



Financial Statements

for the year ended 31 March 2021

Outward Housing

Company no. 02151434
Registered charity no. 800529

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The Board and professional advisors

Company number: 02151434

Charity number: 800529

Registered office and operational address

Newlon House
4 Daneland Walk
Hale Village
London
N17 9FE

Trustees

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Jackie Ballard
Chair

Alan McNab
Vice-chair

Michael Anderson
Treasurer, resigned 10 March 2021

Nicola Bastin
Newlon Housing Trust Nominee
Appointed 16 December 2020

Maria Grogan
Newlon Housing Trust Nominee
Resigned 16 December 2020

Shelley Joyce

Eilish Kavanagh
Treasurer

Zahra Maye

Katherine Myers-Smith
Resigned 2 December 2020

Joyce Saunders

Carol Tilbury

Other trading styles

Nutley Edge Cottages

Websites

www.outward.org.uk

www.nutleyedge.org.uk

Key management personnel

Peter Little, Chief Executive and Secretary.

Directors

Nicky Boland
Director of Business Development

Katerina Gutheim
Director of Care and Support

Deborah Hammond
Director of Human Resources

Salman Rao
Director of Supported Housing
Resigned 31 March 2021

Lindy Shufflebotham
Director of Care and Support
(maternity leave cover)

Peter Little is employed by Newlon Housing Trust and 95% of the costs are charged to Outward Housing.

Financial and Information Technology services are purchased from Newlon Housing Trust under service level agreements.

Bankers

Barclays Bank PLC
Business Service Team
Level 28
1 Churchill Place
London
E14 5HP

Auditors

BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 OPA

Solicitors

Devonshires
30 Finsbury Circus
London
EC2M 7DT

Trustees' Annual Report for the year ended 31 March 2021

The Trustees present their report and the audited financial statements for the year ended 31 March 2021.

Reference and administrative information set out on page 3 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

In 1975 a group of parents and professionals in Waltham Forest first got together to find a way for people with learning disabilities to live outside institutional care. At the time, before “care in the community”, this was a radical way of thinking, and is where the name ‘Outward’ comes from; living ‘out of the wards’, in local communities.

Outward Housing’s (Outward) purpose, as set out in our Memorandum of Association, is: “to provide housing, education, support and care to persons in necessitous circumstances, including people with learning disabilities, people with mental health problems and older people, on appropriate terms in accordance with their individual needs and in any way that is charitable in law.”

The main activities undertaken by Outward in relation to this purpose and for the public benefit are:

- support and care services, delivered within registered care homes, supported living, day activities, through community outreach and supported holiday and activity break provision;
- specialist housing management services; and
- volunteering and befriending services, albeit mainly limited to support via telephone during the pandemic.

We provide services to people living in the community who may be vulnerable by nature of their age, disability, life circumstances or mental health and sometimes compounded by physical disability.

The Trustees review the activities that Outward has brought to those groups of people that it is set up to help, as set out in its aims and objectives. The review helps the Trustees to ensure that Outward’s aims, objectives and activities remain focussed on its stated purposes.

The Trustees have referred to the guidance contained in the Charity Commission’s general guidance on public benefit when reviewing Outward’s aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance

Outward’s charitable activities are described below. All its charitable activities focus on improving people’s independence and life opportunities and are undertaken to further Outward’s charitable purposes for the public benefit.

Throughout 2020/21, Outward has delivered essential support and care services to 813 people with support needs including people with learning disabilities, autism, mental health issues, young people at risk and those who require support due to age (2020: 1,148). The reduction results from the ending of a volunteering and befriending contract and restrictions during the pandemic.

We have provided this support across ten London boroughs and from our Nutley Edge site in East Sussex, enabling people to maintain and increase their independence and social engagement and crucially, throughout 2020 and 2021, to keep people we support safe and healthy during a global pandemic.

Trustees' Annual Report for the year ended 31 March 2021

In 2020/21 our work has been focused on managing the COVID pandemic which had a huge impact on Outward and the social care and charitable sector generally. We are immensely proud of our amazing, committed and caring colleagues, especially our front-line support staff and managers who have worked tirelessly during COVID to keep people we support and the houses in which our services are based safe.

Throughout the year we had to quickly adapt to the changing world of the pandemic and respond quickly and effectively to, at times, unclear and contradictory government guidance, to keep our staff and the people we support safe.

Like the rest of the world we have had to adapt to the new reality, introducing zoom meetings to replace actual meetings, training and for 121 staff supervision and enabling the people we support to maintain much needed contact with their families and friends. We introduced Workplace to improve communication across the organisation, to share ideas and to keep staff in touch with each other.

Personal Protective Equipment (PPE) suddenly became a major issue in March 2020. We acted quickly to find new suppliers and committed whatever resources were necessary to ensure we maintained the required stock of PPE throughout the pandemic. We succeeded in maintaining good stock levels and continue to do so to ensure our staff are able to do their jobs safely. Across our services we have now introduced COVID testing regimes and are now positively encouraging all our staff to be vaccinated as well as the people we support.

Over the last year our staff have been really successful in coming up with creative ideas and solutions to improve the lives of the people we support where so much of people's lives had been "closed down" including introducing zoom activities and social events, recruiting volunteers as phone befrienders and household activities such as 'come dine with me' and video diaries of their lockdown experiences.

To enable us to deliver these solutions safely we reviewed our safeguarding policy and developed a detailed COVID risk assessment and continuity plan, which we reviewed regularly throughout the pandemic to ensure we could continue to deliver essential services to the people we support.

We recognised that our respite activity breaks, which we operate from our holiday complex at Nutley Edge in East Sussex, would be in great demand from families and their loved ones with a learning disability or autism after long lockdown periods where people living at home with family had their usual support systems and activities stopped. This put great pressure on families and hugely impacted people's mental wellbeing and feeling of isolation.

Funding from the Coronavirus Community Support Fund, distributed by The National Lottery Community Fund, helped us to run six COVID secure respite breaks and fund places for eight people who otherwise couldn't afford to attend and whose wellbeing had been significantly impacted by COVID. We would like to thank the Government and very generous individual donors for making this possible.

One family, whose son attended one of these breaks told us: **"Thanks again for giving M such a tremendous holiday. He came back so animated and happy. It was brilliant to see as he is generally very shy and anxious, particularly after lockdown. I am sure it has done wonders for his confidence and self-esteem and has given us so much confidence too."**

The National Lottery Community Fund also generously provided a second donation at the end of the year. This will ensure that we can offer activity breaks in 2021/22 for people whose wellbeing continues to be hugely impacted through the extended, long-term lockdowns and restricted re-opening of community support services.

Despite the challenges faced by the pandemic we are proud to have also achieved a number of our planned business targets and charitable activities.

In late 2019 we made a decision to invest in developing our fundraising capacity focused initially upon charitable trusts. We will seek to fund activities which the people we support tell us they value greatly and will make a considerable difference to their physical health and wellbeing but for which to-date we have received no funding. We have seen the impact we can make and the value we can bring to people

Trustees' Annual Report for the year ended 31 March 2021

in need with additional non-statutory funding. Therefore we worked in partnership with Astarita, Aldrich & Ward (AAW) to develop our fundraising strategy and recruit an interim fundraising manager to support our efforts in 2021/22. All charitable funds raised will be ring fenced to ensure they are not used to subsidise statutory activities but to provide added value services.

Growing support and care services and new operations during the last year was certainly not easy. However we did open two new supported living schemes and although moving people in was very difficult, with many delays, we now have these schemes up and running and we are concentrating on supporting people moving into the remaining empty flats. We have successfully tendered to be included in supported living frameworks in Tower Hamlets and Waltham Forest and opened a new spot purchased supported living scheme for young people.

Throughout the year we also ensured our services continued to deliver high quality care and this was evidenced through achieving and retaining CQC rating GOOD in all registered services.

Performance monitoring

Key Performance Indicators (KPIs) are set each year to ensure we can measure the achievement of our business plan aims and evidence that we are successfully mitigating the risks we face. These high level KPIs are supported by a subset of clear performance indicators, all of which are monitored and validated regularly.

