



# Norwood Ravenswood

(A Charitable Company Limited by Guarantee)

**Trustees' Annual Report and**

**Financial Statements**

**For the year ended 31 March 2021**

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## CHARITY INFORMATION

Patron	Her Majesty the Queen		
Patron of Children's Services	Cherie Blair CBE QC		
Patron of Adults' Services	Norma Brier OBE		
Patron of Volunteering	Chief Rabbi Ephraim Mirvis		
Presidents	Lord Jon Mendelsohn Lady Nicola Mendelsohn CBE		
Honorary Life Presidents	Sir Trevor Chinn CVO Sir Evelyn de Rothschild	David Ereira Clive Marks OBE	Carol Sopher
Vice President	Ronnie Harris		
Trustees and Directors	Angela Hodes Anthony Rabin (resigned 27.11.20) Ben Freeman (appointed 19 May 2021) David Smith ( <i>Joint Treasurer (JT)</i> ) David Stanton ( <i>JT</i> , resigned 27.11.20) Gary Sacks Glynnis Joffe Julia Chain ( <i>Deputy Chair</i> )	Justine Harris (appointed 21.04.20) Lady Elaine Sacks (resigned 5.09.20) Linda Goldberg (resigned 5.3.21) Neville Kahn ( <i>Chair</i> ) Philip Hertz Rachael Davis-Stollar Tamara Finkelstein CB Tim Isaacs ( <i>JT</i> , appointed 21.10.20)	
Senior Management Team	Beverley Jacobson Patrick Murphy Hazel Kaye Mikkel Togsverd Steve Bennett	Chief Executive Officer Director of Finance and Corporate Services Director of Transformation Director of Services and Development Director of HR	
Company Secretary	Patrick Murphy		
Auditors	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG		
Investment Managers	Sarasin & Partners LLP 100 St. Paul's Churchyard London EC4M 8BU	CCLA Investment Management Ltd 85 Queen Victoria Street London, EC4V 4ET	

## CHARITY INFORMATION

### Bankers

Barclays Bank plc  
Golders Green Branch  
126 Station Road  
Edgware HA8 7RY

### Principal Solicitors

Quinta Law LLP  
19 – 21 Hatton Garden  
London EC1N 8BA

Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham B3 2ES

## 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 2021. 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 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 them to live fulfilling and active lives, taking their rightful place as valued members of society.

Every year, Norwood transforms more than 2,500 lives. When we talk about "Taking on life together", this is both a promise and a reality – Norwood's support is for the whole of life and the whole of the family.

Beyond this vital frontline work, Norwood also advocates and campaigns on behalf of the incredible people we support. We do this because we believe that, regardless of the challenges they face, everyone has the right to have their experiences valued and their opinions heard.

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

### OUR SERVICES

Norwood's sector-leading 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 Families facing challenges and Anyone with a learning disability or autism.

#### 1. Children and families' wellbeing

During the COVID-19 period, the Children and Families Team moved to a virtual delivery model using telephone and Zoom support wherever possible. The Kennedy Leigh Centre (Hendon) became a distribution centre for essential supplies and PPE to the London services. Sara's Kitchen was repurposed to supply meals to the London homes during a period of food insecurity and to enable the staff to maximise the time they spent with the people we support.

Following a restructure that finished in December 2020, the Children and Families Teams have three main areas of work:

- **Whole Life Disability Offer** for families with a child who will need lifelong, ongoing support from Norwood. We support any family with a child/young person with a disability – before, during and after diagnosis and at key points of transition.
- **Education & Learning** team work with the education community and parents to enable them to better support pupils with additional learning needs. This multi-disciplinary team comprises specialist teachers, educational psychologists, occupational therapists and speech and language therapists.
- **Psychotherapy & Counselling** team work with schools, parents and children and young people who are experiencing mental distress and mental health problems.

## 2. Learning challenges

Our work with children, young people and adults with learning disabilities is the core of our service offering. It is geared to providing the individual care and support that each person needs. Our Learning and Disability Services include the provision of:

- Education and therapy (occupational, and speech and language therapies)
- Support for children who experience difficulties with their education and learning, including working collaboratively with parents and teachers to create a positive learning environment
- Bespoke work in schools
- Specialist teaching, including intensive one-to-one teaching in school or a family centre to enable children to stay or return to school
- Short-break services for days, overnights, weekends and holidays, including:
  - Teeny Tiny Fun Play (weekly group for 16 months to 5 year olds with complex health needs) (suspended during COVID-19 pandemic)
  - Unity (weekly and holiday playscheme for 5 to 18 year olds) (suspended during COVID-19 pandemic)
  - Inbetweeners (fortnightly club for 16 to 25 year olds with moderate to complex needs) (suspended during COVID-19 pandemic)
  - Buckets and Spades (overnight, weekend or longer stays for children and young people up to 18 with multiple complex needs)
- Assistive technology to enhance the safety of the people Norwood supports, promote their independence and support them to overcome challenges
- Benefits and welfare advice
- Accommodation services, including residential care and supported living
- Complementary services during COVID-19, included activity boxes, Zoom workouts and green screen productions involving the people we support to promote good physical and mental health during the pandemic.

## OUR GOALS, CHALLENGES AND ACHIEVEMENTS

### 1. COVID-19

Our number one priority during the global pandemic has been to ensure that our service users, staff and volunteers go about their work in the knowledge that they are as safe and supported as much as possible. Before the first lockdown, Norwood carried out extensive scenario planning and developed an infrastructure which allowed us to monitor and respond to the risk of Covid-19 in each residential setting in real time. We also centralised procurement of food, PPE equipment and medical supplies, to ensure frontline staff could concentrate on keeping individuals safe and constructively occupied in isolated settings. We created emergency kitchens to provide fresh and healthy food to residents and families needing support. We also recruited and trained a reserve work force of assistant support workers and volunteers to be deployed into homes as and when required. Norwood is continuing to carefully monitor developments relating to COVID-19 and respond accordingly.

## **2. Organisational change**

Over the last year, the senior team have been transforming Norwood's services and culture and ensure that the organisation is 'Safe and Sound' to face the future. We have refocussed 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 and townhalls.

## **3. Fundraising**

Due to COVID-19, it has been an extremely challenging year for fundraising. However, despite the majority of our fundraising events and challenges being cancelled, some were transitioned into online events. Our Distressed Investing Dinner and Annual Dinner Reimagined were notably successful and engaged with over 10,000 people. Our newly established Community Engagement Team ran successful online community engagement events, and we were able to hold an in-person cycling challenge in between the lockdowns. Our Trusts & Foundations Team and our Major Gifts Teams continued to focus on improving stewardship of our donors and maximising all fundraising opportunities.

Our new fundraising strategy was launched, built upon five pillars:

- To develop an intuitive donor journey
- To develop sustainable and diverse income streams
- Fundraising that is inspiring and needs-led
- To be better connected with communities and stakeholders
- To have an agile, empowered and collaborative fundraising team.

## **4. Financial Sustainability**

During the year, we:

- Reviewed our operating models to develop improved reporting for the organisation laying the foundations to measure and improve our financial performance.
- Took the difficult decision to undertake a phased closure of our seven Norwood retail outlets.
- Worked with Local Authorities to recover additional costs incurred due to the COVID-19 pandemic, through infection control funding, as well as PPE and retail grants.
- Restructured elements of our Children and Families services to offer better value for money.
- Began technology transformation to improve efficiency and the speed of our network to create a real reduction in the time taken to perform IT intense processes such as rostering; moving away from Citrix to a cloud-first approach.

## **5. Ravenswood Village**

In recent years, Norwood has been working to develop the Ravenswood site alongside a development partner with the aim of securing the future of the Village. However, in May 2020, the Local Authority refused planning permission and the development partner withdrew from the project.

Since then, in addition to the tireless efforts of our staff in managing the pandemic across our services. Trustees have decided that prior to any decision about the future of Ravenswood Village, it is critical to hear the views and priorities of all those who are most closely connected with the Village.

In April 2021, Norwood began a consultation with residents, families, staff and volunteers at Ravenswood to understand views on the future of Ravenswood Village, where Norwood currently supports 96 residents. This consultation is ongoing.

## **OUR STRATEGIC PRIORITIES AND FOCUS FOR 2021/2022**

Following a rebranding, Norwood's strategy for the next year has been developed in collaboration with staff, management and key stakeholders and forms the basis of our strategic priorities which include:

### **Improving Services**

Children & Families' services went through a restructure to build a more efficient and robust range of services fit for the community. In addition, to continue the provision of services across wellbeing and education, the new model provides opportunities for consultation with families, enabling Norwood to create a dynamic response with ad hoc workshops and support, as part of Norwood's Life Long Offer.

In our adult services, we have implemented a newly developed quality and assurance system to facilitate consistent, high quality service delivery across our whole portfolio. We are simultaneously focussing on recruiting support staff, reducing the use of agency workers and improving our training offer. Finally, we will be developing a plan for each and every person and home to ensure their needs are being best met and that homes are running commercially to secure a sustainable future.

### **Developing our People**

The focus in the coming months will be rolling out our strategy so that every member of staff understands how their role contributes to it and has KPI's which reflect this.

We are also implementing a plan to develop agile and responsive recruitment so vacancies are quickly filled with appropriately skilled people or people with the right aptitude who will embrace all necessary training.

### **Creating an Agile Organisation**

The pandemic has led to a more flexible and responsive way of working, using platforms such as Zoom to manage collaboration across the organisation. We are continuing to create a 'one team ethos' and have developed an infrastructure to support cross organisational working to deliver service objectives. We have progressed the implementation of our IT strategy to modernise our current infrastructure and review current software, leading to the acquirement of fit for purpose systems.

### **Achieving Financial Sustainability**

Through improved financial reporting and control we will work to ensure that the Adult Service contributes to central overhead costs and that we have an operating surplus with which to fund capital expenditure. In the short-term we will look for innovative ways to attract voluntary income in the face of social isolation and longer-term we look to increase voluntary income through innovation and improving the return on investment.

### **Connect and Inspire**

Norwood recognises that people are the backbone of the organisation and whatever their connection, we will communicate meaningfully with them in a personalised manner to inspire them to do more for Norwood.



