint Treasurer & Chair of  
 Audit and Risk Committee  
 and Investment Committee

**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**1. Accounting Policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

***a) Basis of preparation***

The financial statements have been prepared in accordance with 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) (effective 1 January 2019) - Charities SORP (FRS 102) and the Companies Act 2006.

Norwood Schools Limited is incorporated in the United Kingdom and meets the definition of a public benefit entity under FRS 102. The financial statements are presented in Sterling (£).

***b) Preparation of the accounts on a going concern basis***

These financial statements have been prepared on a going concern basis. The majority of Norwood Schools' income is secure as it arises from statutory sources. However, we have modelled a 4% and 6% reduction in statutory income due to attrition rates, with 6% being an extreme case. The forecasting performed and support in the form of an intercompany grant from the parent charity endorses the accounts being prepared on a going concern basis. Norwood Ravenswood intends to support Norwood Schools Limited for at least 12 months from the date of approval of the statutory financial statements for the year ended 31 March 2022 and has the liquidity to do so. The trustees consider this uncertainty not to be material and hence do not consider the charities ability to continue as a going concern to be at risk for at least 12 months from the signing of the accounts. Accordingly, the trustees have prepared these accounts on a going concern basis.

***c) Estimates***

The preparation of financial statements requires management to make estimates, judgements and assumptions that affect reported assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

***Financial instruments***

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the income and expenditure account under finance costs or income as appropriate.

***Fair value of investment properties***

Directly managed investment properties are periodically valued on the basis of fair value in accordance with the RICS valuation and relevant accounting standards, with desktop valuations conducted in the interim, with any change recognised in the Statement of Financial Activities. A special assumption that the office element of the property, occupied by Norwood, was sold on a long leasehold basis for a term of 999 years, at a peppercorn. The purpose of this special assumption is so that we can provide an opinion of Fair Value of the Supermarket element of the property, in isolation.

***Other significant estimates and assumptions***

Significant estimates and assumptions in these Financial Statements require the exercise of judgment and are used for, but not limited to, allowance for doubtful clients and local authorities' account, estimates of future cash flows and other assumptions associated with asset impairment tests, including the reversal of previous impairments, useful lives for depreciation, determination of discount and other rate assumptions for contingencies. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may be different from these estimates.

There are no significant judgements.

***d) FRS 102 Cash flow exemption applied***

In line with Financial Reporting Standard 102, a qualifying entity may take advantage of certain disclosure exemptions, including the preparation of a cash flow statement. Norwood Schools Ltd is a qualifying entity as it is a member of a group where the parent company, Norwood Ravenswood, prepares publicly available consolidated financial statements which are intended to give a true and fair view of its assets, liabilities, financial position and profit or loss.

## **Notes to the Financial Statements**

**For the year ended 31 March 2022**

### ***e) Income recognition***

All income is accounted for when Norwood has entitlement, there is probability of receipt and the amount is measurable. If income relates to a future period or event and the purpose of that income is to support the costs and activities in the future, the income is deferred and recognised in the appropriate period.

### **Gifts in kind**

Donated goods and services are included as income within the Statement of Financial Activities (with an equivalent amount in expenditure) at the estimated value to Norwood, where this is reasonably quantifiable, measurable and material.

### **Volunteers**

The charity benefits from the involvement and enthusiastic support of its volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

### **Grants**

Grant income is recognised in the statement of financial activities when received or when Norwood becomes entitled to receipt. Grants that have been received will be treated as deferred income where there are specific requirements in the terms of the grant that the income recognition is dependent on certain activities being completed in a future accounting period.

### **Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by Norwood which is usually upon notification of the interest paid or payable by the Bank.

### ***f) Fund Accounting***

Restricted, designated and unrestricted funds are separately disclosed, as set out in Note 14. Restricted funds are resources donated, the uses of which are subject to specific restrictions imposed by the donors or by the nature of the appeal. Designated funds are unrestricted funds set aside at the discretion of the Board for specific purposes. All other types of funds which are not restricted or designated funds form part of general funds. General funds are available to spend at the discretion of the Board, in furtherance of the charitable objectives of the charity. Transfers to and from designated funds are recognised as and when the Board designates or un-designates funds.

### ***g) Expenditure***

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

### **Cost of raising funds**

The costs of raising funds comprise of costs associated with charitable expenditure including fundraising, trading costs and publicity.