In 2020/21 areas of performance identified as below target included:

- staff Sickness Absence levels were above target throughout the year but this was entirely expected due to COVID-19 rates of infection and self-isolation among our workforce; and
- we were unable to undertake as many internal 'in-person' inspections of our services as we had planned due to COVID restrictions but did set up remote audit processes to ensure we maintain oversight of quality and safety throughout lockdown periods.

Role of our volunteers

The volunteers Outward recruit and support bring great value to the local community. Often local people, with excellent knowledge of the resources and opportunities available to people in their communities, our volunteers provide a befriending and supportive role. Knowing that someone is giving their time for free and not for paid reward means that the people we support appreciate volunteers greatly as they have the time and space to build a friendship. The volunteers we recruit to assist existing service users of Outward provide a very valuable role. Volunteers assist people we support to try new activities such as sports or hobbies where statutory funding simply doesn't stretch as it is mainly focused on meeting 'physical care' needs. They also facilitate social meetings to help bring people together and assist in running some group events such as theatre groups, music and art workshops. During the pandemic our amazing volunteers have been a great assistance offering phone calls to people to reduce their isolation, setting up activities calendars and social events on zoom. We are so grateful for their time and commitment during such a difficult year.

Financial review and reserves policy

Outward made a net operational surplus of £802,334 (2020: deficit £99,808), on a turnover of £18,274,755 (2020: £18,063,756). The revaluation gain on investments and property fixed assets was £507,890 (2020: Loss £165,909) and loss on accounting adjustments of Social Housing Pension Scheme (SHPS) liability was £494,751 (2020: Gain £654,244) which give a net movement in funds for the year of £815,474 (2020: Gain £388,527).

Inclusive of valuation adjustments, balance sheet net worth is £7,671,371 (2020: £6,855,897) including a cash holding of £5,397,035 (2020: £5,230,872) with a strong current ratio of 3.69 (2020: 3.45).

Trustees' Annual Report for the year ended 31 March 2021

As a care and support provider most of our income is provided by local authorities, either through care/ supported living/outreach contracts and housing benefit, or indirectly through direct payments from local authorities to people we support for statutory services. Care and support contract income by borough is provided in note 3 to these financial statements and amounts to 68% (2020: 70%) of the total income.

During the year we were grateful for funding passed through many of the local authorities with whom we work and the supply of personal protective equipment throughout the year in response to the pandemic.

At the start of 2020 we set out a three-year strategy to ensure all our staff were paid at no less than the London Living Wage. It is pleasing to report that during the year two more boroughs uplifted contract funding to enable our staff working in those boroughs to be paid the London Living Wage and others agreed above inflation uplifts to contractual rates.

Outward takes a risk-based approach to reserves so that the Trustees intend to hold a level of unrestricted free reserves (i.e. excluding fixed assets) sufficient to meet the estimated financial impact of the most significant risks identified, provide reasonable flexibility and enable Outward to operate smoothly in the case of unforeseen circumstances.

The restricted fund is to ensure donations and grants intended for specific charities or causes are not used for other purposes. Unrestricted reserves are available to use as the Trustees see fit.

At 31 March 2021, unrestricted reserves were £7,637,165 of which £3,363,428 is represented by fixed assets, leaving £4,273,737 of unrestricted free reserves, representing 3 months of unrestricted expenses. Of this amount, Trustees have designated funds for planned purposes totalling £2,300,000, as shown in Note 20 to these accounts. The Trustees are confident the unrestricted free reserves level provides the organisation with reasonable financial flexibility and stability and contribute to longer-term sustainability. The Trustees review the level of reserves annually and may decide to adjust the policy level to ensure that the unrestricted free reserves kept are not insufficient nor excessive.

Financial risks and exposures

Outward continues to provide successfully its charitable services despite ongoing funding constraints and contract variations by diversifying the nature of the care and support services it provides over a variety of beneficiary groups spanning nine London boroughs.

Outward's Board delegates oversight of financial performance and associated risk to an Operations Committee who meet quarterly in advance of Board meetings and feed back to the Board. The remit of the Operations Committee is reviewed regularly and includes operational, working capital and treasury financial performance as well as key performance indicators of service performance, efficiency and quality as standing agenda items.

Policies such as treasury management, insurance cover and delegated authorities, as part of Standing Orders are also reviewed regularly as is the risk register and the application and success of mitigating actions identified in the risk register. Additionally, Outward uses the services of a third party internal audit service, which also reports to the Newlon Group Audit & Risk Committee.

Outward continues to be an employer member of the Social Housing Pension Scheme (SHPS) and levels of reserves are exposed to material fluctuations in the valuation of Outward's liability to the SHPS scheme. The Trustees consider that all cost effective mitigations available have been taken over the last fifteen years and continue to work with professional advisers to identify any further mitigating actions. However the Trustees recognise a material risk remains with former employees of Outward continuing to benefit from the scheme with pensions or deferred pensions, currently for the next approximately forty years.

Outward has been able to maintain cash flow with prudent treasury management and has built up sufficient cash reserves over the years to satisfy working capital requirements and risks and/or

investment in charitable services.

Over the years of HM Government austerity policies financial performance had been challenged by frozen or reduced income rates and a general fragmentation of contracts and transfer of void property risks in our care and support contractual arrangements. This, in turn, impacted upon our ability to recognise and reward our staff. Progress, better than expected, was made during the year in reversing this trend.

Impact of COVID-19

Like all charities Outward was impacted by the COVID-19 pandemic from March 2020 and had to interpret and apply changing guidelines and the increasing and relaxing of the various lockdowns, primarily to keep people we support and staff safe. The main operational impacts were the suspension of a few services, severe reduction in activity breaks, reverting to the use of telephone to maintain contact with the people we support, staff sickness through symptoms, shielding or isolation, additional other costs, in particular PPE and a delay in tenancing some properties and implementing business plan objectives together with diversion of management and administrative time.

The financial impact was mitigated by local authorities passing on funds made available to them under various Government initiatives although this did not extend to funding lost rent and service charges where COVID restrictions resulted in delays in nominations and tenancing.

The Outward Board, in agreeing its revenue budget for 2020/21, made a £250,000 provision for the impact of COVID-19 with the eventual out turn loss due to pandemic restrictions being within the provision made.

Plans for the future

Outward's new three year strategy 'Our Three Year Plan 2020-2023' was drafted in early 2020 but put on hold while we focused our resources and attention to managing the impact of COVID-19 on our support, care and housing services. Outwards Trustees approved the four key priorities of our plan, which, together with our 2021/22 business plan will guide our business in the coming year.

We will review our new strategy in full during 2021/22 when we hope to be coming out of the pandemic and know more about its longer term effects on the people we support and how our services may need to adapt and flex to meet changing needs.

Our key strategic priorities remain as:

- 1. Delivering outcomes with the people we support**
- 2. Recruiting and retaining good staff**
- 3. Managing our resources and improving financial viability**
- 4. Communicating well**

Our primary aim for 2021/22 is to deliver positive outcomes with, and for, the people we support - to achieve this we need to recruit and retain the best quality staff who are well trained and able to communicate and coproduce with the people we support and their involved networks.

1. Delivering Outcomes with the people we support

This begins with keeping people safe through testing, infection control, good communication and promoting and supporting the vaccination programme.

We will be working with every individual we support to review their support and care plans to identify their new personal goals and how these can be achieved in the emerging circumstances. We are concerned about the impact of the last year on people we support and colleagues in regard to their health and wellbeing and so we will be implementing projects to ensure people can access the health services they require and to assist people to adopt healthier lifestyles.

We will, in the coming year, invest in developing fundraising focused upon charitable trusts and foundations to fund expansion and new activities which the people we support tell us they value through goal setting and consultations. These new activities will be vital post COVID to getting people back as active citizens in their communities and re-engaged with others, reducing isolation. These include:

- increasing our volunteer programme;
- subsidising the costs to individuals to attend our activity holiday and respite programme; and
- pilots of innovative services focused upon health, wellbeing and leisure.

All charitable funds raised will be ring fenced to ensure they are not used to subsidise statutory activities but to provide added value services.

Over the last year we have further developed our positive behaviour support programme and next year, with commissioned external psychological support, will be improving our ability to support people who have most difficulty in engaging positively with services and who are most in need of community based homes and support.