## **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. This has been further clarified in the following sections of this report:

- Our Services (pages 5 – 6)
- Our Goals, Challenges and Achievements (pages 6 – 8)
- Employee Engagement (page 9)
- Our volunteers (pages 9)
- Business Relationships (page 9)
- Energy Efficiency Measures Undertaken (pages 14)

### **EMPLOYEE ENGAGEMENT**

Norwood is committed to promoting the health and wellbeing of our workforce and to this end we have built on the implementation of the Employee Assistance Programme, by providing an additional support line to staff struggling with the pressures of lockdown by speaking to Norwood’s trained councillors. In addition, mental health and wellbeing workshops were offered to all staff, led by a psychologist who spoke through support strategies to better manage individuals’ work-life balance.

We piloted a new staff initiative called ‘Let’s Get Together’ which was aimed at staff working from home, helping to prevent the isolation experienced during the pandemic. The introduction of the Town Hall sessions have been successful and over the last year have developed to provide staff with a more holistic overview of news from around Norwood. As part of the rebrand, a new staff bulletin has been created to keep all staff updated of news from around the organisation.

### **OUR VOLUNTEERS**

During the Covid pandemic, once again Norwood has been able to benefit from the unwavering support of our volunteers. In March 2020, an extra 220 people signed up to be emergency volunteers, delivering PPE and meals directly to the people we support. This has continued and we still have volunteers delivering PPE weekly to our homes.

After the initial ‘call to action’, volunteers ensured the wellbeing of the people we support was being addressed as our residents were unable to go out and enjoy their usual activities. Volunteers joined together to put on a virtual programme of volunteer-led activities – known as Connect Together – where over 50 volunteers have been involved in this initiative. Sessions have included singing, bingo, cooking, Jewish themed activities, exercise and entertainment. The Connect Together programme has been able to give structure and purpose to the many people who join in weekly.

Norwood’s volunteers are desperate to come back, with over 60 volunteers having participated in Norwood’s engagement training - an Introduction to disability and autism. Norwood can now look forward to welcoming back our volunteers in the coming months, ensuring they are well trained and supported when returning to what they love to do: making a difference.

### **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 people we support. Norwood Schools values its suppliers and has multi-year contracts with key suppliers. Norwood Schools reports its performance and practices in line with reporting requirements.

## FINANCIAL REVIEW

In the 20/21 financial year the COVID-19 pandemic brought significant financial challenges. We incurred an operating deficit of £2.3m (2020: £2.7m), before the profit realised from a disposal of properties. Included within these disposals is the sale of a site in Hackney which brought a one-off boost to free reserves of £2.9m. There were unrealised investment gains of £2.7m.

	<b>31 March 2021</b> <b>£'000</b>	<b>31 March 2020</b> <b>£'000</b>
Statutory operating surplus/(deficit)	878	(1,935)
Profit on sale of property	(3,136)	(755)
<b>Actual operating deficit</b>	<b>(2,258)</b>	<b>(2,690)</b>

### Income

The total income we generated was £33.1m (2020: £31.2m). £18.2m (55%) of this was generated from providing paid-for services in line with our charitable purpose. £9.1m (27%) was generated from voluntary donations while the remainder was realised from trading, investment income and gains from property sales.

The growing funding gap for adult social care from local authorities continues to be a challenge for Norwood as it is across the sector. The funding gap will continue to grow without social care reform. The Health Foundation estimates up to an additional £14 billion will be required over the next decade across the sector to meet future demand. We continue to work closely with commissioning authorities to access additional support and Norwood will continue to pursue operational efficiencies and maximise limited resources.

We saw a decrease in the income received from local authorities of 2.9% reflecting continuing challenges within the sector. While we were successful at securing annual increases from some councils, particularly in response to COVID-19, the majority of the councils we work with were not forthcoming with increases and some challenged the level of fees already being paid. We will continue to liaise with local authorities on fees so as to ensure the level of fees we received is commensurate with the level of care being provided.

We raised £9.1m from our fundraising activities and legacies which was a 5% reduction on the prior year performance. This decrease was largely because many events and challenges could not take place, reducing Norwood's donation income to £7.6m (2020: £8.1m). Included in fundraising income are donations received in response to COVID-19 of £0.8m. Norwood's seven shops were closed for most of the year due to government restrictions resulting in trading income of £0.1m (2020: £0.6m). Norwood received government assistance of £0.3m in the form of retail grants and £0.1m in furlough support for the shop staff. As a result of the challenges faced by the high street, Norwood took the decision to commence the phased closure of its retail operations. This was a difficult decision taken after exploring different options including partnerships with other charities.

### Expenditure

Our total expenditure was £1.0m lower than the previous year. Our expenditure on charitable activities was comparable to the prior year at £29.0m. This relates to the direct and support costs of providing care and educational services to the people we support. Whereas marketing and fundraising costs of generating voluntary income were £2.3m, £0.9m less than the previous year mainly due to events being postponed or run in a digital format.

## Going Concern

In addition to the risks outlined above, additional work has been carried out to assess the going concern of the charity, factoring in 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. The trustees do not consider there to be material uncertainty over the charity and group's ability to continue as a going concern for the next 12 months. 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. Fundraising and investment income has been modelled to fall by 25% with an extreme case of 50% loss of fundraising income due to fundraising events being cancelled. Under these models Norwood has sufficient reserves to continue operating for more than the next 12 months. Investments valued at £14.1m at 31 March 2020 were valued at £15.8m as at 31 March 2021 after divestment of £1m in June 2020. As a result of the unrealised gains in the investment portfolio and the sale of the Hackney site free reserves as at 31 March 2021 had increased by around 50% to £16.3m (2020: £11.0m). The analysis supports the accounts being prepared on a going concern basis.

## 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.

The trustees calculate the reserves as that part of the charity's unrestricted income funds that is freely available after taking account of the restricted and endowment funds that have been earmarked for specific projects. Norwood's restricted / 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. They may be restricted income funds, which are expendable at the discretion of the trustees in furtherance of some particular aspect of the objects of the charity, or they may be capital funds, where the assets are required to be invested, or retained for actual use, rather than expended. Furthermore, endowment funds may be permanent endowments which trustees cannot expend without seeking consent from the Charity Commission.

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 at 31 March 2021, the free reserves of the charity was £16.3m. This is calculated as follows:

	<b>31 March 2021</b> <b>£'000</b>	<b>31 March 2020</b> <b>£'000</b>
Group net assets	45,840	42,262
Less endowment funds	(1,900)	(1,574)
Less restricted funds	(7,015)	(7,121)
Less unrestricted fixed assets	(20,649)	(22,519)
<b>Free Reserves</b>	<b>16,276</b>	<b>11,048</b>

Our minimum reserves level incorporates the following:

- liquid cash, ensuring we have sufficient cash holdings to meet our immediate organisational needs; and
- investment balances.

The trustees have set a target range of free reserves based upon 3 and 6 months of its annual expenditure. This is equivalent to £8.3m to £16.6m.

### **Investment Policy**

Norwood holds investments in order to generate income for the furtherance of its charitable activities. As part of trustees' diversification strategy, two fund managers are appointed to manage its investment portfolio (Sarasin and Partners LLP and CCLA).

The Board of Trustees has delegated the regular monitoring of investment performance against the objectives to the Investment Committee. The investment objective is long term total return with a return target of CPI+3.5% over a rolling 3-year period. At the end of the financial year, Sarasin and Partners reported a portfolio value of £8.1m and CCLA reported a portfolio value of £7.7m.

Asset allocation as at 31 March 2021 is depicted below:

<b>Asset Class</b>	<b>Sarasin &amp; Partner</b>	<b>CCLA</b>	<b>Average combined holdings</b>
Fixed Income	21.0%	0.3%	10.6%
Equities	63.0%	64.1%	63.6%
Properties	2.0%	3.2%	2.6%
Alternatives	8.0%	11.5%	9.8%
Cash	6.0%	20.9%	13.4%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Investment performance is monitored through the Investment Committee.

### **SECTION 17 OF THE CHARITIES ACT 2011**

The trustees confirm that in the course of their duties they have had full regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit". 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.

## **OUR FUNDRAISING APPROACH**

We are committed to achieving the highest standards of professional fundraising. We are corporate members of the Institute of Fundraising and we are registered with the Fundraising Regulator, to whom we pay the Fundraising Levy. Through the systems and processes we have put in place, we aim to achieve the standards set out in the Fundraising Code of Practice. We are signed up to the Fundraising Preference Service.

The Fundraising department works closely with Norwood's Information Governance Department to ensure our fundraising data protection practices are compliant with the General Data Protection Regulations. A manager within the Fundraising team also has a specific remit for compliance and governance issues. The Audit and Risk Committee of our Board of Trustees has oversight for compliance and also regularly reviews our charity-wide Complaints and Whistleblowing registers.

Norwood raises most of its voluntary income from individuals and companies via sporting challenges, community fundraising, dinner events, a philanthropy programme which includes postal appeals, payroll giving, and from bid applications to trusts and foundations. We do not employ third-party professional fundraisers or commercial organisations to fundraise on our behalf, but we do engage third parties to manage the logistics of some events and challenges. Some of our fundraising activities are delivered in partnership with committees consisting of staff, trustees and volunteers.

We do not take part in any intrusive or high-pressure fundraising activities, such as street fundraising, door-to-door fundraising or cold-calling by telephone. We respect all requests to stop giving or to stop receiving our fundraising communications and provide guidance to our fundraising staff in these areas. We monitor complaints arising from our fundraising activities. In the year we received three complaints relating to marketing communications and they were all resolved satisfactorily.

## **REMUNERATION POLICY**

Our senior management team is responsible for the charity's affairs on a day-to-day basis. In view of the nature of the charity, the salaries of our senior staff are benchmarked against pay levels in similar sized charitable organisations.

## **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.

## STREAMLINED ENERGY AND CARBON REPORTING (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 businesses and charities.

### Methodology

Norwood's footprint is calculated in accordance with the Greenhouse Gas (GHG) Protocol and Environmental Reporting Guidelines. Department for Environment, Food and Rural Affairs (DEFRA) emission factors were used for all emission sources as these were deemed more comprehensive and aid conversion to carbon dioxide equivalent (CO<sub>2</sub>e).