### **Irrecoverable VAT**

Irrecoverable VAT is charged as a cost to the Statement of Financial Activities, being allocated on the same basis as the underlying expenditure to which it relates.

### **Support costs**

Support costs are allocated to the different categories of activities. This is based on different apportionment bases as identified in Note 5 of the financial statements. Support costs include financial management, information systems, central management, human resources, property and facilities management, Jewish culture, volunteering and risk and assurance.

**Notes to the Financial Statements****For the year ended 31 March 2022****Governance Costs**

Governance costs, other than those disclosed specifically in the notes to these accounts, are included within support costs and allocated on the same basis across services, as per Note 5. Governance costs relate to costs associated with the governance arrangements of the Norwood. These costs will normally include internal and external audit fees, legal advice for trustees and costs associated with constitutional and statutory requirements, for example the cost of trustee meetings and preparing statutory accounts. Also included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the charity's activities. An appropriate proportion of the central management support costs have also been attributed as governance costs to reflect the cost of Norwood's employees involved in meetings with the trustees and the cost of all administrative support provided to the trustees.

**Grants payable**

Grants to individuals are recognised on payment and grants to institutions are recognised when there is a constructive obligation to make the payment.

***h) Intangible and tangible fixed assets*****Intangible fixed assets:**

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses (if applicable). Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use.
- The intention to complete the software and use.
- The ability to use the software.
- The software will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangible assets less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Software costs                      4 to 7 years

**Tangible fixed assets**

Operational assets are held at depreciated cost. Expenditure relating to tangible fixed assets is expected to be used over several years and where the combined value of the asset or group of assets exceeds £1,000 they are capitalised at cost and depreciated over their estimated useful economic lives on a straight line basis.

Depreciation is provided on tangible fixed assets in order to write off their cost to their estimated realisable values by annual instalments over the following expected useful lives:

Freehold land - not depreciated

Freehold buildings - 50 years

Long leasehold land and buildings - 50 years or length of lease if shorter

Freehold and leasehold improvements - 10 years

Motor vehicles - 10 years

Furniture, fixtures, fittings and equipment - 10 years

Where there are indications that assets are or may be impaired in value or use, an impairment review is undertaken to establish the net realisable value and the value in use. The carrying amount of the assets is reduced by any excess over the higher of these valuations.

In the course of capital projects where costs are incurred for payments on account and assets under construction or installation of equipment, they are not subject to depreciation until they are reclassified after their completion and available for use.

**Notes to the Financial Statements**

**For the year ended 31 March 2022**

***i) Financial instruments***

Norwood operates basic financial instruments in terms of its assets and liabilities.

**Financial assets**

Financial asset represents financial resources available to the charity and include financial investments in equities, debtors, intercompany debtors, cash and accrued income. Financial assets are carried at fair value and changes in fair value are recognised in the Statement of Financial Activities. Fair value of financial instruments is established by the open market value of the asset.

**Financial Liabilities**

Financial liabilities are recognised on the date on which Norwood becomes a party to the contractual provisions of the instrument giving rise to the liability. These include trade creditors, other creditors, loan, accruals and intercompany creditors. Financial liabilities are initially recognised at fair value plus transaction costs and are no longer recognised when the contractual obligations are discharged, cancelled or expire. The bank loan shown in creditor amount falling due after one year is recognised at its principal amount advanced less capital repayments.

***j) Investments***

**Investment properties**

Investment properties are revalued annually by the trustees and periodically by independent Chartered Surveyors on a fair value basis. Gains and losses are recognised in the Statement of Financial Activities account for the period. Therefore no depreciation is provided on investment properties.

**Equity Investments:**

Equity investments are stated at fair value. Changes in fair value are recorded in the Statement of Financial Activities. Unrealised gains and losses are calculated based on the carrying value of the investments in the Balance Sheet.

**Investment management fees:**

Norwood investments are held within collective investment schemes and managed by fund managers. The investment income is reported net of investment management costs. The investment management fees are disclosed in the Statements of Financial Activities. There are no 'investment management costs' to report in respect of the COIF Fund holdings. This is because there are no costs netted off investment income as costs are to the Fund.