2. Recruiting and retaining good staff.

Our plans are reliant on the recruitment and retention of good staff, and we remain firmly committed to improving how we reward our staff and, in particular, our front line staff.

We will continue to travel in the direction towards paying our front line staff at least the LLW, we accept this does not mean we can pay all our staff the London Living wage in 2021/22 but those on the lowest wages will get an above inflation pay rise to move closer to the LLW and further away from the National Living Wage.

In the last year we have had success in recruiting a more diverse workforce and we will be looking to further improve our recruitment and induction to ensure we reap the benefits from the wider pool of people considering working in care and support.

We will invest in learning and development in the coming year, developing our management teams to improve the support we offer our new staff.

3. Managing our resources and improving financial viability

For a number of years we have lived with contracts that were becoming less financially viable and presented increasing problems with sustainability. In 2021/22 we will be following up on the progress we have made to ensure the funding rates we receive for statutory services sustain those services without subsidy from Outward or we will exit them.

This will present challenges to us as in the short term we are seeing our turnover being static and we even risk it being reduced. We are looking at how we control overheads and central costs – in the coming year we will be scaling down our footprint and costs in the Group office and will be reviewing SLA Group costs to Outward to reflect this position.

Trustees' Annual Report for the year ended 31 March 2021

We know we have innovative and successful models of housing and service delivery and we will work with Newlon Housing Trust to develop a future programme of supported housing development that is in demand. The good news is that Newlon Housing Trust has confirmed its ongoing commitment to delivering supported housing as a significant part of its development programme. We plan to grow our outreach and ASD services having brought these into one area of operation with our community based services.

4. Communicating well

The last year has certainly presented significant challenges to how we can communicate effectively both within Outward and externally. In response to this we have invested in improved connectivity and equipment in our services to allow our staff and people we support to access information and keep in touch with those important to them.

The adoption of Workplace and Zoom has been a major part of our response to these demands. In the coming year we will increase our use of Workplace and Workchat looking to enable staff to use their own devices to access this platform.

We will be revisiting how we support people and their families to use iplanit to identify and report on goals and set the actions needed to achieve these with assigned staff and timeframes.

A major project for us going forward will be transferring to Office 365, in particular we see adopting Teams will improve internal communications and complement our use of Workplace.

Finance and growth

During the year care and support contracts in LB Camden were ended. On the positive side Outward opened a new service in Hackney and we worked closely with Hackney, dedicating some of our void homes, short-term to house the homeless during the first lockdown and in the summer of 2021 a further eight homes will be ready to house young adults in Hackney.

Despite the unprecedented conditions during 2020/21 income grew slightly and most services were maintained.

Our plans for the next two years require us to ensure we work with local authorities and other funders who will fund care and support contracts sufficiently and who recognise and fund front-line salaries at least at the London Living Wage. While we will always work towards expanding the number of people we can support this must be done in a financially viable way.

We are a specialist supported housing provider and our access to and ability to manage supported housing continues to provide us with real opportunities to develop housing based support services for a range of our customers. We will work with Newlon Housing Trust to continue reconfiguring existing properties and to develop new supported housing schemes. Rents will uplift, under the Government formula, from October 2021 to September 2022.

Our holiday cottages at Nutley Edge were supported by a hotel and leisure grant in the early stages of the pandemic and from the waiver of business rates. Demand for these cottages is now strong, supported by the move to 'staycations'.

We are grateful to the LB Hackney for their ongoing support for our popular Hub Club service, set up as a cost effective alternative to traditional day centres which was unable to operate during the pandemic restrictions.

The revenue and capital budget for 2021/22 is set a surplus and funds have been set aside to invest in our IT infrastructure.

Structure, governance and management

Outward is committed to sound corporate governance, and although not a registered provider, has adopted the National Housing Federation (NHF) Code of Governance 2015 and Code of Conduct 2012. The Board reviews compliance with the NHF Codes annually and confirms that Outward is compliant with both the NHF Code of Governance and Code of Conduct in 2020/21.

The organisation is a charitable company limited by guarantee, incorporated on 29 July 1987 and registered as a charity on 5 December 1988, and is a separate legal entity with its own governance structure within the Newlon Group.

Outward operates under memorandum and articles of association. The memorandum of association establishes Outward's principal objective of providing care and support to vulnerable people to help them lead meaningful and independent lives, and to transition them to reduced levels of support wherever possible. The articles of association then govern the powers under which Outward must operate.

Outward receives no financial support from Newlon Housing Trust which in itself is a not for profit Community Benefit Society and a charitable housing association or any of the Newlon Group companies. Intra-group transactions and activity with Newlon are transacted at commercial equivalent rates and are governed by a formal intra-group agreement with Newlon Housing Trust that sets out the rights and responsibilities of both parties. Day to day operating arrangements and day to day control is exercised through the intra-group agreement. Outward does not trade with any other members of the Newlon Group.

Newlon Housing Trust has the right to appoint and remove Outward Board members, has 51% of voting rights at General Meetings and is a Member of Outward Housing. There is reciprocal representation on the Board of Trustees with Newlon Housing Trust.

We seek to ensure that Trustees, as far as possible, represent the diversity of those communities we serve, and have the range of experience, technical know how and professional skills required by Outward.

Potential new board members are identified by various processes, including advertisement, recommendations and referrals. They are then invited to attend and observe one Board meeting prior to recommendation of formal appointment which are, where appropriate, approved by the Newlon Housing Trust Board. Appointments are for a period of three years and Trustees do not receive remuneration. Outward embraces its responsibility for good governance and provides induction, ongoing training and support to board members, including regular reviews of their contribution and training needs. All trustees give their time voluntarily and receive no benefits from Outward.

Any expenses reclaimed from Outward are set out in note 8 to the financial statements.

The Board has an Operations sub-committee and a Remuneration sub-committee. Appropriate delegations are made to the Operations Committee. The Committee reports back to the Board, and minutes of Committee meetings are circulated to Board members. People we support's views are represented at Board. The Remuneration sub-committee monitors trends in pay and rewards and makes specific recommendations to the Board concerning pay proposals.

The Executive Team meet regularly and are under the responsibility of the Chief Executive who, in turn, is accountable to the Board. The Executive Team are those post holders with functional responsibilities as listed in page 3 of this report.

Trustees' Annual Report for the year ended 31 March 2021

Related parties and relationships with other organisations

Outward works closely with a number of Newlon Group members, principally providing the intensive housing management service for the Newlon Group under a formal agreement. A formal agreement also exists for Outward's use of the office building at Tottenham Hale, owned by Newlon Housing Trust.

Outward buys Finance, IT and reception services from Newlon Housing Trust. Outward also works collaboratively with Newlon Housing Trust's Business Development team to develop new housing for supported housing tenants and on joint procurement exercises.

Remuneration policy for key management personnel

Remuneration for key management personnel is monitored by the Remuneration sub-committee and typically reviewed and determined with regard to current market rates and benchmarked against comparable industry salaries, with the objective of attracting, retaining and motivating personnel; ensuring consistent and stable management of services.

Policy for employment of disabled persons

Outward is committed to a positive policy of equal opportunities and diversity. We uphold our belief in a society in which every person has a fair and equal place, by seeking to ensure that there is total equality in all of the functions of the organisation and in the delivery of its services, integrating equality opportunity into all of our activities and actively opposing discrimination and prejudice in all forms. We recruit, train and promote on the basis of ability, and ensure that all members of the community have access to and equal treatment in the provision of our services. A programme of unconscious bias training has been commissioned.

Employee engagement

This year members of the Outward Executive Team have had limited opportunities to attend service and departmental team meetings for consultation purposes because of pandemic restrictions.

Whilst Outward has continued to deliver care and support services throughout the COVID-19 pandemic non-essential physical meetings have been replaced with conference calls and remote meetings that have enabled the organisation to continue to engage with staff either working from home or working in services. A schedule of daily calls related to COVID 19 concerns has now been reduced to an "as and when required" arrangement as focus has been more heavily tilted towards vaccination rather than high infection levels.

Previously Union representatives attended Board meetings but during the year the Union has become moribund due to staff turnover. We are in the process of replacing the role of the Union with arrangements for engaging with staff via Work Place and considering how this new type of engagement will feed into future Board meetings and influence the organisational Training and Development programme. A plan for engaging with staff around their post COVID 19 health and wellbeing is being undertaken in conjunction with a group of university health psychology students.