### 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

### SECR Dashboard

#### Energy Consumption (kWh)

	SECR Year 2021	SECR Base Year 2019*	Variance
Scope 1	5,032,406	6,041,297	-17%
Scope 2	1,972,074	2,159,306	-9%

#### Carbon Emissions (tCO<sub>2</sub>e)

	SECR Year 2021	SECR Year 2019	Variance
Scope 1	930	1,136	-18%
Scope 2 – location based (LB)	460	611	-25%
Scope 2 – market based (MB)	351	624	-44%
Total Carbon – LB	1,390	1,747	-20%
Total Carbon – MB	1,281	1,760	-27%

#### Intensity Ratio (tCO<sub>2</sub>e/Headcount)

	SECR Year 2021	SECR Year 2019	Variance
Intensity Ratio	2.4	2.7	-11%

\*Figures presented are for each approximate calendar year. SECR Year 2019 is the base year which was February 2018 to January 2019 as this was felt to be a more representative year due to COVID-19. Future comparisons will be based on this. 'Location-based' represents the GHG intensity of the grids where we have sites and 'market-based' reflects the emissions for the electricity we have purchased.

### 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 next financial year.



## PRINCIPAL RISKS AND UNCERTAINTIES

Risk is inherent in the charity's operations and the decisions made in pursuit of its charitable goals. The Board of Trustees is responsible for the nature and extent of the principal risks it is willing to take but delegates the detailed review of the corporate risk register to the Audit and Risk Committee. The Board, through the Audit and Risk Committee, is also responsible for ensuring that risks are effectively managed. A new risk management framework was designed and put in place in 2019. This framework led to a deep dive of risks and control measures by Audit and Risk Committee members in collaboration with the Senior Management Team. A 3-year internal audit plan was also developed on the back of the identified and wider risks. Although several audits have been undertaken, the proposed 3-year plan has been severely disrupted by COVID-19. Planned audits are now back on track and delayed audits have been incorporated into the current timetable.

### Impact of COVID-19

As we move towards an easing of restrictions COVID-19 remains a risk that is actively managed in relation to its impact on the charity's operations and finances:

RISKS	CONTROL MEASURES
<b>Operational Risks</b>	<ul style="list-style-type: none"> <li>○ A COVID-19 Mission Control operations group holds daily monitoring conference calls to review risks to service users and actions.</li> <li>○ PPE and hygiene kits are made readily available for staff, service users and visitors at services.</li> <li>○ There is a clear process established for managing information from Public Health England, local authorities and other regulatory bodies.</li> </ul>
<b>Liquidity and Fundraising Risks</b>	<ul style="list-style-type: none"> <li>○ Move fundraising events to a digital format and soliciting donations from major donors.</li> <li>○ Reduce capital programme planned pre-COVID-19 limiting the Capex programme to essential compliance and safety works.</li> <li>○ Access relevant government schemes to support businesses including Coronavirus Job Retention Scheme, Retail, Hospitality and Leisure grants and Infection Control Funding.</li> </ul>

### Impact of Brexit

The UK Brexit transition period ended on 31 December 2020. There are a number of UK-EU relationship negotiations ongoing, some of which may impact the charity's activities. Trade negotiations could have an impact on recruitment, as such, Norwood will continue to keep abreast of imminent agreements including data security and sharing agreement, supplies of electricity and gas and the regulation of medicines. As part of its Brexit Business Contingency planning detailed to the Audit and Risk Committee, Norwood will continue to take necessary steps including working with local pharmacies on medicine supplies, refer to support provided by The Care Provider Alliance, collaborate with local authorities through the established Local Resilience Forums and continue to support relevant workforce to apply for the EU Settlement Scheme.

### Risk Appetite and Other Principal Risks

The Audit and Risk Committee discussed the charity's risk appetite and agreed its initial response to all risks is 'cautious'. The essence of the risk appetite is to provide direction and boundaries for consistent, risk-aware decision-making across the organisation. It is also to guide executives and non-executives to take the right level and type of risks. Other principal risks identified during the year are:

RISKS	CONTROL MEASURES
<p><b>The evaluation of the strategic options for the Ravenswood Village leading to sub-optimal outcomes</b></p>	<ul style="list-style-type: none"> <li>○ A complex piece of work is required to determine and work through the best outcome for Norwood and various stakeholders.</li> <li>○ A detailed framework and governance structure are in place with a sub-working group of trustees and a program working group.</li> <li>○ Various future options have been developed and are being thoroughly explored with all relevant stakeholders.</li> <li>○ 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</li> <li>○ 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.</li> <li>○ An Equality Impact Assessment was commissioned.</li> <li>○ 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.</li> </ul> <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><b>Lack of operational regulatory compliance resulting in significant safeguarding incidents</b></p>	<ul style="list-style-type: none"> <li>○ Upgraded approach to delivering quality assurance is in place; quality audits and assessment monitoring have been improved and are being actively managed.</li> <li>○ Dashboard reporting is in place and being improved upon.</li> <li>○ Training needs have been assessed and evidence of delivering regulated training requirements gathered. This is almost complete and shows we are within industry benchmarks and guidelines.</li> <li>○ Reinforcing of whistleblowing procedures, reporting and awareness.</li> <li>○ Regularly reporting safeguarding issues to the Operational Services Committee and ensuring incidents or concerns are promptly dealt with and reported at the Audit and Risk Committee.</li> </ul>
<p><b>Failure to implement urgent IT transformation plan to address the significant operational and reputational risks caused by technology that is not fit for purpose</b></p>	<ul style="list-style-type: none"> <li>○ Strategic remediation roadmap and plan have been prepared for, and approved by, the Trustees.</li> <li>○ Deployment of virtual CIO on a part-time basis to strengthen the accountability of Norwood’s third-party providers. A detailed and evolving Technology action plan is being implemented. It aims to both mitigate the latent risks (including operational inefficiency, disaster recovery and cyber) and improve the technology experience for the whole business.</li> </ul>



<p><b>Recruitment of support workers especially at our Berkshire site</b></p>	<ul style="list-style-type: none"> <li>○ Fundamental review of our recruitment process – including brand/differentiation, routes to market and candidate processing – will launch and be conducted in H2 2021.</li> <li>○ Monthly reporting and assessment of agency costs against corporate financial targets are continuing and receiving close executive scrutiny and oversight.</li> <li>○ Reviewing our volunteering strategy and streamlining the use of agency staff wherever possible – particularly as we continue to re-open services following COVID-related closures.</li> </ul>
<p><b>Failure to comply with prevailing regulations such as GDPR, Health &amp; Safety, Fundraising Regulator etc.</b></p>	<ul style="list-style-type: none"> <li>○ Maintaining a thorough understanding of regulatory requirements and implementation timeframes, as well as, ensuring leads (such as the Data Protection Officer and newly created role of Assistant Director of Compliance) are appointed to oversee key change processes.</li> <li>○ Benchmarking current practices against best practices.</li> <li>○ Establishment of a new Risk, Healthy and Safety committee to bolster the level of independent challenge and oversight.</li> <li>○ Keeping policies and procedures up to date and ensuring proper and clear communication to staff, trustees and volunteers.</li> <li>○ Undertaking independent audit reviews and spot-checks to ensure compliance with legislative requirements.</li> </ul>

### Structure, Governance and Management

Every year, we provide direct intervention to 2,500 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 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 of Trustees 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 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.

## Our Trustees and Committee Members

The trustees who were in office during the year are highlighted in bold. Lay leaders are co-opted members who provide invaluable support to Norwood's committees and contribute to the overall governance of the charity. Please refer to our website at [Norwood.org.uk](http://Norwood.org.uk) for further details of our trustees.

<b>Angela Hodes – ARC, OSC</b>	Louise Wolfson – ARC
<b>Anthony Rabin – ARC</b> (resigned 27 November 2020)	Mark Lee – CSC
Alfred Garfield – CSC	Michael Hart – OSC
Alison Richardson – OSC (resigned 29 January 2021)	Michael Rosehill – IC
Andrew Viner – ARC, IC	Mike Myers – IC
Ben Freeman – ARC, IC	Nick Green – PSG*
Coren Lass – ARC	Paul Huberman – PSG
Dan Adler – IC	Paul Moser – OSC
David Ereira – OSC, FCG	<b>Philip Hertz – CSC</b>
David Freedman – IC	<b>Rachel Davis-Stollar – FCG</b>
<b>David Smith – ARC*, IC*</b>	Richard Estrop – PSG
<b>David Stanton – CSC, ARC</b> (resigned 27 November 2020)	Roger Filer – OSC
Ian Fagelson – ARC	Ron Raye – PSG
<b>Gary Sacks – PSG, FCG</b>	Ronnie Harris – PSG,FCG
<b>Glynnis Joffe – OSC*</b>	Simon Chadowitz – PSG
Jourdan Rajwan – PSG	Simon Shelley – PSG
<b>Linda Goldberg – OSC, PSG</b> (resigned 5 March 2021)	<b>Tamara Finkelstein CB – CSC</b>
	<b>Tim Isaacs CSC*, ARC</b>

ARC – Audit and Risk Committee

FCG – Fundraising Campaign Group

OSC – Operational Services Committee

CSC – Corporate Services Committee

IC – Investment Committee

PSG – Property Strategy Group

\* Committee's Chair

## Trustees' Responsibilities Statement

The trustees (who are also directors of Norwood Ravenswood 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the group 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 group 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:

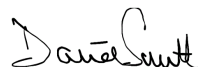
- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that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




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**Neville Kahn**  
Chair




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**David Smith**  
Joint Treasurer & Chair of Audit and Risk Committee

**9 July 2021**

## Independent Auditor's Report to the Members of Norwood Ravenswood

### Opinion

We have audited the financial statements of Norwood Ravenswood (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021, which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement 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 group's and parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources 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 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 group and parent 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 group's and the parent 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 group or parent charitable company to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the group's and parent 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 group's and parent charitable company's financial resources or ability to continue operations over the going concern period.

## Independent Auditor's Report to the Members of Norwood Ravenswood

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 group's and parent 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.