***k) Debtors***

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

***l) Cash at bank and in hand***

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

***m) Creditors and provisions***

Creditors and provisions are recognised when Norwood 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. Most amounts provided for are expected to be settled within 12 months and are therefore recognised at the estimated settlement amount.

**Notes to the Financial Statements**

**For the year ended 31 March 2022**

***n) Employee benefits***

Short-term employee benefits are those expected to be settled wholly before twelve months after the end of the annual reporting period during which employee services are rendered, but to not include termination benefits. These include wages, salaries and any other benefits paid to current employees. All short-term employee benefits are recognised as expenses in the period in which they are incurred. Post-employment benefits, representing contributions into defined contribution plans for current employees are equally recognised as expenses in the period in which the contribution payable is exchanged for services rendered by employees. The assets of the scheme are held separately from the charity.

A termination benefit liability is recognised at the earlier of the following dates:

- when the entity can no longer withdraw the offer of those benefits or ;
- when the entity recognises costs for the restructuring which involves the payment of termination benefits.

***o) Leases***

Operating lease rentals are charged to the Statement of Financial Activities as they are incurred.

**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**2. Incoming resources from donations and legacies**

	Unrestricted Funds	Restricted Income Funds	Total 2022	Total 2021
	£'000	£'000	£'000	£'000
Donations	-	867	<b>867</b>	1,589
Grant from parent entity	8,500	-	<b>8,500</b>	8,800
Grants	4	-	<b>4</b>	9
<b>Total</b>	<b>8,504</b>	<b>867</b>	<b>9,371</b>	<b>10,399</b>

**3a. Incoming resources from charitable activities by income type**

	Unrestricted Funds	Restricted Income Funds	Total 2022	Total 2021
	£'000	£'000	£'000	£'000
Statutory income from Local Authorities	16,842	-	<b>16,842</b>	16,598
Gross fee income	286	-	<b>286</b>	236
Rental income	1,208	-	<b>1,208</b>	1,294
Other income	42	-	<b>42</b>	81
Government Grant	-	653	<b>653</b>	1,152
<b>Total</b>	<b>18,378</b>	<b>653</b>	<b>19,031</b>	<b>19,361</b>

Included within Government Grants - Furlough Grants is £118,000 (2021: £613,000) relating to the Coronavirus Job Retention Scheme (CJRS), Infection Control Fund (ICF) Grants £535,000 (2021: £539,000).

**3b. Incoming resources from charitable activities by service area**

	Unrestricted Funds	Restricted Income Funds	Total 2022	Total 2021
	£'000	£'000	£'000	£'000
Adults services	16,905	617	<b>17,522</b>	17,815
Family services	52	24	<b>76</b>	381
Children services	1,323	-	<b>1,323</b>	1,105
Support services	98	12	<b>110</b>	60
<b>Total</b>	<b>18,378</b>	<b>653</b>	<b>19,031</b>	<b>19,361</b>

**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**4. Trading activities - discontinued**

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	£'000	£'000	£'000	£'000
Trading income	294	-	<b>294</b>	96
Governments Grants	22	5	<b>27</b>	376
<b>Total</b>	<b>316</b>	<b>5</b>	<b>321</b>	<b>472</b>

As a result of the challenges faced by the high street, Norwood took the decision to commence the phased closure of its retail operations in 20/21. Included within Government Grants - Unrestricted Fund shop grants is £22,000 (2021: £239,000). Furlough Grant was £5,000 (2021: £137,000) relating to the Coronavirus Job Retention Scheme (CJRS).

**5. Incoming resources from investments**

	Unrestricted Funds	Restricted Income Funds	Total 2022	Total 2021
	£'000	£'000	£'000	£'000
Bank deposit interest	41	-	<b>41</b>	45
Rental income from investment properties	373	-	<b>373</b>	363
<b>Total</b>	<b>414</b>	<b>-</b>	<b>414</b>	<b>408</b>

**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**6a: Resources expended**

	Direct Staff Costs	Other Direct Costs	Reallocated Support Cost	Total 2022	Total 2021
	£'000	£'000	£'000	£'000	£'000
Cost of generating voluntary income	-	-	170	170	241
Cost of trading - discontinued	161	(37)	27	151	843
Charitable expenditure:					
Adults services	15,874	5,368	3,866	25,108	25,252
Family services	801	(225)	473	1,049	1,430
Children & educational services	1,115	876	230	2,221	2,319
<b>Total cost of charitable expenditure</b>	<b>17,790</b>	<b>6,019</b>	<b>4,569</b>	<b>28,378</b>	<b>29,002</b>
<b>Total resources expended</b>	<b>17,951</b>	<b>5,982</b>	<b>4,765</b>	<b>28,700</b>	<b>30,086</b>

Within note 6a costs of trading represent costs of discontinued operations.