Statement of responsibilities of the Trustees

The Trustees are responsible for preparing the 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 in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Outward, and of the incoming resources and application of resources, including the income and expenditure, of Outward for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that Outward will continue in business.

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

Trustees' statement of internal control

The Trustees recognise that no system of internal control can provide absolute assurance against financial misstatement or loss or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of Outward's assets and interests.

The Trustees receive a detailed report on Internal Controls Assurance to the Group Audit and Risk Committee prepared by the Chief Executive. As a result of the consideration of this report the Board is prepared to make the following statement.

The Trustees confirm that there is an ongoing process for identifying, evaluating and managing the significant risks faced by Outward. This approach has operated throughout the year under review up to and including the date of approval of the annual report and accounts.

Key elements of the control framework that are established by the Outward Housing Board are:

- significant risks and financial implications considered as part of the decision making process and the incorporation of key risks and mitigations into a risk map;
- the review and approval of detailed Standing Orders and Financial regulations and documentation of policies and procedures for all key operational areas;
- the adoption of a three-year financial plan, reviewed six monthly by the Board;
- regular reviews of key performance and dashboard indicators;
- the operation of a comprehensive budgeting system and the regular review of the financial performance; and
- the formal appraisal by the Outward Board of new business opportunities including significant new schemes and contracts, subject to delegations of authority.

Additional controls included within the Newlon Group internal control framework are:

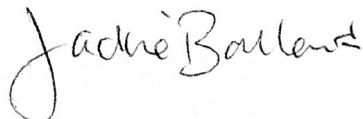
- the operation of an outsourced internal audit function, following a three-year needs and risk-based plan and reporting to Outward and to the Group Audit and Risk Committee; and
- controls operated by Newlon's finance function in delivering financial services to Outward Housing under a Service Level Agreement.

Trustees' Annual Report for the year ended 31 March 2021

Auditors

BDO LLP were reappointed as Outward's auditors during the year and have expressed their willingness to continue in that capacity.

The Trustees' annual report which includes the strategic report has been approved by the Trustees on 30 June 2021 and signed on their behalf by

A handwritten signature in black ink that reads "Jackie Ballard". The signature is written in a cursive style with a large initial 'J'.

Jackie Ballard

Chair

Date: 30 June 2021

Strategic Report for the year ended 31 March 2021

Financial context

Our geographical coverage has grown considerably, starting from Waltham Forest and then Tower Hamlets, to the current nine boroughs. Waltham Forest remains our biggest serviced borough amounting to 29% (2020: 28%) of total care and support income. Our contracts in Camden came to an end in September 2020 but continue to expand in Hackney.

Outward continues to maintain a range of services and customers, highlighted in the achievements and performance section allowing it to absorb the impact of a potential loss of a funder or customer group. Outward is building services that can be marketed on Outward terms rather than at local authority tendered or framework prices.

By 2020/21 it was viewed not appropriate to concede any further funding cuts, which impacted upon Outward's ability to recruit, retain and recognise the valuable services our support workers and other staff provide. During our plan period 2020-2023 we plan to move all staff to at least the London Living Wage. In 2020/21 we were able to do this in two more boroughs and are now working to achieve this in the remaining two boroughs.

Our balance sheet and ratios remain strong buoyed by increased valuations of our fixed asset and commercial properties. Conversely the accounting valuation of our share of the deficit in the Social Housing Pension Scheme increased significantly at March 2021. We await the outcome of the actuarial valuation of the scheme, expected to be published in the autumn of 2021.

From May 2021 we are investing in fundraising activity to seek funds for non-statutory services including expanding our activity breaks and funding people who could not otherwise afford to attend our breaks to benefit from them.

Service provision and pricing is only one of a range of possible operational and strategic risks potentially impacting upon Outward.

Principal risks and uncertainties

Outward, in common with most organisations and in accordance with Newlon Group practice and procedures, has developed, regularly monitors and updates a risk register. The risk register identifies mitigating actions that are in place, or that are to be taken, to reduce or eliminate the identified risks. Residual risks are also assessed as to their potential impact. The risk register and mitigating actions were reviewed fundamentally during the year and were endorsed by the Board of Trustees in March 2021.

COVID-19 remains a risk and although it is expected there will be enduring changes to working patterns, particularly for non 'front-line' staff, further material disruption is not expected to our services.

To minimise potential risks through high redundancy costs we undertake exit strategies for services most at risk of decommissioning. Other service exits are usually covered under TUPE regulations.

Outward is a member of the Social Housing Pension Scheme and, in common with members of multi-employer defined benefit pension schemes, continues to look for ways to mitigate the ongoing risk of funding our share of scheme deficit liabilities. Longevity rates, inflation rates and movements in financial markets will have an impact on Outward's exposure to this defined benefit scheme.

We manage 606 (2020: 630) tenancies over a wide range of property types on behalf of a number of landlords, principally Newlon Housing Trust. Due to the nature of some tenant groups, the levels of voids and rent arrears can be materially higher than in general needs tenancies. Work is being undertaken in some cases with Newton Housing Trust's asset management team, to identify those properties making deficits and which require remodelling or returning to Newlon Housing Trust as they may no longer be suitable for supported housing. Together we are working to ensure the supported housing stock we manage is fit for purpose and will meet the future needs of our residents.

Strategic Report for the year ended 31 March 2021

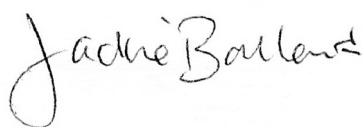
On our Risk Register we have categorised the risks we face in four key ongoing areas;

Financial: In addition to the risk associated with the defined benefit scheme given that we rely mainly on Health and Local Authority funding to deliver our services, after mitigation this remains a key area and high risk and our strategy will consider the approach of each local authority to sufficient funding, potentially leaving contracts which do not properly fund the services the people we support deserve and paying our staff at the London Living Wage.

People: for the delivery of our services we are dependent on people for staffing our services, our major task is to recruit and retain high quality care and support staff. This remains a major challenge in London and the South East and following mitigation including moving all our frontline staff to at least the London Living Wage in the medium term, we also believe this remains a high risk for us as it does for the whole sector.

Service delivery: it is essential to us that, as a charity, we deliver services that benefit the people we support and our residents. Given the risks in regard to the income we receive and the sector problems in recruiting, the right service delivery is challenging. It is only by ensuring we do not compromise on quality with our partners that we are able to maintain robust and effective quality assurance systems that we can reduce this risk. The feedback from the people we support, our stakeholders and our regulators clearly indicates we are successfully reducing the risks we face and continuing to deliver good quality services.

Health and safety: this is inherent in all we do, specifically in supporting vulnerable and disabled people to live as independently as possible. Outward has worked over the last year to ensure we are successfully meeting challenges in regard to health and safety.



Jackie Ballard

Chair

Date: 30 June 2021

Independent Auditor's Report to the members of Outward Housing

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Outward Housing ("the Charitable Company") for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the 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).

Basis for opinion

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

Independence

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

Conclusions related to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: the Trustees' annual report and the Strategic report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or

Independent Auditor's Report to the members of Outward Housing

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

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

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

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Independent Auditor's Report to the members of Outward Housing

an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Based on our understanding of the Charitable company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and the Charities SORP (FRS 102), and we considered the extent to which non-compliance might have a material effect on the Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Companies Act 2006 and relevant tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence if any.

The audit procedures to address the risks identified included:

- Challenging assumptions made by management in their significant accounting estimates and judgements in relation to net realisable value of properties, defined benefit pension scheme, management judgement relating to income recognition and debtor recoverability.
- Identifying and testing journal entries, in particular any journal entries posted from staff members with privilege access rights, journals posted by key management, journals posted and journals posted after the year end.
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC.

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

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

Independent Auditor's Report to the members of Outward Housing

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.

DocuSigned by:

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Philip Cliftlands, Senior Statutory Auditor

for and on behalf of BDO LLP, Statutory Auditor
Gatwick, West Sussex, United Kingdom.