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 parent 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

## **Independent Auditor's Report to the Members of Norwood Ravenswood**

- adequate accounting records have not been kept by the parent charitable company, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 group and the parent 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 group or parent 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).



## Independent Auditor's Report to the Members of Norwood Ravenswood

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

- We understood how Norwood Ravenswood 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 Group 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, Data Protection Act 2018, Code of Governance, Health and Safety legislation, safeguarding children and adults legislation, tax legislation, anti-bribery legislation and employment law.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
  - journal entries that increased revenues or that reclassified costs from the income statement to the balance sheet
  - potential management bias in determining accounting estimates, especially in relation to the calculation of impairment of intangible assets
  - transactions with related parties
- Our audit procedures involved:
  - evaluation of the design effectiveness and testing the operating effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on material manual journals, including those with unusual account combinations and those that reclassified costs from the income statement to the balance sheet;
  - challenging assumptions and judgements made by management in its significant accounting estimates;
  - testing the completeness of the group's related party transactions through information obtained at the parent and component entities and testing that these transactions had a valid business purpose;

## Independent Auditor's Report to the Members of Norwood Ravenswood

- assessing matters reported through the group's whistleblowing programme and the results of management's evaluation of such matters; and
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.
  - These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from 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.
  - We did not identify any matters relating to non-compliance of laws and regulations or fraud.
  - 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 client operates
    - understanding of the legal and regulatory requirements specific to the entity/regulated entity including:
      - the provisions of the applicable legislation
      - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules
      - the applicable statutory provisions
  - 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 accrued or deferred income.
  - In assessing the potential risks of material misstatement, we obtained an understanding of:
    - the entity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
    - the applicable statutory provisions
    - the entity's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, including the adequacy of the training to inform staff of the relevant legislation, rules and other regulations of the regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the entity's



## Independent Auditor's Report to the Members of Norwood Ravenswood

compliance with regulatory requirements, the authority of, and resources available to the compliance officer and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.

### 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**

9 July 2021

**Consolidated Statement of Financial Activities**  
**For the year ended 31 March 2021**  
**(Incorporating the Income and Expenditure Account)**

	Notes	Continuing Operations				Discontinued Operations				Total 2021	Total 2020
		Unrestricted Funds 2021	Endowment Funds 2021	Restricted Funds 2021	Total Funds 2021	Unrestricted Funds 2021	Restricted Funds 2021	Total Funds 2021	Total 2021		
<b>Income from:</b>		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Donations and legacies	2	7,536	-	1,588	9,124	-	-	-	<b>9,124</b>	9,603	
Charitable activities	3	18,209	-	1,172	19,381	-	-	-	<b>19,381</b>	19,425	
Trading activities	4	-	-	-	-	335	137	472	<b>472</b>	569	
Investments	5	953	-	-	953	-	-	-	<b>953</b>	883	
Profit on disposal of property		3,136	-	-	3,136	-	-	-	<b>3,136</b>	755	
<b>Total income</b>		<b>29,833</b>	-	<b>2,760</b>	<b>32,593</b>	<b>335</b>	<b>137</b>	<b>472</b>	<b>33,066</b>	<b>31,234</b>	
<b>Expenditure on:</b>											
Raising voluntary income and marketing	6a	2,280	-	-	2,280	-	-	-	<b>2,280</b>	3,199	
Charitable activities	6a	26,143	-	2,880	29,024	-	-	-	<b>29,024</b>	29,077	
Trading activities	6a	-	-	-	-	726	137	863	<b>863</b>	845	
Investments	6a	-	-	-	-	-	-	-	-	18	
Other	6a	21	-	-	21	-	-	-	<b>21</b>	31	
<b>Total cost</b>		<b>28,444</b>	-	<b>2,880</b>	<b>31,324</b>	<b>726</b>	<b>137</b>	<b>863</b>	<b>32,187</b>	<b>33,169</b>	
Operating surplus / (deficit)		<b>1,389</b>	-	<b>(120)</b>	<b>1,269</b>	<b>(391)</b>	-	<b>(391)</b>	<b>878</b>	<b>(1,935)</b>	
Net gains / (losses) on investments	10c	2,353	326	-	2,679	-	-	-	<b>2,679</b>	(744)	
<b>Net income / (expenditure)</b>		<b>3,742</b>	<b>326</b>	<b>(120)</b>	<b>3,948</b>	<b>(391)</b>	-	<b>(391)</b>	<b>3,557</b>	<b>(2,679)</b>	
Transfers between funds	15	(14)	-	14	-	-	-	-	-	-	
<b>Other recognised gains and losses</b>											
Net gains on financial instrument	10c	-	-	-	-	-	-	-	-	(4)	
Net gains on revaluation of fixed assets	10d	(35)	-	-	(35)	-	-	-	<b>(35)</b>	-	
<b>Net movement in funds</b>		<b>3,693</b>	<b>326</b>	<b>(106)</b>	<b>3,913</b>	<b>(391)</b>	-	<b>(391)</b>	<b>3,522</b>	<b>(2,683)</b>	
<b>Reconciliation of funds:</b>											
Total funds brought forward	23	33,567	1,574	7,121	42,262	-	-	-	<b>42,262</b>	44,945	
<b>Total funds carried forward</b>	<b>21</b>	<b>37,260</b>	<b>1,900</b>	<b>7,015</b>	<b>46,175</b>	<b>(391)</b>	-	<b>(391)</b>	<b>45,784</b>	<b>42,262</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 23). The accompanying notes on pages 29 to 54 of this report form an integral part of these accounts.

**Balance Sheet**  
As at 31 March 2021

		GROUP		PARENT CHARITY	
		2021	2020	2021	2020
		£'000	£'000	£'000	£'000
<b>Fixed Assets</b>	Note				
Intangible fixed assets	8	58	284	5	-
Tangible fixed assets	9	22,267	24,169	904	1,159
Investments: Managed investment portfolio	10a	15,793	14,128	14,412	12,626
Directly managed property	10b	7,675	7,710	-	-
Interest rate derivative	10d	-	-	-	-
<b>Total fixed assets</b>		<b>45,794</b>	<b>46,291</b>	<b>15,321</b>	<b>13,785</b>
<b>Current Assets</b>					
Debtors	12	1,809	1,991	92	424
Cash at bank and in hand		7,293	2,618	4,471	529
<b>Total current assets</b>		<b>9,102</b>	<b>4,609</b>	<b>4,563</b>	<b>953</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	13	(4,835)	(4,099)	(5,896)	(3,159)
<b>Net current assets / (liabilities)</b>		<b>4,267</b>	<b>510</b>	<b>(1,333)</b>	<b>(2,206)</b>
<b>Total assets less current liabilities</b>		<b>50,062</b>	<b>46,801</b>	<b>13,988</b>	<b>11,578</b>
Creditors: amount falling due after one year	14	(4,277)	(4,539)	-	-
<b>Total net assets</b>		<b>45,784</b>	<b>42,262</b>	<b>13,988</b>	<b>11,578</b>
<b>Funds</b>					
Including cumulative revaluation gains of £4.6m (2020: Losses £0.5m)					
Restricted funds	15	7,015	7,121	64	64
Endowment funds	15	1,900	1,574	1,900	1,574
Unrestricted funds	15	36,869	33,567	12,025	9,940
<b>Total Funds</b>		<b>45,784</b>	<b>42,262</b>	<b>13,990</b>	<b>11,578</b>

The accompanying notes on pages 29 to 54 of this report form an integral part of these accounts.  
Approved by the Board of Trustees on 9 July 2021

*Neville Kahn*

**Neville Kahn**  
Chair of the Board

*David Smith*

**David Smith**  
Joint Treasurer & Chair of Audit and Risk Committee  
and Investment Committee

**Consolidated Cash Flow Statement  
For the Year Ended 31 March 2021**

		<b>2021</b>	<b>2020</b>
	Note	£'000	£'000
<b>Cash flows from operating activities:</b>			
Net cash (used in) by operating activities	21a	<b>(661)</b>	<b>(1,899)</b>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rent from investments	4	953	882
Purchase of tangible fixed assets	9	(303)	(2,077)
Purchase of intangible fixed assets	8	(19)	(223)
Proceeds on sale of tangible fixed assets	21a	3,791	878
Purchase of investments	10a	-	(8,122)
Proceeds on disposal of investments	10a	1,000	11,108
Net Cash provided by investing activities		<b>5,421</b>	<b>2,446</b>
<b>Cash flows from financing activities:</b>			
Interest paid		(64)	(81)
Bank loan repaid		(28)	(304)
Net Cash (used in) financing activities		<b>(92)</b>	<b>(385)</b>
Change in cash and cash equivalents in the reporting period		4,675	161
Cash and cash equivalents at the beginning of the period		2,618	2,457
Cash and cash equivalents at the end of the reporting period	20a	<b>7,293</b>	<b>2,618</b>

## Notes to the Financial Statements For the year ended 31 March 2021

### 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 consolidated financial statements have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 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 (FRS 102) - effective 1 January 2019. Norwood Ravenswood was incorporated in the United Kingdom and the financial statements are presented in Sterling (£), round to thousands.

Norwood meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared consolidating the results of the charity – Norwood Ravenswood - and its wholly-owned subsidiaries – Norwood Schools Limited and The Hope Charity – which are also registered charitable companies limited by guarantee. The charities within the Norwood group are separately registered and governed by their own memorandum and Articles of Association.

The financial statements also consolidate the activities of the Charity's linked charity – Norwood Home for Jewish Children. As at 31 March 2021, Norwood Home for Jewish Children is the only charity that is linked with the parent charity. There were no financial activities undertaken by the linked charity (under the Charities Act 2011) during the year and no funds were held for it.

The results of the parent charity relate to the activities, assets and liabilities undertaken by the company in its own name.