**Note 6b: Analysis of reallocated support costs with bases of apportionment**

Support costs of apportionment)	(basis	Adults services	Family services	Children services	Fundraising	Trading	Total 2022	Total 2021
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Financial Management</b> <i>(percentage of staff)</i>		767	30	47	31	4	879	622
<b>Information Systems</b> <i>(number of PCs)</i>		798	263	31	51	10	1,153	1,216
<b>Assistive Technology</b> <i>(equipment and time spent)</i>		71	15	15	-	-	101	141
<b>Human Resources</b> <i>(percentage of staff)</i>		828	33	51	34	5	951	1,018
<b>Property and Facilities</b> <i>(percentage of staff)</i>		467	18	29	19	3	536	540
<b>Central Management</b> <i>(percentage of staff)</i>		485	19	30	20	3	557	647
<b>Jewish culture</b> <i>(percentage of staff)</i>		51	2	3	2	-	58	87
<b>Risk and Assurance</b> <i>(percentage of staff)</i>		28	1	2	1	-	32	56
<b>Volunteering</b> <i>(number of volunteers)</i>		74	80	4	-	-	158	113
<b>Governance</b> <i>(percentage of staff)</i>		297	12	18	12	2	341	308
<b>Total</b>		<b>3,866</b>	<b>473</b>	<b>230</b>	<b>170</b>	<b>27</b>	<b>4,765</b>	<b>4,748</b>

**6c. Resources expended also include:**

		Total 2022	Total 2021
		£'000	£'000
External audit and related costs:	Fees payable to the charitable company's auditor for the audit of the charitable company's annual accounts	33	29
Depreciation of owned fixed assets		1,491	1,752
Interest payable		50	64
Operating lease rentals:	Plant & machinery	183	215
	Properties	251	496
Trustees' indemnity insurance premiums		6	4

**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**7a. Staff costs**

	<b>2022</b>	<b>2021</b>
	£'000	£'000
<b>Direct staff expenditure:</b>		
Wages and salaries	15,810	17,042
Social security costs	1,395	1,462
Pension costs	493	512
<b>Total direct staff costs</b>	<b>17,698</b>	<b>19,016</b>
<b>Other Staff expenditure:</b>		
Agency costs	2,652	1,872
Other staff costs	531	432
<b>Total staff expenditure</b>	<b>20,881</b>	<b>21,320</b>

**7b. Redundancy and Termination costs:**

	<b>2022</b>	<b>2021</b>
	£'000	£'000
Statutory redundancy payments	89	108
Payments in Lieu of notice period	122	171
Compensation for loss of office	3	57
<b>Total payments on termination included above</b>	<b>214</b>	<b>336</b>

**7c. Average number of staff employed and the full-time equivalent**

	<b>Staff employed</b>		<b>Full-time equivalent</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	Number	Number	Number	Number
Fundraising	6	8	5	5
Adults' Services	598	643	407	453
Children and Family Services	28	33	21	28
Education and Support	18	28	10	16
Support Services	57	64	51	56
	<b>707</b>	<b>776</b>	<b>494</b>	<b>558</b>

**Notes to the Financial Statements****For the year ended 31 March 2022****7d. Earnings above £60,000****The number of employees who earned more than £60,000 during the year was:**

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
£60,001 - £70,000	3	5
£70,001 - £80,000	4	1
£80,001 - £90,000	-	-
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	1
£120,001 - £130,000	1	1
£150,001 - £160,000	-	-

Contributions made to the pension scheme for the ten (2021: nine) employees who earned more than £60,000 amounted to £49,133 (2021: £53,781).

The trustees and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, Trustees received no remuneration and were not reimbursed any expenses in either year.