Date: **03 September 2021**

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

Statement of financial activities (incorporating an income and expenditure account)
for the year ended 31 March 2021

Company no. 02151434

				2021		2020	
	Note	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Income from:							
Donations and legacies	2	126,803	9,581	136,384	16,505	-	16,505
Charitable activities							
Rent	3	3,322,646	-	3,322,646	3,209,676	-	3,209,676
Service charges	3	2,300,427	-	2,300,427	2,124,703	-	2,124,703
Care and tenancy support	3	12,266,619	-	12,266,619	12,498,986	-	12,498,986
Investments	4	224,420	-	224,420	193,037	-	193,037
Other	5	24,259	-	24,259	20,849	-	20,849
Total income		18,265,174	9,581	18,274,755	18,063,756	-	18,063,756
Expenditure on:							
Raising funds	6	-	-	-	-	-	-
Charitable activities							
Rent	6	3,527,596	-	3,527,596	3,292,809	-	3,292,809
Service charges	6	2,071,887	-	2,071,887	2,386,708	-	2,386,708
Care and tenancy support	6	11,703,730	-	11,703,730	12,348,007	-	12,348,007
Other	6	159,627	9,581	169,208	136,041	-	136,041
Total expenditure		17,462,840	9,581	17,472,421	18,163,565	-	18,163,565
Net income/(deficit) before net gains on investments		802,334	-	802,334	(99,808)	-	(99,808)
Net gains/ (losses) on investments	12	438,168	-	438,168	(165,909)	-	(165,909)
Net income/ (deficit) before other recognised gains and losses	7	1,240,502	-	1,240,502	(265,717)	-	(265,717)
Gains on revaluation of fixed assets	11	69,723	-	69,723	-	-	-
(Losses)/gains on defined benefit pension schemes	18	(494,751)	-	(494,751)	654,244	-	654,244
Net movement in funds		815,474	-	815,474	388,527	-	388,527
Reconciliation of funds:							
Total funds brought forward		6,821,691	34,206	6,855,897	6,433,164	34,206	6,467,370
Total funds carried forward		7,637,165	34,206	7,671,371	6,821,961	34,206	6,855,897

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 20 to the financial statements.

The notes on pages 24 to 46 form part of these financial statements.

Balance sheet

as at 31 March 2021

Company no. 02151434

	Note	£	2021 £	£	2020 £
Fixed assets:					
Tangible assets	11		459,958		829,105
Investment properties	12		2,902,400		1,990,000
Investments	13		1,070		1,070
			<u>3,363,428</u>		<u>2,820,175</u>
Current assets:					
Debtors	14	1,768,844		1,788,998	
Cash at bank and in hand		<u>5,397,035</u>		<u>5,230,872</u>	
		7,165,879		7,019,870	
Liabilities:					
Creditors: amounts falling due within one year	15	<u>1,822,653</u>		<u>1,913,363</u>	
Net current assets			<u>5,343,226</u>		<u>5,106,507</u>
Total assets less current liabilities			8,706,654		7,926,682
Creditors: amounts falling due after one year	17		<u>208,282</u>		<u>634,785</u>
Net assets excluding pension liability			8,498,371		7,291,897
Defined benefit pension scheme liability	18		827,000		436,000
Total net assets			<u>7,671,371</u>		<u>6,855,897</u>
The funds of the Charity:					
	20				
Restricted income funds			34,206		34,206
Unrestricted income funds:					
Designated funds		2,300,000		1,752,477	
Revaluation reserve		718,005		648,282	
Pension reserve		827,000		436,000	
General funds		3,792,161		3,984,932	
Total unrestricted funds			<u>7,637,165</u>		<u>6,821,691</u>
Total charity funds			<u>7,671,371</u>		<u>6,855,897</u>

Creditors falling due within and after one year have been restated in the prior year to enable separate disclosure of a defined benefit pension scheme liability and a pension reserve.

Authorised and approved by the Trustees on 30 June 2021 and signed on their behalf by


Jackie Ballard, Chair


Eilish Kavanagh, Treasurer

The notes on pages 24 to 46 form part of these financial statements.

Statement of cash flows

for the year ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash from operating activities	21	246,469	(556,654)
Cash flows from investing activities:			
Dividends, interest and rents from investments		24,259	20,849
Purchase of fixed assets		(95,934)	(143,183)
Additions to investment properties		(8,631)	(5,909)
Net cash provided from investing activities		(80,306)	(128,243)
Change in cash and cash equivalents in the year		166,163	(684,897)
Cash and cash equivalents at the beginning of the year		5,230,872	5,915,769
Cash and cash equivalents at the end of the year	22	5,397,035	5,230,872

The notes on pages 24 to 46 form part of these financial statements.

1. Accounting policies

a) Basis of preparation

Outward Housing is a charity incorporated in England and Wales under the Companies Act 2006. The registered office address is Newlon House, 4 Daneland Walk, Hale Village, London, N17 9FE. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. These are the accounts of the individual Charity and are not consolidated.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Public benefit entity

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

c) Going concern

The Trustees consider that there are no material uncertainties about Outward's ability to continue as a going concern. Outward coped well with the operational and financial challenges brought about by the pandemic restrictions and it is further considered only residual risks remain into 2021/22.

Expected cash flows have been forecast through to September 2022 and indicate a small net inflow of cash, further a range of stressed financial scenarios through to September 2022 has been prepared indicating that, even without further mitigation Outward would have funds to continue operating for at least four years.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. The fixed asset and investment properties were valued at 31 March 2021 and although there is some uncertainty in ongoing market conditions the Trustees have looked at the likelihood of a fall in property prices as part of the financial scenarios considered and there would need to be a fall of 30% to have a material impact on the investment properties. Therefore the Trustees do not consider the professional valuation to be an area of material uncertainty.

The outcome of the actuarial valuation of the Social Housing Pension Scheme is awaited and the Trustees consider Outward has sufficient resources to fund any increase in the current deficit repayment plan.

d) Income

Income is recognised when Outward has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when Outward has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

e) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the Outward has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised. The Trustees' annual report provides more information about volunteer contributions.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to Outward which is the amount Outward would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by Outward; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

h) Fundraising statement

Outward does not undertake widespread fundraising from the general public as defined by the Charities Act 2011 as 'soliciting or otherwise procuring money or other property for Charitable purposes'. Any amounts receivable are presented in our accounts as 'voluntary income' and includes legacies and grants.

All fundraising activities are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties and the daily management of such income is delegated to the Executive team, who are accountable to the Trustees.

Outward is not bound by any undertaking to any regulatory scheme. However, the Charity is a member of the Newlon Group and complies with the relevant codes of practice.

We have received no complaints in relation to our fundraising activities. Our terms of employment requires our staff to behave reasonably at all times. As we do not approach individuals for funds as such, we do not consider it necessary to design specific procedures to monitor such activities.

i) Expenditure and irrecoverable VAT

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

- Costs of raising funds relate to the costs incurred by Outward in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.

- Expenditure on charitable activities includes the costs of delivering care, support and intensive housing management services undertaken to further the purposes of Outward and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned based on an estimate of the staff time attributable to each activity.

Where fixed assets have been revalued to market value, any excess between the revalued amount and the historic cost of the asset is recognised within the revaluation reserve in the balance sheet.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on demand for those support services:

- | | |
|------------------------------|-----------------|
| • Human resources | Headcount |
| • All other support services | Activity income |
| • Governance | Activity income |

Governance costs are the costs associated with the governance arrangements of Outward. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of Outward's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued to market value, any excess between the revalued amount and the historic cost of the asset is recognised within the revaluation reserve on the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|-----------------------------|----------|
| • Freehold office buildings | 50 years |
| • Furniture and equipment | 5 years |
| • Motor vehicles | 5 years |
| • Furnishings | 5 years |

m) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities. The valuation method used to determine fair value is stated in the notes to the accounts

n) Investments in subsidiaries

Investments in subsidiaries are at cost.

o) 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.

p) Cash at bank and in hand

Cash at bank and cash 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. Cash balances exclude any funds held on behalf of people we support.

q) Creditors and provisions

Creditors and provisions are recognised where Outward 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.