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

At the time of approving these financial statements certain restrictions remain in place and there is ongoing uncertainty created by the COVID-19 pandemic. The majority of Norwood's income is secure as it arises from statutory sources. However, we have carried out stress testing and modelled a 4% and 6% reduction in statutory income due to attrition rates, with 6% being an extreme case. We have also modelled a scenario whereby fundraising and investment income has fallen by 25% with an extreme case of 50% loss of fundraising income due to fundraising events being cancelled. Under these models Norwood has sufficient reserves to continue operating for more than the next 12 months. Investments are valued at £15.8m as at 31 March 2021 (2020: £14.1m) after divestment of £1m in June 2020. Free reserves at 31 March 2021 had increased by around 50% to £16.3m (2020: £11.0m) as a result of the unrealised gains in the investment portfolio and the sale of the Hackney site freehold. This analysis has not identified events or conditions that prevent the business from being able to meet financial obligations as they fall due for the foreseeable future.

## Notes to the Financial Statements For the year ended 31 March 2021

Further, if necessary, the group could undertake certain actions to protect against any negative impacts. Such mitigating actions could include, but are not limited to, reducing the planned capital expenditure programme, accessing government support grants, schemes and business reliefs, divestment from our investment portfolio, reducing revenue related costs, extending overdraft facilities, streamlining services and property disposals. At present, none of these actions are thought to be necessary and the business continues to monitor the uncertainty closely.

The trustees do not consider there to be material uncertainty over the charity and group's ability to continue as a going concern for the next 12 months and accordingly they believe it is appropriate to prepare these financial statements 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:

#### Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms' length transaction. The financial instruments are initially recognised at fair value, which is normally the transaction price. In certain circumstances, the initial fair values may be based on a valuation technique, which may lead to the recognition of profits or losses at the time of initial recognition. However, these profits or losses can only be recognised when the valuation technique used is based solely on observable market inputs. Norwood has a cap to hedge the interest rate risks of its long-term loan. Subsequent to initial recognition, the cap was carried at fair value, with changes in fair value either reported within the income statement or within equity until the instrument is sold or becomes impaired. Details of the charity's financial instruments are set out in Note 10.

#### 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.

#### 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' debtors, 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.

## Notes to the Financial Statements For the year ended 31 March 2021

### 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.

### Legacies

Legacies are accounted for when notified, providing the amount can be reliably measured and that ultimate receipt is probable. A receipt is deemed probable when:

- there has been a grant of probate;
- the executors have established that there is sufficient assets in the estate after settling any liabilities to pay the legacy or confirmation of a fixed sum has been confirmed as receivable by the executor where Norwood's interest in the legacy is not residuary; and
- any condition attached to the legacy is either within the control of the charity or has been met.

Where the legacy is measurable but the criteria for income recognition have not been fully met, then the legacy is treated as a contingent asset and disclosed if material in Note 18 of the financial statements.

Where a payment is received from an estate after the reporting date but before the accounts are signed and it is clear that the payment had been agreed by the executors prior to the end of the reporting period, the payment is treated as an adjusting event and accrued in the reporting year as income.

### 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.

## Notes to the Financial Statements For the year ended 31 March 2021

### 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, endowment, 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 fund set aside at the discretion of the Board for specific purposes. Endowment funds are funds where capital is retained and has been invested to provide income that is subject to specific restriction by the donor. All other types of funds which are not endowments, 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 detailed 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.

### 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 detailed in Note 5. Governance costs relate to costs associated with the governance arrangements of 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.



## Notes to the Financial Statements

### For the year ended 31 March 2021

#### 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:

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.

## Notes to the Financial Statements

### For the year ended 31 March 2021

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) Basic Financial instruments

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

##### Financial assets:

Financial assets represent 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.

##### 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 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 because all costs are borne by the underlying 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.

## **Notes to the Financial Statements For the year ended 31 March 2021**

### **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 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 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

Notes to the Financial Statements  
For the year ended 31 March 2021

## 2. Incoming resources from donations and legacies

	Unrestricted Funds	Endowment Funds	Restricted Funds	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000
Donations	6,120	-	1,588	<b>7,708</b>	8,057
Legacies	1,407	-	-	<b>1,407</b>	1,504
Grants	9	-	-	<b>9</b>	42
<b>Total</b>	<b>7,536</b>	-	<b>1,588</b>	<b>9,124</b>	<b>9,603</b>

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

	Unrestricted Funds	Endowment Funds	Restricted Funds	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000
Statutory income from local authorities	16,598	-	-	<b>16,598</b>	17,539
Gross fee income	236	-	-	<b>236</b>	348
Less: bursaries and grants	-	-	-	-	-
Rental income	1,294	-	-	<b>1,294</b>	1,264
Other income	81	-	-	<b>81</b>	274
Government grant	-	-	1,172	<b>1,172</b>	-
<b>Total</b>	<b>18,209</b>	-	<b>1,172</b>	<b>19,381</b>	<b>19,425</b>

Included within Government Grants - Furlough Grants is £633,000 (2020: £nil) relating to the Coronavirus Job Retention Scheme (CJRS), Infection Control Fund (ICF) Grants £539,000 (2020: £nil).

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

	Unrestricted Funds	Endowment Funds	Restricted Funds	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000
Adults services	16,987	-	827	<b>17,814</b>	17,794
Family services	107	-	274	<b>382</b>	151
Children services	1,102	-	3	<b>1,105</b>	1,472
Support services	12	-	68	<b>80</b>	8
<b>Total</b>	<b>18,209</b>	-	<b>1,172</b>	<b>19,381</b>	<b>19,425</b>

## 4. Trading activities - discontinued

	Unrestricted Funds	Restricted Income Funds	Total 2021	Total 2020
	£'000	£'000	£'000	£'000
Trading income	96	-	<b>96</b>	569
Governments grants	239	137	<b>376</b>	-
<b>Total</b>	<b>335</b>	<b>137</b>	<b>472</b>	<b>569</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. Included within Government Grants - Unrestricted Fund shop grants is £239,000 (2020: £nil). Furlough Grants is £137,000 (2020: £nil) relating to the Coronavirus Job Retention Scheme (CJRS).

Notes to the Financial Statements  
For the year ended 31 March 2021

5. Incoming resources from investments

	Unrestricted Funds	Endowment Funds	Restricted Funds	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000
Bank deposit interest	235	-	-	235	130
Investment Income / dividend	256	-	-	256	305
Rental income from investment properties	462	-	-	462	448
<b>Total</b>	<b>953</b>	<b>-</b>	<b>-</b>	<b>953</b>	<b>883</b>

6a. Resources expended

	Direct Staff Costs	Other Direct Costs	Reallocated Support Cost	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000
Cost of generating voluntary income	913	481	241	1,635	2,610
Cost of marketing	345	300	-	645	589
Cost of trading-discontinued	288	456	119	863	845
Cost of generating investment income	-	-	-	-	18
Other	-	21	-	21	31
<b>Total cost of raising funds</b>	<b>1,546</b>	<b>1,258</b>	<b>360</b>	<b>3,164</b>	<b>4,093</b>
Charitable expenditure:					
Adults services	15,962	5,531	3,760	25,252	24,918
Family services	1,195	(38)	274	1,431	1,368
Children & educational services	1,128	817	394	2,339	2,791
<b>Total cost of charitable expenditure</b>	<b>18,285</b>	<b>6,311</b>	<b>4,428</b>	<b>29,023</b>	<b>29,078</b>
<b>Total resources expended</b>	<b>19,830</b>	<b>7,569</b>	<b>4,788</b>	<b>32,187</b>	<b>33,171</b>

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

Support costs (basis of apportionment)	Adults services	Family services	Children services	Fundraising	Trading	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Financial Management</b> <i>(percentage of staff)</i>	530	26	29	26	11	622	489
<b>Information Systems</b> <i>(number of PCs)</i>	804	93	197	111	11	1,216	800
<b>Assistive Technology</b> <i>(equipment and time spent)</i>	99	21	21	-	-	141	231
<b>Human Resources</b> <i>(percentage of staff)</i>	871	42	48	39	18	1,018	958
<b>Property and Facilities</b> <i>(percentage of staff)</i>	462	22	25	21	10	540	498
<b>Central Management</b> <i>(percentage of staff)</i>	553	27	30	25	12	647	713
<b>Jewish culture</b> <i>(percentage of staff)</i>	74	4	4	3	2	87	120
<b>Risk and Assurance</b> <i>(percentage of staff)</i>	48	2	3	2	1	56	78
<b>Volunteering</b> <i>(number of volunteers)</i>	56	24	3	2	28	113	212
<b>Governance</b> <i>(percentage of staff)</i>	263	13	34	12	26	348	448
<b>Total</b>	<b>3,760</b>	<b>274</b>	<b>394</b>	<b>241</b>	<b>119</b>	<b>4,788</b>	<b>4,547</b>

**Notes to the Financial Statements**  
**For the year ended 31 March 2021**

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

		<b>Total 2021</b>	<b>Total 2020</b>
		£'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	35	42
	Fees payable to the charitable company's auditor and its associated for other services:	33	35
	Tax compliance services	6	-
Depreciation:	Intangible fixed assets	122	139
	Tangible fixed assets	1,540	1,682
Interest payable		64	81
Operating lease rentals:	Plant & machinery	215	215
	Properties	496	507
Trustees' indemnity insurance premiums		4	5

**6d. Subsidiaries and parent charities**

Norwood Ravenswood has six dormant subsidiary undertakings. Details of each subsidiary undertaking are listed in Note 11 as well as details of linked charities. The summary results for the active subsidiaries with the assets and liabilities of each subsidiary undertakings and the parent charity are as shown below.