The total employee benefits of Key Management Personnel of the group were £693,549 (2021: £541,859)

**Note 7e: Pension**

Norwood operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the charity. Contributions payable in respect of the year were £493,000 (2021: £506,000) of which £112,000 was outstanding at 31 March 2022

**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**Note 8: Intangible fixed assets**

	<b>Computer Software</b>	<b>Total</b>
	£'000	£'000
<b>Cost</b>		
At 1 April 2021	2,662	2,662
Additions	180	180
Disposals	(28)	(28)
<b>At 31 March 2022</b>	<b>2,814</b>	<b>2,814</b>
<b>Depreciation</b>		
At 1 April 2021	2,610	2,610
Charge for the year	42	42
Disposals	(2)	(2)
<b>At 31 March 2022</b>	<b>2,650</b>	<b>2,650</b>
<b>Net Book Values:</b>		
<b>At 31 March 2022</b>	<b>164</b>	<b>164</b>
<b>At 31 March 2021</b>	<b>52</b>	<b>52</b>

**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**Note 9:Tangible fixed assets**

	Freehold properties	Leasehold properties	Motor vehicles	Fixtures, Furniture & Equipment	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 April 2021	31,889	2,740	878	7,404	<b>42,911</b>
Additions	163	34	-	1,068	<b>1,265</b>
Disposals	-	(44)	(27)	(59)	<b>(130)</b>
<b>At 31 March 2022</b>	<b>32,052</b>	<b>2,730</b>	<b>851</b>	<b>8,413</b>	<b>44,046</b>
<b>Depreciation</b>					
At 1 April 2021	14,034	1,235	548	5,339	<b>21,156</b>
Charge for the year	864	117	73	413	<b>1,467</b>
Disposals	-	(20)	(27)	(8)	<b>(55)</b>
<b>At 31 March 2022</b>	<b>14,898</b>	<b>1,332</b>	<b>594</b>	<b>5,744</b>	<b>22,568</b>
<b>Net Book Values:</b>					
<b>At 31 March 2022</b>	<b>17,154</b>	<b>1,398</b>	<b>257</b>	<b>2,669</b>	<b>21,478</b>
<b>At 31 March 2021</b>	<b>17,855</b>	<b>987</b>	<b>330</b>	<b>2,065</b>	<b>21,756</b>

**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**Note 10a: Investments - Managed Investment Portfolio**

<b>Market Value</b>	<b>2022</b>	<b>2021</b>
	£'000	£'000
Market values at 1 April	1,383	1,502
Disposals in the year	-	(400)
Net investment gains	119	281
<b>Market value at 31 March</b>	<b>1,502</b>	<b>1,383</b>

<b>Historical Cost for comparison</b>	<b>2022</b>	<b>2021</b>
	£'000	£'000
Historical cost at 31 March	1,288	1,288
Cumulative revaluation gains (investment portfolio)	214	94

The underlying investments may also be analysed as follows:

<b>Equity Investments by type</b>	<b>2022</b>	<b>2021</b>
	£'000	£'000
Multi-asset Investment Funds	1,503	1,382
Cash	-	-
<b>Market Value at 31 March</b>	<b>1,503</b>	<b>1,382</b>

**Note 10b: Investments - Directly Managed Properties**

<b>Market Value</b>	<b>2022</b>	<b>2021</b>
	£'000	£'000
Valuation at 1 April	6,300	6,300
Net investment (losses)/gains - unrealised	1,080	-
<b>Carrying values at 31 March</b>	<b>7,380</b>	<b>6,300</b>
	<b>2022</b>	<b>2021</b>
	£'000	£'000
Historical cost at 31 March	5,200	5,200
Cumulative property revaluation gains for the year	2,180	1,100

The investment property relates to the ground floor of the building at 80-82 The Broadway, Stanmore leased to a third party (LIDL). In April 2022, an independent valuer, Cluttons LLP, undertook a valuation of the investment property.

**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**Note 10c: Net gains/(losses) on revaluations**

<b>Market Value</b>	<b>2022</b>	<b>2021</b>
	£'000	£'000
Net (losses) / gains on investments: managed portfolio	119	281
Net (losses) on financial instruments: interest rate cap	5	-
Net gains on fixed asset: directly managed property	1,080	-
<b>Net (losses)/gains on investments</b>	<b>1,204</b>	<b>281</b>

The Interest Rate Cap has been valued by JC Rathbone Associates Ltd, a financial institution authorised and regulated by the Financial Conduct Authority, for the year ended 31 March 2022. The valuation is based on fair value using the MID point of the yield curve prevailing at the reporting date. Fair value represents the net present value of the difference between the contracted rate and the valuation rate when balances are projected to the contracted expiration data. The valuation does not include a credit valuation adjustment.