Outward only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost.

r) Pensions

Outward operates a pension scheme through Scottish Widows and the 'auto enrolment' pension scheme. Employer contributions are charged to resources expended as incurred. Outward also recognises liabilities for the current, deferred and pensioner members of a multi-employer Social Housing defined benefit pension scheme. Employer contributions are charged to resources expended as incurred. In addition, gains or losses recognising the discounted liability to fund past service deficits are recognised.

s) Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, key judgements have been made In respect of the following:

- Valuations and/or impairment of fixed asset properties, relying on the professional opinion of independent qualified surveyors;
- Valuation of investment properties, relying on the professional opinion of independent qualified surveyors where they have recognised uncertainty in the property market at 31 March 2021;
- The critical underlying assumptions in relation to the actuarial estimate of the Social Housing Pension Scheme shortfall of projected assets against projected scheme liabilities and the Charity's obligation to fund its share of the deficit such as standard rates of

inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual expense;

- Whether leases entered into by Outward, either as a lessor or a lessee, are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis and;
- Income is generated from a range of sources, in particular, from rent to service charges to local authority income under a wide variety of contract types, durations and service specifications. Judgement is applied as to income recognition and recoverability on a source by source and/or contract by contract basis.

2. Income from donations and legacies

Donors	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Legacy	-	-	-	15,705
Job Retention Scheme Grant	126,803	-	126,803	-
Other donations	-	9,581	9,581	800
	126,803	9,581	136,384	16,505

3. Income from charitable activities

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Rent from tenants	3,322,646	-	3,322,646	3,209,676
Service charges from tenants	2,300,427	-	2,300,427	2,124,703
Sub-total for rent and service charges	5,623,073	-	5,623,073	5,334,379
London Borough of Bromley	1,001,039	-	1,001,039	1,124,157
London Borough of Camden	853,797	-	853,797	1,485,752
London Borough of Enfield	1,252,522	-	1,252,522	1,164,074
London Borough of Hackney	3,110,164	-	3,110,164	2,574,567
London Borough of Haringey	217,726	-	217,726	212,658
London Borough of Islington	327,359	-	327,359	727,732
London Borough of Newham	189,010	-	189,010	149,506
London Borough of Redbridge	156,781	-	156,781	156,945
London Borough of Tower Hamlets	1,180,817	-	1,180,817	1,237,305
London Borough of Waltham Forest	3,563,426	-	3,563,426	3,544,875
Activity breaks and other	413,978	-	413,978	121,415
Sub-total for care and tenancy support	12,266,619	-	12,266,619	12,498,986
Total income from charitable activities	17,889,693	-	17,889,693	17,833,365

4. Income from trading activities

	Unrestricted	Restricted	2021 Total	2020 Total
	£	£	£	£
Hospitality and Leisure Continuity Grant	25,000	-	25,000	-
Nutley Edge accommodation	167,773	-	167,773	193,037
Private rent	31,647	-	31,647	-
	224,420	-	224,420	193,037

5. Income from investments

	Unrestricted	Restricted	2021 Total	2020 Total
	£	£	£	£
Interest received	24,259	-	24,259	20,849
	24,259	-	24,259	20,849

6. Analysis of expenditure

	Cost of raising funds	Charitable activities			Restricted	Trading	Governance costs	Support costs	2021 total	2020 total
		Rent	Service charges	Care & tenancy support						
	£	£	£	£	£	£	£	£	£	£
Staff costs (Note 8)	-	404,271	47,476	9,693,772	-	71,125	58,360	1,238,806	11,513,810	11,999,418
Office rents	-	1,000	-	60,555	-	-	-	86,461	148,016	220,193
Service chargeable costs	-	-	1,893,698	-	-	-	-	-	1,893,698	2,137,896
Tariff payments to landlords	-	2,401,713	-	-	-	-	-	-	2,401,713	2,313,098
Bad and doubtful debts	-	115,848	-	35,060	-	-	-	-	150,908	32,224
Other costs	-	382,210	-	1,175,357	9,581	78,431	25,516	(306,819)	1,364,276	1,460,736
	-	3,305,042	1,941,173	10,964,745	9,581	149,556	83,876	1,018,448	17,472,421	18,163,565
Support costs	-	205,620	120,768	682,756	-	9,304	-	(1,018,448)	-	-
Governance costs	-	16,934	9,946	56,229	-	766	(83,876)	-	-	-
Total expenditure 2021	-	3,527,596	2,071,887	11,703,730	9,581	159,627	-	-	17,472,421	18,163,565
Total expenditure 2020	-	3,292,809	2,386,708	12,348,007	-	136,041	-	-	-	18,163,565

Of the total expenditure, £17,463,839 was unrestricted (2020: £18,163,565) and £9,581 was restricted (2020: nil). Support costs – other costs include and are reduced by £329,443 (2020: nil) following a review of prior years automated expenditure accruals that were identified as no longer required and written back. Revised controls will ensure material write backs are not required going forward.

Support costs comprise:

	2021 £	2020 £
Central costs	57,301	296,377
Human resources	243,004	238,239
Business development	163,307	141,145
Quality	94,790	79,960
Customer involvement	50,018	95,062
Directorate costs	71,273	120,431
Finance and IT services	338,755	321,202
	1,018,448	1,292,416

Central costs include and are reduced by £329,443 (2020: nil) following a review of prior years automated expenditure accruals that were identified as no longer required and written back. Revised controls will ensure material write backs are not required going forward.

7. Net (deficit)/income before gains and losses for the year

This is stated after charging:

	2021 £	2020 £
Financial services bought in	224,275	224,275
IT Support bought in	75,000	65,272
Operating lease rentals	55,405	55,368
Depreciation	69,201	80,299
Provision for doubtful debts and rent arrears	150,908	32,224
Auditors' remuneration (excluding VAT):		
Audit	11,250	10,700
Other services	1,589	5,227

8. Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	10,183,979	10,115,937
Redundancy and termination costs	24,709	36,775
Social security costs	894,691	889,606
Employer's contribution to defined contribution pension schemes	261,049	287,442
Operating costs of defined benefit pension schemes	26,233	24,002
Agency workers	123,149	645,655
	11,513,810	11,999,417

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2021 No.	2020 No.
£60,000 – £69,999	1	-
£80,000 – £89,999	1	1

Trustees consider those staff with material delegations of authority available to them to conduct operational activities as key management personnel. The total employee benefits including pension contributions of the key management personnel, comprising the Chief Executive and the executive team, were £369,509 (2020: £370,114). Within employee benefits, employers pension contributions of £17,865 were paid on behalf of five key management personnel (2020: £17,723) and five) into defined contribution schemes including the 'auto enrolment' scheme.

The Charity trustees were not paid nor received any other benefits from employment with the Charity in the year (2020: £nil). No Charity trustee received payment for professional or other services supplied to the Charity (2020: £nil).

Trustees' expenses represent the payment or reimbursement of travel and subsistence costs totalling £nil (2020: £nil).

9. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2021 No.	2020 No.
Rent	13	17
Service charges	1	2
Care and tenancy support	431	438
Support and trading activities	22	23
Governance	1	1
	468	481

The number of staff engaged in support and trading activities in the prior year comparator has been corrected and restated from 13 to 23 and for care and tenancy support from 448 to 438.

Staff numbers full time equivalent

Full time equivalent is based on a 38 hours working week. Staff teams comprise employees on both full time and part time contracts, staff who wish to work flexibly and, where necessary, agency workers. Staff may also work additional hours regardless of their contract status.

Including all contracted hours, additional hours worked by staff and hours worked by third party agency workers the average number of full time equivalent resources is 411 (2020: 480).

During the year charitable activities were supported by 250 hours of volunteer time (2020: 16,356 hours). A fuller description of the role played by volunteers is included within the Trustees' report, however activities were severely curtailed by pandemic restrictions.

10. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

	2021 £	2020 £
UK corporation tax for the year	-	-
The tax for the year differs to the standard rate of corporation tax applied to profits before tax. The differences are explained below:		
Surplus for the year before tax	815,474	388,527
UK Corporation Tax at 19% (2020:19%)	154,940	73,820
Profit on non-primary purpose trading activities	67,533	3,536
Otherwise exempt charitable income	(222,473)	(77,356)
Current tax charge for the period	-	-

11. Tangible fixed assets

	Freehold property	Reclassified as investment property	Furniture and equipment	Furnishing	Motor vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At the start of the year	787,058	-	1,327,031	101,947	72,931	2,288,967
Reclassified in year	(457,058)	457,058	-	-	-	-
Additions in year	-	42,529	53,403	-	-	95,932
Disposals in year	-	-	-	(101,947)	-	(101,947)
Transferred to investment property	-	(499,587)	-	-	-	(499,587)
Revaluation during the year	77,241	-	-	-	-	77,241
At the end of the year	407,241	-	1,380,434	-	72,931	1,860,606
Depreciation						
At the start of the year	55,377	-	1,232,388	101,947	70,150	1,459,862
Reclassified in year	(27,689)	27,689	-	-	-	-
Charge for the year	4,434	6,297	55,688	-	2,781	69,201
Disposed in year	-	-	-	(101,947)	-	(101,947)
Transferred to investment property	-	(33,986)	-	-	-	(33,986)
Revaluation during the year	7,518	-	-	-	-	7,518
At the end of the year	39,640	-	1,288,076	-	72,931	1,400,648
Net book value at the end of the year	367,600	-	92,358	-	-	459,958
At the start of the year	731,681	-	94,643	-	2,781	829,105

The freehold property Wood Street, London E17 comprised offices on the ground floor with accommodation above. During the year the upper floors were repurposed from social housing to privately rented flats, consequently the upper floor flats were reclassified as commercial properties.

The ground floor offices were valued at £367,600 as part of a composite building on an open market basis with an assumed rental yield of 6.5%, as at 31 March 2021 in a letter dated 29 April 2021 by an external firm Strettons Ltd. Strettons are RICS accredited valuers and undertook the valuation in accordance with the RICS Global Standards – 31 January 2020. The services of Strettons were procured in accordance with the Charity's procurement procedures and the Trustees are satisfied of the independence of Strettons. On 28 August 2020 the RICS removed a requirement to include a material valuation uncertainty clause on certain properties and the valuation has been prepared on the basis of market conditions and evidence as at 31 March 2021.

The historical cost of the freehold property, including additions is £51,271. The net book value of the freehold property is £367,600 inclusive of land. Land with a value of £205,856 is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

12. Investment properties

	2021 £	2020 £
Fair value at the start of the year	1,990,000	1,800,000
Additions	8,631	5,909
Reclassified during the year from freehold property fixed assets	465,601	350,000
Revaluation during the year	438,168	(165,909)
Fair value at the end of the year	2,902,400	1,990,000

The fair value at the end of the year comprises three properties.

The leasehold property at Cedar Court, 267 Hainault Road, London E11 was valued at £350,000, on an open market basis, as at 31 March 2021 in a letter dated 23 April 2021 by an external firm Strettons Ltd. Strettons are RICS accredited valuers and undertook the valuation in accordance with the RICS Global Standards – 31 January 2020. The services of Strettons were procured in accordance with the Charity's procurement procedures and the Trustees are satisfied of the independence of Strettons. On 28 August 2020 the RICS removed a requirement to include a material valuation uncertainty clause on certain properties and the valuation has been prepared on the basis of market conditions and evidence as at 31 March 2021.

The property was purchased in 2002 from a long lease of 999 years with 942 years now remaining. The historical cost of the leasehold property, including additions, is £168,274. Based on an expected life of 80 years accumulated depreciation would have been £42,068 giving a historic carrying value of £126,206.

The freehold holiday accommodation, at Nutley Edge in East Sussex was valued as at 31 March 2021 at £1,950,000, on an open market basis, as set out in a side letter dated 4 May 2021 by an external firm Avison Young (UK) Ltd, Leisure Division. Avison Young are RICS accredited valuers and undertook the valuation in accordance with the RICS Global Standards – 31 January 2020. The services of Avison Young were procured in accordance with the Charity's procurement procedures and the Trustees are satisfied of the independence of Avison Young.

The property was purchased in 2012 was valued as a specialised property used for leisure purposes and method of valuation gave weighting to stabilised earnings, based on historic turnover and potential future turnover, at a capitalisation rate of 10.5% and to comparable local sales and properties offered for sale, in particular holiday complexes. On 28 August 2020 the RICS removed a requirement to include a material valuation uncertainty clause and the valuation has been prepared on the basis of market conditions and evidence as at 31 March 2021.

It was assumed the property has good title and is free from onerous or restrictive covenants and obligations, restrictions and statutory notices.

The historical cost of the Nutley Edge freehold property, including additions, is £1,904,884 including land valued at £92,390. Based on an expected life of 50 years accumulated depreciation would have been £362,499 giving a historic carrying value of £1,542,385.

During the year a freehold property in Wood Street, London E17, comprising two upper floor flats above offices previously carried as a fixed asset were repurposed from social housing to private rent and have been reclassified as a commercial property.

The offices continue to be classified as a property fixed asset. The flats were valued at £602,400 as part of the composite building, on an open market basis with an assumed rental yield of 6.5%, as at 31 March 2021 in a letter dated 29 April 2021 by an external firm Strettons Ltd. Strettons are RICS accredited valuers and undertook the valuation in accordance with the RICS Global Standards – 31 January 2020.

Notes to the financial statements Year ended 31 March 2021

The services of Strettons were procured in accordance with the Charity's procurement procedures and the Trustees are satisfied of the independence of Strettons. On 28 August 2020 the RICS removed a requirement to include a material valuation uncertainty clause on certain properties and the valuation has been prepared on the basis of market conditions and evidence as at 31 March 2021.

The historical cost of the upper floors at Wood Street, including additions, is £253,608 including land valued at £142,020 that is not depreciated. Based on an expected life of 50 years accumulated depreciation would have been £44,635 giving a historic carrying value of £208,973.

13. Investments

	2021 £	2020 £
Cost at the start and end of the year	1,070	1,070

Investments comprise 2 x £10 ordinary shares representing a 16.7% holding in Cedar Court Properties Ltd, a company incorporated in England registered company number 6821739, registered address Holford House, Holford Court, Heathcote Road, Swadlincote, Derbyshire, DE11 9BX.

14. Debtors

	2021 £	2020 £
Arrears of rent and service charges	494,018	356,372
Trade debtors	370,709	712,183
Prepayments	73,816	64,457
Accrued income	415,829	156,278
Other debtors	414,472	499,708
	1,768,844	1,788,998

15. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	310,693	220,010
Rent in advance	376,251	317,682
Taxation and social security	-	-
Other creditors	237,475	181,315
Amounts owed to Group undertakings	217,622	217,690
Accrued expenditure	618,481	886,386
Deferred income	62,131	90,280
	1,822,653	1,913,363

16. Deferred income

	2021 £	2020 £
Balance at the beginning of the year	90,280	9,087
Amount released to income in the year	(90,280)	(9,087)
Amount deferred in the year	62,131	90,280
Balance at the end of the year	62,131	90,280

17. Creditors: amounts falling due after one year

	2021 £	2020 £
Service charges refundable	208,282	634,785

Outward's total future obligation to fund multi-employer defined benefit scheme deficit contributions is as follows for each of the following periods:

	2021 £	2020 £
Less than one year	121,126	118,751
Two to five years	705,874	317,249
More than five years	-	-
	827,000	436,000

18. Pension schemes

Outward Housing participates in the multi-employer Social Housing Pension Scheme and also makes available a defined contribution scheme, to certain staff where employer contributions match those of the employee and are progressively in the range of 5% to 7%.

Those staff who are not otherwise members of a pension scheme are enrolled automatically into a defined contribution scheme also offered by the Social Housing pension scheme. Employer and employee contributions were set at 3% and 5% respectively throughout the year.

There was a group of staff who transferred in to Outward under TUPE regulations and remained members of local government pension scheme. Three of those staff transferred out under TUPE regulations during the year.

Multi-employer Social Housing Pension Scheme (the scheme)

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

Notes to the financial statements Year ended 31 March 2021

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or before 28 February 2019, it was not possible for the charity to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the Charity has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September 2018. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2019 to 29 February 2020 inclusive.

Similarly, actuarial valuations of the scheme were carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 28 February 2021 inclusive, and as at 30 September 2020 to inform the liabilities for accounting year ends from 31 March 2021 to 28 February 2022 inclusive.

The liabilities are compared, at the relevant accounting date, with the Charity's fair share of the Scheme's total assets to calculate the Charity's net deficit or surplus.