	<b>The Hope Charity</b>	<b>Norwood Schools Limited</b>	<b>Parent Charity</b>
	£'000	£'000	£'000
<b>2021</b>			
Incoming resources/ turnover	99	30,872	10,895
Resources expended	(21)	(30,086)	(10,881)
Net (losses) / gains on revaluation & investments	(35)	281	2,398
<b>Net income for the year</b>	<b>43</b>	<b>1,067</b>	<b>2,412</b>
Total assets	1,413	40,272	19,886
Total liabilities	(928)	(8,573)	(5,896)
<b>Net assets</b>	<b>486</b>	<b>31,699</b>	<b>13,990</b>
<b>2020</b>			
Incoming resources/turnover	96	31,014	9,026
Resources expended	(31)	(30,125)	(11,911)
Net losses on investments	(40)	(107)	(636)
<b>Net income for the year / (expenditure)</b>	<b>25</b>	<b>782</b>	<b>(3,521)</b>
Total assets	1,448	38,617	14,738
Total liabilities	(1,006)	(7,983)	(3,160)
<b>Net assets</b>	<b>442</b>	<b>30,634</b>	<b>11,578</b>

**Notes to the Financial Statements**  
**For the year ended 31 March 2021**

**7a. Staff costs**

	<b>2021</b>	<b>2020</b>
	£'000	£'000
<b>Direct staff expenditure:</b>		
Wages and salaries	18,036	18,565
Social security costs	1,566	1,654
Pension costs	546	611
<b>Total direct staff costs</b>	<b>20,149</b>	<b>20,830</b>
<b>Other Staff expenditure:</b>		
Agency costs	1,872	1,728
Other staff costs	510	375
<b>Total staff expenditure</b>	<b>22,532</b>	<b>22,933</b>

Included within Staff Costs reimbursed thought the is £772,000 (2020: £Nil) relating to the Coronavirus Job Retention Scheme (CJRS, staff costs shown gross).

**7b. Redundancy and Termination costs included in the costs above:**

	<b>2021</b>	<b>2020</b>
	£'000	£'000
Statutory redundancy payments	115	133
Payments in Lieu of notice period	197	144
Compensation for loss of office	72	20
<b>Total payments on termination included above</b>	<b>384</b>	<b>297</b>

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

	<b>Staff employed</b>		<b>Full-time equivalent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	Number	Number	Number	Number
Fundraising and trading activities	40	49	34	46
Adults' Services	643	686	453	455
Children and Family Services	33	42	28	33
Education and Support	28	31	16	19
Support Services	64	65	56	62
	<b>808</b>	<b>873</b>	<b>587</b>	<b>615</b>

**Notes to the Financial Statements**  
**For the year ended 31 March 2021**

**7d. Earnings above £60,000**

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.

<b>The number of employees who earned more than £60,000 during the year was:</b>		
	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
£60,001 - £70,000	5	4
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	1
£110,001 - £120,000	1	-
£120,001 - £130,000	1	1
£150,001 - £160,000	-	1

Contributions made to the pension scheme for the nine (2020: nine) employees who earned more than £60,000 amounted to £53,781 (2020: £60,190).

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 £541,859 (2020: £693,561)

**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 £546,000 (2020: £611,000) of which £98,000 was outstanding at 31 March 2021



Notes to the Financial Statements  
For the year ended 31 March 2021

### 8. Intangible Fixed Assets

	Group Computer Software	Parent Computer Software
	£'000	£'000
<b>Cost</b>		
At 1 April 2020	2,679	21
Additions	19	6
Disposals	(8)	-
<b>At 31 March 2021</b>	<b>2,690</b>	<b>27</b>
<b>Depreciation</b>		
At 1 April 2020	2,395	21
Charge for the year	122	1
Impairment	123	-
Disposals	(8)	-
<b>At 31 March 2021</b>	<b>2,632</b>	<b>22</b>
<b>Net Book Values:</b>		
<b>At 31 March 2021</b>	<b>58</b>	<b>5</b>
<b>At 31 March 2020</b>	<b>284</b>	<b>-</b>

### 9a. Tangible Fixed Assets

	Freehold properties	Leasehold properties	Motor vehicles	Fixtures, Furniture & Equipment	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 April 2020	32,836	3,467	864	9,025	<b>46,192</b>
Additions	1	3	36	263	<b>303</b>
Disposals	(472)	(665)	(24)	(167)	<b>(1,328)</b>
<b>At 31 March 2021</b>	<b>32,365</b>	<b>2,805</b>	<b>876</b>	<b>9,122</b>	<b>45,167</b>
<b>Depreciation</b>					
At 1 April 2020	13,801	1,631	489	6,102	<b>22,023</b>
Charge for the year	885	186	82	386	<b>1,540</b>
Disposals	(147)	(354)	(24)	(138)	<b>(663)</b>
<b>At 31 March 2021</b>	<b>14,539</b>	<b>1,464</b>	<b>548</b>	<b>6,349</b>	<b>22,900</b>
<b>Net Book Values:</b>					
<b>At 31 March 2021</b>	<b>17,826</b>	<b>1,341</b>	<b>329</b>	<b>2,772</b>	<b>22,267</b>
<b>At 31 March 2020</b>	<b>19,035</b>	<b>1,837</b>	<b>375</b>	<b>2,922</b>	<b>24,169</b>

Notes to the Financial Statements  
For the year ended 31 March 2021

9b. Parent Tangible Fixed Assets

	Freehold properties	Long leasehold properties	Fixtures, Furniture & equipment	Total	
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 April 2020	949	1,610	342		2,901
Additions	-	-	-		-
Disposals	-	(375)	-		(375)
<b>At 31 March 2021</b>	<b>949</b>	<b>1,235</b>	<b>342</b>		<b>2,526</b>
<b>Depreciation</b>					
At 1 April 2020	582	834	326		1,742
Charge for the year	8	28	2		39
Disposals	-	(158)	-		(158)
<b>At 31 March 2021</b>	<b>590</b>	<b>704</b>	<b>328</b>		<b>1,623</b>
<b>Net Book Values:</b>					
<b>At 31 March 2021</b>	<b>359</b>	<b>531</b>	<b>14</b>		<b>904</b>
<b>At 31 March 2020</b>	<b>367</b>	<b>776</b>	<b>16</b>		<b>1,159</b>

10a. Investments: Managed Investment Portfolio

	GROUP		PARENT CHARITY	
<b>Market Value</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	£'000	£'000	£'000	£'000
Market values at 1 April	14,128	17,818	12,626	16,011
Investment acquired in the year	-	8,121	-	6,438
Disposals in the year	(1,000)	(11,073)	(600)	(9,188)
Net investment ( gains/losses)	2,666	(739)	2,385	(600)
Assets liquidated and classified as cash	-	-	-	(35)
<b>Market value at 31 March</b>	<b>15,793</b>	<b>14,128</b>	<b>14,412</b>	<b>12,626</b>

	GROUP		PARENT CHARITY	
<b>Historical Cost for comparison</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	£'000	£'000	£'000	£'000
Historical cost at 31 March	13,663	17,208	12,375	15,339
Cumulative revaluation gains (investment portfolio)	2,130	(3,080)	2,037	(2,714)

The proportions of non-property investments by market value invested by fund manager was:

Sarasin and Partners LLP	52%	55%	49%	49%
OCLA	48%	45%	51%	51%

The underlying investments may also be analysed as follows:

	GROUP		PARENT CHARITY	
<b>Equity Investments by type</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	£'000	£'000	£'000	£'000
Multi-asset Investment Funds	15,793	14,123	14,411	12,622
Cash	-	5	-	4
<b>Market Value at 31 March</b>	<b>15,793</b>	<b>14,128</b>	<b>14,411</b>	<b>12,626</b>

**Notes to the Financial Statements**  
**For the year ended 31 March 2021**

**10b. Investments: directly managed property**

<b>Market Value</b>	<b>GROUP</b>		<b>PARENT CHARITY</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	£'000	£'000	£'000	£'000
Valuation at 1 April	7,710	7,750	-	-
Transfer from tangible fixed assets	-	-	-	-
Net investment (losses) - unrealised	(35)	(40)	-	-
<b>Carrying values at 31 March</b>	<b>7,675</b>	<b>7,710</b>	-	-

Cumulative revaluation gains (directly managed properties)

2,501	2,536	-	-
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The investment properties relate to the group's long leasehold interest in 228 Walm Lane, London and freehold interest in the ground floor of the building at 80-82 The Broadway, Stanmore, leased to a third party. The freeholder for 228 Walm Lane is the London Borough of Brent and the long leasehold has been granted for a term of 125 years from 24 June 1997.

In the prior year, an independent valuer, Cluttons LLP, undertook a valuation of the investment property. In the current year, that valuation has been updated.

**10c. Investments: financial instrument**

<b>Market Value</b>	<b>GROUP</b>		<b>PARENT CHARITY</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	£'000	£'000	£'000	£'000
Net gains / (losses) on investments: managed portfolio	2,679	(704)	2,398	(635)
Net (loss) on financial instruments: interest rate cap	-	(4)	-	-
Net losses on fixed asset: property revaluation	(35)	(40)	-	-
<b>Net gains/(losses) on investments</b>	<b>2,644</b>	<b>(748)</b>	<b>2,398</b>	<b>(635)</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 2021. 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 date. The valuation does not include a credit valuation adjustment.

**Notes to the Financial Statements**  
**For the year ended 31 March 2021**

**10d. Net gains on investments and financial instruments**

Market Value	GROUP		PARENT CHARITY	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Valuation at 1 April	-	4	-	-
Net investment (losses)/gain - unrealised	-	(4)	-	-
<b>Valuation as at 31 March</b>	-	-	-	-

**11a. Interests in Subsidiary Undertakings**

Subsidiary Undertaking	Activity / Status	Company Registration Number	Charity Registration Number
Norwood Schools Limited	Charitable activities	00516901	307992
The Hope Charity	Charitable activities - Holds investment property	03171884	1056674
Norwood Ravenswood Services Limited	Dormant	02260648	n/a
Sussex Tikvah	Dormant	01699597	286802
Norwood Child Care Foundation	Dormant	02291681	Removed
Ravenswood Foundation	Dormant	02617972	Removed
The Parry Charitable Foundation	Dormant	02790100	Removed
Norwood Home for Jewish Children	Dormant with linked charities	n/a	312359

The parent company is Norwood Ravenswood. All subsidiary undertakings are 100% owned or controlled and incorporated in England. All are consolidated in the group accounts.