**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**Note 11: Debtors**

	<b>2022</b>	<b>2021</b>
	£'000	£'000
Trade debtors and Local Authorities' debts	1,066	1,323
Amount due from group undertakings	8,810	6,283
Other debtors	187	39
Prepayments	332	355
Accrued income	8	-
<b>Total debtors</b>	<b>10,403</b>	<b>8,000</b>

**Note 12: Creditors: amount falling due within one year**

	<b>2022</b>	<b>2021</b>
	£'000	£'000
Trade creditors	1,092	1,101
Accruals and deferred income	2,532	2,091
Bank loan repayable within one year	363	329
JCoSS PSRP grant	-	160
Other creditors	141	178
Other taxes and social security costs	456	435
<b>Total creditors due in less than one year</b>	<b>4,584</b>	<b>4,295</b>

**Note 12a: Deferred income**

	<b>2022</b>	<b>2021</b>
	£'000	£'000
Opening balance at 01 April	586	423
Amounts released in year	(586)	(423)
Amounts deferred in year	702	586
<b>Closing balance at 31 March</b>	<b>702</b>	<b>586</b>

Deferred income relates to fee income invoices raised at the year-end which pertain to future periods.

**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**Note 13: Creditors: amount falling due after one year**

	<b>2022</b>	<b>2021</b>
	£'000	£'000
Bank loan repayable within two to five years	1,495	1,493
Bank loan repayable after five years	2,219	2,577
	3,714	4,070
Provision for Dilapidation	50	126
Rental Deposit	42	42
JCoSS PSRP grant	-	40
<b>Total creditors due in more than one year</b>	<b>3,806</b>	<b>4,277</b>

Loan: In October 2007 Norwood purchased Broadway House in Stanmore with a 25 year loan taken with RBS for 80% of purchase price, £6.68m. Capital repayments commenced after 60 months of loan issue (first 5 years is interest only). The bank loan is secured by a charge over Broadway House, Stanmore and is repayable in 240 monthly instalments from November 2012.

**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**Note 14: Restricted Funds**

	Note	1 April 2021	Incoming resources	Outgoing resources	Transfer between funds	31 March 2022
JCoSS PSRP Fund	i	1,050		(85)	11	976
JAPH	ii	25	-	-		25
Somers Court & Residential Fund	iii	194	-			194
Somers Court (ex Daniel Ct.)		325		(17)		308
Supported Living Properties Fund:	iv	21				21
11 Highview Gardens		632		(15)		617
Holmbury Avenue		354		(17)		337
Greenwood Road		175		(6)		169
The Grange Fund	v	165	-	(11)		154
Phyllis Somers Capital & Service Fund	vi	2,834	-	(200)	(168)	2,466
Assistive Technology Fund	vii	220	65	(107)		177
Lyonsdown Road Rear Garden	viii	38	-	(3)		35
Heads Up Kids	ix	59	126	(98)		87
Rochelle & Alan Bernard Fund	x	59	-	(1)		58
Capital Projects	xi	502	-	-		502
Binoh SEND Fund	xii	-	18	(7)		11
Lyonsdown minibus operational costs	xiii	19	14	(5)		28
Braude Trust for Staff Training	xiv	-	275	(58)		217
Government Grant ICF	xvi		557	(557)		-
Government Grant CJRS	xvii		123	(123)		-
Autism Services	xix	36	10	(23)		23
Under £20K		242	338	(416)		165
<b>Total</b>		<b>6,950</b>	<b>1,526</b>	<b>(1,749)</b>	<b>(157)</b>	<b>6,570</b>