**11b. Linked Charities**

According to Section 12 of the Charities Act 2011, the following charities are linked to Norwood Home for Jewish Children for registration and accounting purposes. Norwood Ravenswood, the parent company, remains the sole trustee for these charities. There were no activities during the year or any fund balances in these charities. In line with section 21 of the Charity SORP FRS 102, names of the linked charities are disclosed below:

- Norwood General Endowment Fund
- The Norwood Fund for Advancement of Religion
- Norwood Music Fund
- Mrs Behrend's Library Endowment
- Norwood Educational Fund
- Norwood Fund for Advancement in Life
- Norwood Recreational Fund
- Doctor Henry Behrend's Memorial Library

## Notes to the Financial Statements For the year ended 31 March 2021

### 12. Debtors

	GROUP		PARENT CHARITY	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors and Local Authorities' debts	1,323	1,280	-	-
Accrued legacies	26	239	26	239
Other debtors	72	105	33	51
Prepayments	388	362	33	134
Accrued income	-	5	-	-
<b>Total debtors</b>	<b>1,809</b>	<b>1,991</b>	<b>92</b>	<b>424</b>

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

	GROUP		PARENT CHARITY	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Accruals and deferred income	2,523	2,191	390	540
Amount due to group undertakings	-	-	5,436	2,577
Bank loan repayable within one year	329	323	-	-
JCoSS PSRP grant (see Note 16)	160	155	-	-
Other creditors	178	36	-	-
Other taxes and social security costs	435	536	-	-
Trade creditors	1,172	858	71	42
Rental deposit	38	-	-	-
<b>Total creditors due in less than one year</b>	<b>4,835</b>	<b>4,099</b>	<b>5,896</b>	<b>3,159</b>

### 13a. Deferred income

	GROUP		PARENT CHARITY	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Opening balance at 01 April	893	381	470	182
Amounts released in year	(785)	(353)	(362)	(182)
Amounts deferred in year	798	865	212	470
<b>Closing balance at 31 March</b>	<b>906</b>	<b>893</b>	<b>320</b>	<b>470</b>

Deferred income relates to income received in the year for future performance is required at the year end.

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

	GROUP		PARENT CHARITY	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Bank loan repayable within two to five years	1,493	1,341	-	-
Bank loan repayable after five years	2,577	2,763	-	-
	4,070	4,104	-	-
Provision for Dilapidation-Properties	126	232	-	-
Rental Deposit	42	78	-	-
JCoSS PSRP grant	40	125	-	-
<b>Total creditors due in more than one year</b>	<b>4,277</b>	<b>4,539</b>	<b>-</b>	<b>-</b>

In October 2007 Norwood purchased Broadway House in Stanmore at a cost of £6.68m with a 25-year loan from RBS. The bank loan is secured by a charge over Broadway House and is repayable in 240 monthly instalments from November 2012 and the final payment is in September 2032.

## Notes to the Financial Statements For the year ended 31 March 2021

### 15a. Restricted Funds

	note:	GROUP				
		1 April 2020	Incoming resources	Outgoing resources	Transfer between funds	31 March 2021
		£'000	£'000	£'000	£'000	£'000
Assistive Technology Fund	i	258	140	(178)	-	220
Capital Projects	ii	120	382	-	-	502
JAPH Fund	iii	25	-	-	-	25
JCoSS PSRP Fund	iv	1,161	-	(125)	14	1,050
Lyonsdown Road Service Delivery Fund & Rear Garden	v	64	-	(26)	-	38
Phyllis Somers Capital & Service Fund	vi	3,100	-	(266)	-	2,834
Somers Court & Residential Fund	vii	194	-	-	-	194
Somers Court (ex Daniel Ct.)		342	-	(17)	-	325
Supported Living Properties Fund:	viii	21	-	-	-	21
11 Highview Gardens		647	-	(15)	-	632
Holmbury Avenue		371	-	(17)	-	354
Greenwood Road		181	-	(6)	-	175
The Grange Fund	ix	176	-	(11)	-	165
Social Work Grant	x	3	29	(28)	-	4
Education Psychology Pathways	xi	22	-	(22)	-	-
PMLD Minibus	xii	36	-	(36)	-	-
Sara's Kitchen	xiii	-	60	(60)	-	-
COVID-19	xiv	-	438	(438)	-	-
Rochelle & Alan Bernard Fund	xv	-	59	-	-	59
Complementary Services	xvi	-	150	(150)	-	-
Binoh SEND Fund	xvii	34	-	(34)	-	-
Heads Up Kids	xviii	65	116	(122)	-	59
Autism Services	xix	91	-	(55)	-	36
Lira Abeleva (Novi Dom)	xx	53	-	-	-	53
Government Grant - ICF	xxi	-	539	(539)	-	-
Government Grant - CJRS	xxii	-	772	(772)	-	-
Other funds each valued under £20,000		157	213	(101)	-	269
<b>Total</b>		<b>7,121</b>	<b>2,897</b>	<b>(3,017)</b>	<b>14</b>	<b>7,015</b>

### 15b. Endowment Funds

	note:	GROUP					
		1 April 2020	Incoming resources	Outgoing resources	Transfer between funds	Investment gains and losses	31 March 2021
		£'000	£'000	£'000	£'000	£'000	£'000
Ernst & Dola Fischer fund	xxiii	358	-	-	-	74	433
Endowment fund for Jewish Children	xxiv	213	-	-	-	44	258
Somers fund	xxv	1,003	-	-	-	208	1,211
		<b>1,574</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>326</b>	<b>1,901</b>

### 15c. Unrestricted Funds – designated

	GROUP					
	1 April 2020	Incoming resources	Outgoing resources	Transfer between funds	Investment gains and losses	31 March 2021
	£'000	£'000	£'000	£'000	£'000	£'000
PSRP at JCoSS Designated fund	45	-	-	(14)	-	31
	<b>45</b>	<b>-</b>	<b>-</b>	<b>(14)</b>	<b>-</b>	<b>31</b>

Notes to the Financial Statements  
For the year ended 31 March 2021

15d. Unrestricted Funds – general

	GROUP					
	1 April 2020	Incoming resources	Outgoing resources	Transfer between funds	Investment gains and losses	31 March 2021
	£'000	£'000	£'000	£'000	£'000	£'000
General funds	33,567	30,168	(29,170)	-	2,318	36,883
	<b>33,567</b>	<b>30,168</b>	<b>(29,170)</b>	<b>-</b>	<b>2,318</b>	<b>36,883</b>
<b>Total funds (a+b+c+d)</b>	<b>42,307</b>	<b>33,066</b>	<b>(32,187)</b>	<b>-</b>	<b>2,644</b>	<b>45,830</b>

15e. Parent Charity Funds

	1 April 2020	Incoming resources	Outgoing resources	Transfer between funds	Investment gains and losses	31 March 2021
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Unrestricted Fund:</b>						
General fund	9,940	10,895	(10,881)	-	2,072	12,025
	<b>9,940</b>	<b>10,895</b>	<b>(10,881)</b>	<b>-</b>	<b>2,072</b>	<b>12,025</b>
<b>Endowment funds:</b>						
Ernst & Dola Fischer fund	358	-	-	-	74	433
Endowment fund for Jewish Children	213	-	-	-	44	258
Somers fund	1,003	-	-	-	208	1,211
	<b>1,574</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>326</b>	<b>1,901</b>
<b>Restricted Funds:</b>						
Lira Abeleva (Novi Dom)	53	-	-	-	-	53
Other funds valued under £50,000	11	-	-	-	-	11
	<b>64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64</b>
<b>Total</b>	<b>11,578</b>	<b>10,895</b>	<b>(10,881)</b>	<b>-</b>	<b>2,398</b>	<b>13,989</b>



## Notes to the Financial Statements For the year ended 31 March 2021

### Restricted funds

- i. Assistive Technology Fund Grants from K C Shasha Charitable Foundation and Sam & Bella Sebba Charitable Trust to provide assistive technology and associated support to people with learning difficulties and complex needs.
- ii. Capital Projects provided by the Leo Baeck Housing Association to support building improvements at several Norwood properties.
- iii. JAPH Fund to assist Jewish people with physical and/or learning disabilities.
- iv. JCoSS PSRP Fund supporting students at JCoSS with special educational needs, mostly at the severe end of the autistic spectrum.
- v. Lyonsdown Road Services Delivery Fund & Rear Garden supporting the set-up and delivery of care services at the home and landscaping of rear garden.
- 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. Somers Court & Residential Accommodation Fund to provide accommodation for young adults with learning disabilities.
- viii. Supported Living Properties Fund. Capital investments made from the Supported Living Capital Fund.
- ix. The Grange Fund representing a donation of a flat which can only be used by the current resident during his lifetime.
- x. Social Work Grant awarded by the Pauline and Harold Berman Charitable Trust to support the work at the Kennedy Leigh family centre and relieve the costs of providing Social Work.
- xi. Educational Psychology Pathways awarded by the Doris Pacey and Dr Michael and Anna Brynberg Charitable Foundations to fund the staff cost of an Educational Psychologist, working as part of our Binoh service, whose role is to support our vision that children should be empowered to live the life they choose.
- xii. PMLD Minibus – funding the purchase a minibus for the PMLD service at Ravenswood Village.
- xiii. Sara’s Kitchen Funds received to support centralised food preparation during the pandemic
- xiv. COVID-19 Funds received to specifically support Norwood’s COVID-19 response
- xv. Rochelle and Alan Bernard Fund A memorial fund set up in memory of Rochelle and Alan Bernard to support children dealing with trauma.

## Notes to the Financial Statements

### For the year ended 31 March 2021

- xvi. Complementary services Funds to support complementary services
- xvii. Binoh SEND Fund - supports Binoh's Special Educational Needs and Disabilities Programme.
- xviii. Heads Up Kids - supports our work in partnership with Heads Up Kids and PaJes.
- xix. Autism Services funding towards the cost of community engagement management
- xx. Lira Abeleva (Novi Dom) set up to provide an educational and respite care facility for disabled children in Minsk, Belarus
- xxi. Government Grant – ICF Infection Control Funding provided by Local Authorities
- xxii. Government Grant - CJRS Coronavirus Job Retention Scheme funding provided by Central Government

### 16. Contingent Liability

A contribution of £250,000 in respect of the registered care home at 1 Woodcock Dell Avenue in Harrow, is repayable to the Secretary of State for Health should the property cease to be used as a residential care home.

### 17. Capital Commitments

	GROUP		PARENT CHARITY	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
<b>Contracted for but not provided in the accounts:</b>				
Information technology	-	262	-	-
Property refurbishment	-	93	-	-
	-	<b>355</b>	-	-

Notes to the Financial Statements  
For the year ended 31 March 2021

### 18: Commitments under operating leases

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

	Leased Properties 2021	Other 2021	Leased Properties 2020	Other 2020
	£'000	£'000	£'000	£'000
Within one year	336	161	366	269
Between one and five years	842	78	975	67
Over five years	2,689	-	2,889	
	<b>3,867</b>	<b>239</b>	<b>4,230</b>	<b>336</b>

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

	Leased Properties 2021	Leased Properties 2020
	£'000	£'000
Within one year	385	535
Between one and five years	1,418	1,497
Over five years	3,829	4,179
	<b>5,632</b>	<b>6,211</b>

### 19. Analysis of Net Assets between Funds

	Unrestricted Fund	Designated Fund	Endowment funds	Restricted Fund	Total Fund
	£'000	£'000	£'000	£'000	£'000
<b>2021</b>					
Fixed assets	20,649	-	-	1,676	22,325
Investments	21,831	-	1,574	64	23,469
Net current assets/(liabilities)	(6,344)	31	-	10,580	4,268
Liability due after one year	(4,277)	-	-	-	(4,277)
<b>Total net assets</b>	<b>31,858</b>	<b>31</b>	<b>1,574</b>	<b>12,321</b>	<b>45,784</b>
<b>2020</b>					
Fixed assets	22,521	-	-	1,932	24,453
Investments	20,200	-	1,574	64	21,838
Net current assets/(liabilities)	(4,660)	45	-	5,125	510
Liability due after one year	(4,539)	-	-	-	(4,539)
<b>Total net assets</b>	<b>33,522</b>	<b>45</b>	<b>1,574</b>	<b>7,121</b>	<b>42,262</b>

**Notes to the Financial Statements**  
**For the year ended 31 March 2021**

**Parent charity**

	Unrestricted Fund	Designated Fund	Endowment funds	Restricted Fund	Total Fund
	£'000	£'000	£'000	£'000	£'000
<b>2021</b>					
Fixed assets	909	-	-	-	<b>909</b>
Investments	12,446	-	1,902	64	<b>14,412</b>
Net current liabilities	(1,331)	-	-	-	<b>(1,331)</b>
<b>Total net assets</b>	<b>12,024</b>	-	<b>1,902</b>	<b>64</b>	<b>13,990</b>
<b>2020</b>					
Fixed assets	1,159	-	-	-	<b>1,159</b>
Investments	10,988	-	1,574	64	<b>12,626</b>
Net current liabilities	(2,207)	-	-	-	<b>(2,207)</b>
<b>Total net assets</b>	<b>9,940</b>	-	<b>1,574</b>	<b>64</b>	<b>11,578</b>

**20a. Notes to the Cash Flow Statement**

	GROUP	
	2021	2020
	£'000	£'000
Reconciliation of net income / (expenditure) to Net Cash (used in) / provided by operating activities:		
Net income	3,523	(2,683)
Depreciation	1,661	1,821
Impairment charge	123	-
(Gains) / losses on disposal of fixed assets	(3,136)	(750)
(Gains) / losses on revaluations of assets	(2,644)	748
Increase / decrease in debtors	182	(217)
Increase in creditors falling due within one year excluding bank loan	730	62
Decrease in creditors falling due after more than one year excluding bank loan	(227)	(78)
Investment income	(953)	(883)
Loan interest & other interest payable	80	81
<b>Net Cash used in operating activities</b>	<b>(660)</b>	<b>(1,899)</b>

<b>Movement in cash funds</b>	GROUP	
	2021	2020
	£'000	£'000
Opening cash and cash equivalents	2,618	2,457
Cash at bank and in hand as at 31 March	7,293	2,618
<b>Movement in cash funds</b>	<b>4,675</b>	<b>161</b>

**Notes to the Financial Statements**  
**For the year ended 31 March 2021**

**20b. Analysis of changes in net debt**

<b>Analysis of changes in net debt</b>	<b>GROUP</b>			
	<b>1 April 2020</b>	<b>Cash flows</b>	<b>Other changes</b>	<b>31 March 2021</b>
	£'000	£'000	£'000	£'000
Cash	2,618	4,675	-	7,293
Loans falling due within one year	(324)	(28)	(34)	(386)
Loans falling due after more than one year	(4,104)	-	34	(4,070)
<b>Total</b>	<b>(1,810)</b>	<b>4,647</b>	<b>-</b>	<b>2,837</b>

**21. Related Parties**

Donations received from related parties totalled £242,145 (2020: £287,437).

In the year, there was an arm's length related party transaction between the charity and Ashridge Home Care Limited for the provision of agency care on an arms' length basis amounting to £17,402 (2020: £2,718). The Director of Service and Development is a director in Ashridge Home Care Limited. At 31 March 2021, £nil (2020: £2,718) was due to Ashridge Home Care Limited.

**Group companies**

In the year, there were related party transactions between the parent charity and a member of the group. Norwood Ravenswood provided income of £10,392,000 (2020: £9,842,000) to Norwood Schools Limited. Norwood Schools Limited incurred expenditure of £834,000 (£2021: £1,461,000) on behalf of Norwood Ravenswood. At the year-end Norwood Ravenswood owed £5,434,000 (2020: £2,577,000) to Norwood Schools Limited.

**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.

## Notes to the Financial Statements For the year ended 31 March 2021

### 22. COVID-19 & Going Concern

At the time of approving these financial statements restrictions remain in place and there is ongoing uncertainty created by the COVID-19 pandemic. Although there is less uncertainty than a year ago, the trustees have considered the appropriateness of preparing the accounts of Norwood and its subsidiaries on a going concern basis. The trustees do not consider there to be material uncertainty over the charity and group's ability to continue as a going concern for the next 12 months. 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. Fundraising and investment income has been modelled to fall by 25% with an extreme case of 50% loss of fundraising income due to fundraising events being cancelled. Under these models Norwood has sufficient reserves to continue operating for more than the next 12 months. Investments valued at £14.1m at 31 March 2020 were valued at £15.8m as at 31 March 2021 after divestment of £1m in June 2020. As a result of the unrealised gains in the investment portfolio and the sale of the Hackney site free reserves as at 31 March 2021 had increased by around 50% to £16.3m (2020: £11.0m). The analysis supports the accounts being prepared on a going concern basis.

#### Broad context and level of operational disruption

Our priorities during the COVID-19 global pandemic were to ensure that our service users, staff and volunteers go about their work in the knowledge that they are as safe and supported as much as possible. Business continuity plans were activated to safeguard key services. With strict control over service access, hygiene and handling of suspected cases, active recruitment and training of staff and volunteers to backfill support worker absence, centralised catering and medicine and PPE procurement and, most significantly, the heroic actions of dedicated front line staff, we have been able to manage all aspects under our control and to support families in desperate circumstances, and in the most part contain the virus in our homes and supported living accommodation.

Unfortunately, some services either had to be closed during the COVID-19 pandemic or were severely reduced. We closed our trading retail outlets in line with government requirements. Our children and family support services were severely reduced in service provision.

The Norwood group fundraising activities have been impaired by events being cancelled and postponed and our fundraising activities are evolving through other activities such as running virtual events such as the Annual Dinner Reimagined. These countermeasures against the impact of COVID-19 have in part mitigated the impact.

#### Liquidity and working capital management

Financial reviews and cashflow forecasts, which have considered certain scenarios, have not identified events or conditions that prevent the business from being able to meet financial obligations as they fall due for the foreseeable future.

Financial reviews and cashflow forecasts have not identified events or conditions that prevent the business from being able to meet financial obligations as they fall due.

## Notes to the Financial Statements

### For the year ended 31 March 2021

Mitigating actions include, but are not limited to, reducing planned capital programme only for essential capital spend although a broader capital programme is planned than was practicable when access to homes was restricted, ongoing access to government support grants, schemes & business reliefs, some divestment from our investment portfolio, reducing revenue related costs, extending overdraft facilities, streamlining services and property disposals. In addition, our banks continue to support us. At present, the need to borrow additional finance or draw down loans is not deemed necessary and the business continues to monitor the uncertainty closely.

### 23. Comparative figures for individual funds

		Unrestricted Funds	Endowment Funds	Restricted Funds	Total
		2020	2020	2020	2020
	Notes	£'000	£'000	£'000	£'000
<b>Income from:</b>					
Donations and legacies	2	8,629	-	974	<b>9,603</b>
Charitable activities	3	19,405	-	20	<b>19,425</b>
Other trading activities	4	569	-	-	<b>569</b>
Investments	5	883	-	-	<b>883</b>
Others		755	-	-	<b>755</b>
<b>Total income</b>		<b>30,240</b>	<b>-</b>	<b>994</b>	<b>31,234</b>
<b>Expenditure on:</b>					
Raising voluntary income	6a	3,199	-	-	<b>3,199</b>
Charitable activities	6a	27,525	-	1,552	<b>29,077</b>
Trading activities	6a	845	-	-	<b>845</b>
Investments	6a	18	-	-	<b>18</b>
Other	6a	31	-	-	<b>31</b>
<b>Total cost</b>		<b>31,617</b>	<b>-</b>	<b>1,552</b>	<b>33,169</b>
<b>Net (expenditure) before revaluation gains</b>		<b>(1,377)</b>	<b>-</b>	<b>(558)</b>	<b>(1,935)</b>
Net gains / (losses) on investments and financial instruments	10c	<b>(655)</b>	<b>(89)</b>	<b>0</b>	<b>(744)</b>
<b>Net income / (expenditure)</b>		<b>(2,032)</b>	<b>(89)</b>	<b>(558)</b>	<b>(2,679)</b>
Transfers between funds	15	<b>(19)</b>	-	19	<b>0</b>
Net gains on revaluation of fixed assets	10c	<b>(4)</b>	-	-	<b>(4)</b>
<b>Net movement in funds</b>		<b>(2,055)</b>	<b>(89)</b>	<b>(539)</b>	<b>(2,683)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	21	35,622	1,663	7,660	<b>44,945</b>
<b>Total funds carried forward</b>	21	<b>33,567</b>	<b>1,574</b>	<b>7,121</b>	<b>42,262</b>