**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**Restricted funds**

- i JCoSS PSRP Fund supporting students at JCoSS with special educational needs, mostly at the severe end of the autistic spectrum.
- ii JAPH Fund to assist Jewish people with physical and/or learning disabilities
- iii Somers Court & Residential Accommodation Fund to provide accommodation for young adults with learning disabilities.
- iv Supported Living Properties Fund. Capital investments made from the Supported Living Capital Fund.
- v The Grange Fund representing a donation of a flat which can only be used by the current resident during his lifetime.
- vi Phyllis Somers Service Delivery Fund comprising donations towards construction, refurbishment and associated costs of family centres and accommodation for adults with disability, plus the operating cost of such services.
- vii Assistive Technology Fund Grants from Trusts and Foundations including the K C Sasha Charitable Foundation to provide assistive technology and associated support to people with learning difficulties and complex needs.
- viii Lyonsdown Road Rear Garden supporting the landscaping of rear garden.
- ix Heads Up Kids - supports our work in partnership with Heads Up Kids and PaJes.
- x Rochelle and Alan Bernard Fund : A memorial fund set up in memory of Rochelle and Alna Bernard to support children dealing with trauma
- xi Capital Projects provided by the Leo Baeck Housing Association to support building improvements at several Norwood properties.
- xii Binoh Send Fund : supports Binoh's Special Educational Needs and Disabilities Programme
- xiii Lyonsdown minibus operational costs : Support the operational costs of the mini bus. i.e minibus driver costs, fuel and fleet charges
- xiv The Norwood Braude Training Programme is generously supported by the Braude Trust
- xv Lira Abeleva (Novi Dom) set up to provide an educational and respite care facility for disabled children in Minsk, Belarus.
- xvi Government Grants – Infection Control, Lateral Flow Device, Vaccine, Omicron and Workforce Capacity Funding provided by Local Authorities
- xvii Government Grant - CJRS Coronavirus Job Retention Scheme funding provided by Central Government
- xix Autism Services funding towards the cost of community engagement management.

**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**Note 15: Unrestricted funds: designated**

		<b>1 April 2021</b>	<b>Incoming resources</b>	<b>Outgoing resources</b>	<b>Investment gains and losses</b>	<b>Transfer between funds</b>	<b>31 March 2022</b>
	note:	£'000	£'000	£'000	£'000	£'000	£'000
JCoSS PSRP	i	31	-	-	-	(31)	-
<b>Total Designated Fund</b>		<b>31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(31)</b>	<b>-</b>

**Note 16: Summary of Funds**

	<b>1 April 2021</b>	<b>Incoming resources</b>	<b>Outgoing resources</b>	<b>Impairment Reversal &amp; Investment gains and losses</b>	<b>Transfer between funds</b>	<b>31 March 2022</b>
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted Fund	24,718	27,612	(26,950)	1,204	188	26,772
Unrestricted Fund: Designated	31	-	-	-	(31)	-
Restricted Fund	6,951	1,525	(1,749)	-	(157)	6,570
<b>Total funds</b>	<b>31,700</b>	<b>29,137</b>	<b>(28,699)</b>	<b>1,204</b>	<b>-</b>	<b>33,342</b>

**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**Note 17: Analysis of Net Assets Between Funds**

	Unrestricted Fund	Designated Fund	Restricted Fund	Total Fund
	£'000	£'000	£'000	£'000
<b>2022</b>				
Fixed assets	19,842	-	1,800	<b>21,642</b>
Investments	8,888	-	-	<b>8,888</b>
Net current assets/(liabilities)	1,848	-	4,770	<b>6,618</b>
Liability due after one year	(3,806)	-	-	<b>(3,806)</b>
<b>Total net assets</b>	<b>26,772</b>	<b>-</b>	<b>6,570</b>	<b>33,342</b>
<b>2021</b>				
Fixed assets	20,130	-	1,676	<b>21,807</b>
Investments	7,652	31	-	<b>7,683</b>
Net current assets/(liabilities)	1,212	-	5,274	<b>6,486</b>
Liability due after one year	(4,277)	-	-	<b>(4,277)</b>
<b>Total net assets</b>	<b>24,718</b>	<b>31</b>	<b>6,950</b>	<b>31,699</b>

**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**Note 18: Commitments under operating leases**

The future minimum payments under non-cancellable operating leases are:

	<b>Leased Properties 2022</b>	<b>Other 2022</b>	<b>Leased Properties 2021</b>	<b>Other 2021</b>
	£'000	£'000	£'000	£'000
Within one year	317	154	336	161
Between one and five years	895	37	842	78
Over five years	2,711	-	2,689	-
	<b>3,923</b>	<b>191</b>	<b>3,867</b>	<b>239</b>

**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**Note 19: Related Parties**

In the year, there was a related party transaction between the charity and The Radlett Centre Trust for the provision of theatre hire amounting to £2,098 (2021: £nil). One of the Trustees is a director in The Radlett Centre Trust.

There were no related party transactions in the year between the charity and Ashridge Home Care Limited for the provision of agency care (2021: £17,402). The Director of Service and Development is a director in Ashridge Home Care Limited.

**Group companies:**

In the year, there were related party transactions between the charity and members of the group.

Norwood Schools Limited paid for expenditure of £56,700 (2021: £12,000) on behalf of The Hope Charity. Norwood Schools Limited received funds totalling £11,300 (2021: £99,000) from The Hope Charity. At the year-end Norwood Schools Limited was owed £904,000 (2021: £848,000) by The Hope Charity.

Norwood Schools Limited received income of £9,350,000 (2020: £10,392,000) from Norwood Ravenswood. Norwood Schools Limited incurred expenditure of £589,000 (2021: £834,000) on behalf of Norwood Ravenswood. At the year-end Norwood Schools Limited was owed £7,907,000 (2021: £5,434,000) by Norwood Ravenswood.

Norwood Schools Limited accounts are consolidated into Norwood Ravenswood, the parent company. Norwood Ravenswood is a registered charity limited by guarantee, registered in England and Wales with charity registration number 1059050 and company registration number 03263519. The principal and registered office for Norwood Ravenswood is:

Broadway House  
80-82 The Broadway  
Stanmore  
HA7 4HB

**Key management personnel compensation:**

In line with paragraph 33.6 of FRS102 Related Party Disclosures, compensation paid to key management personnel in respect of services provided to the reporting entity is disclosed in Note 6.

**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**20. Comparative figures for individual funds**

**Statement of Financial Activities**

**For the year ended 31 March 2021 (incorporating the income and expenditure account)**

	Continuing Operations			Discontinued Operations			Total 2021	Total 2021	Total 2020
	Unrestricted Funds	Restricted Funds	Total funds	Unrestricted Funds	Restricted Funds	Total funds			
	2021	2021	2021	2021	2021	2021			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Income from:</b>									
Donations and legacies	8,811	1,588	10,399	-	-	-	10,399	9,884	
Charitable activities	18,209	1,152	19,361	-	-	-	19,361	19,425	
Other trading activities	-	-	-	335	137	472	472	569	
Investments	408	-	408	-	-	-	408	380	
Profit on disposal of property	232	-	232	-	-	-	232	755	
<b>Total income</b>	<b>27,660</b>	<b>2,740</b>	<b>30,400</b>	<b>335</b>	<b>137</b>	<b>472</b>	<b>30,872</b>	<b>31,013</b>	
<b>Expenditure on:</b>									
Raising voluntary income	241	-	241	-	-	-	241	205	
Trading activities	-	-	-	706	137	843	843	845	
Investments	-	-	-	-	-	-	-	-	
Charitable activities	26,143	2,859	29,002	-	-	-	29,002	29,075	
<b>Total cost</b>	<b>26,384</b>	<b>2,859</b>	<b>29,243</b>	<b>706</b>	<b>137</b>	<b>843</b>	<b>30,086</b>	<b>30,125</b>	
Operating surplus / (deficit)	1,276	(119)	1,157	(371)	-	(371)	786	888	
Net gains on investments	281	-	281	-	-	-	281	(107)	
<b>Net income / (expenditure)</b>	<b>1,557</b>	<b>(119)</b>	<b>1,438</b>	<b>(371)</b>		<b>(371)</b>	<b>1,067</b>	<b>781</b>	
Transfers between funds	(14)	14	-	-	-	-	-	-	
<b>Net movement in funds</b>	<b>1,543</b>	<b>(105)</b>	<b>1,438</b>	<b>(371)</b>		<b>(371)</b>	<b>1,067</b>	<b>781</b>	
<b>Reconciliation of funds:</b>									
Total funds brought forward	23,577	7,056	30,634	-	-	-	30,634	29,853	
<b>Total funds carried forward</b>	<b>25,120</b>	<b>6,951</b>	<b>32,071</b>	<b>(371)</b>		<b>(371)</b>	<b>31,700</b>	<b>30,634</b>	