Fair value of plan assets, present value of defined benefit obligation and defined benefit asset (liability)

	31 March 2021 (£'000)	31 March 2020 (£'000)
Fair value of plan assets	3,431	3,601
Present value of defined benefit obligation	4,258	4,037
(Deficit) in plan	(827)	(436)
Unrecognised surplus	-	-
Defined benefit (liability) to be recognised	(827)	(436)

Reconciliation of the opening and closing balances of the defined benefit obligation

	Period ended 31 March 2021 (£'000)
Defined benefit obligation at start of period	4,037
Current service cost	-
Expenses	6
Interest expense	95
Actuarial losses/(gains) due to scheme experience	(584)
Actuarial losses/(gains) due to changes in demographic assumptions	15
Actuarial losses/(gains) due to changes in financial assumptions	765
Benefits paid and expenses	(76)
Defined benefit obligation at end of period	4,258

Notes to the financial statements Year ended 31 March 2021

Reconciliation of the opening and closing balances of the fair value of plan assets

	Period ended 31 March 2021 (£'000)
Fair value of plan assets at start of period	3,601
Interest income	86
Experience on plan assets (excluding amounts included in interest income) – gain/(loss)	(304)
Contributions by the employer	124
Benefits paid and expenses	(76)
Fair value of plan assets at end of period	3,431

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2021 was (£218,000).

Defined benefit costs recognised in statement of financial activities

	Period ended 31 March 2021 (£'000)
Expenses	6
Net interest expense	9
Defined benefit costs recognised in statement of financial activities	15

Defined benefit costs recognised in financial activities

	Period ended 31 March 2021 (£'000)
Experience on plan assets (excluding amounts included in net interest cost) – gain/(loss)	(304)
Experience gains and losses arising on the plan liabilities – gain/(loss)	584
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain/ (loss) (key assumptions listed on page 38 of these statements)	(15)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain/ (loss) (key assumptions listed on page 38 of these statements)	(765)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain/(loss)	(500)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) – gain/(loss)	-
Total amount recognised in the Statement of Financial Activities – gain/(loss)	(500)

Notes to the financial statements Year ended 31 March 2021

Assets

	31 March 2021 (£'000)	31 March 2020 (£'000)
Global equity	547	527
Absolute return	189	188
Distressed opportunities	99	69
Credit relative value	108	99
Alternative risk premia	129	252
Fund of hedge funds	-	2
Emerging markets debt	139	109
Risk sharing	125	122
Insurance-linked securities	82	111
Property	71	79
Infrastructure	229	268
Private debt	82	73
High yield	103	-
Opportunistic credit	94	-
Corporate bond fund	203	205
Liquid credit	41	1
Long lease property	67	62
Secured income	143	137
Opportunistic illiquid credit	87	87
Liability driven investment	872	1,195
Net current assets	21	15
Total assets	3,431	3,601

None of the fair values of the assets shown above include any direct investments in Outward's own financial instruments or any property occupied by, or other assets used by Outward.

Key assumptions

	31 March 2021 % per annum	31 March 2020 % per annum
Discount rate	2.18	2.38
Inflation (RPI)	3.27	2.62
Inflation (CPI)	2.87	1.62
Salary growth	3.87	2.62
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

Notes to the financial statements Year ended 31 March 2021

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2021	21.6
Female retiring in 2021	23.5
Male retiring in 2041	22.9
Female retiring in 2041	25.1

Scottish Widows defined contribution scheme

During the year employer contributions of £17,822 (2020: £22,728) were charged to income and expenditure and at 31 March 2021 8 staff (2020: 13 staff) were in the scheme.

Social Housing Pension Scheme defined contribution (auto-enrolment)

During the year employer contributions of £243,227 (2020: £240,712) were charged to income and expenditure and at 31 March 2021 380 staff (2020: 394 staff) were in the scheme.

Local Government Pension Scheme

During the year employer contributions of £11,233 (2020: £24,002) were charged to income and expenditure and at 31 March 2021 1 member of staff (2020: 4 staff) was in the scheme.

Reported staff costs also include death-in-service benefit for all staff. The employer's premium was £23,750 (2020: £19,860).

19. Analysis of net assets between funds

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	459,958	-	-	459,958
Investment properties	2,868,194	-	34,206	2,902,400
Investments	1,070	-	-	1,070
Net current assets	3,043,225	2,300,000	-	5,343,225
Long term liabilities	(208,282)	-	-	(208,282)
Defined benefit pension liability	(827,000)	-	-	(827,000)
Net assets at the end of the year	5,337,165	2,300,000	34,206	7,671,371

20. Movements in funds

	At the start of the year	Incoming resources and gains	Outgoing resources and losses	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds:					
Heritage Lottery Fund	34,206	-	-	-	34,206
National Lottery Community Fund	-	4,210	(4,210)	-	-
Other	-	5,371	(5,371)	-	-
Total restricted funds	34,206	9,581	(9,581)	-	34,206
Unrestricted funds:					
Designated funds:					
Salary contingency	727,477	-	-	(727,477)	-
Service quality initiatives	200,000	-	-	(200,000)	-
IT infrastructure	125,000	-	-	75,000	200,000
Grant match funding	-	-	-	100,000	100,000
Cyclical and renewals	500,000	-	-	(500,000)	-
Property investment	200,000	-	-	1,800,000	2,000,000
Total designated funds	1,752,477	-	-	547,523	2,300,000
Revaluation reserve	648,282	69,723	-	-	718,005
Pension reserve	436,000	-	(391,000)	-	827,000
General funds	3,984,932	18,703,341	(17,566,590)	(547,523)	3,792,160
Total unrestricted funds	6,821,691	18,773,064	(17,957,590)	-	7,637,165

Purpose of restricted funds

Heritage Lottery Fund represents the cost of improvements at the Nutley Edge Holiday Cottages.

Purposes of designated funds

IT infrastructure recognises the need to improve connectivity and software supporting service delivery.

Making available funds where needed to match grant givers requirements.

Service investment is to build up a fund for further investment in charitable service capacity including property.

21. Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net (deficit)/income for the reporting period (as per the statement of financial activities)	1,240,502	(265,717)
Depreciation charges	69,201	80,299
(Losses)/gains on investment properties	(438,168)	165,909
Actuarial gains/(losses) on defined benefit pension schemes	(494,751)	654,244
Dividends, interest and rent from investments	(24,259)	(20,849)
Decrease/(increase) in debtors	20,154	(9,917)
(Decrease)/increase in creditors	(517,210)	(421,623)
Increase/(decrease in pension liability)	391,000	(739,000)
Net cash (used in) from operating activities	246,469	(556,654)

22. Analysis of cash and cash equivalents

	At 1 April 2020 £	Cash flows £	Other changes £	At 31 March 2021 £
Cash at bank and in hand	4,230,872	166,163	-	4,397,035
Notice deposit (less than three months)	1,000,000	-	-	1,000,000
Total cash and cash equivalents	5,230,872	166,163	-	5,397,035

23. Operating lease commitments

Amounts payable as lessee:

Outward's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2021 £	2020 £	2021 £	2020 £
Less than one year	37,094	55,168	-	-
One to five years	151,660	225,500	-	-
Over five years	217,684	384,157	-	-
	406,438	664,825	-	-

Notes to the financial statements Year ended 31 March 2021

Amounts receivable as lessor:

The Charity's total future minimum lease receipts under non-cancellable operating leases is as follows for each of the following periods:

	Property	
	2021	2020
	£	£
Less than one year	3,363,898	3,127,496
	3,363,898	3,127,496

24. Financial Instruments

The Charity's financial instruments may be analysed as follows:

	2021	2020
	£	£
Financial assets measured at historical cost:		
Trade debtors and rent arrears	864,727	1,068,555
Prepayments and accrued income	489,645	220,734
Other debtors	414,472	499,708
Cash and cash equivalents	5,397,035	5,230,872
	7,165,879	7,019,869

	2021	2020
	£	£
Financial liabilities measured at historical cost:		
Trade creditors and rent in advance	686,945	537,692
Deferred income	62,131	90,280
Other creditors	1,160,733	1,801,425
Defined benefit pension creditor	827,000	436,000
	2,736,809	2,865,397

25. Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

26. Related party transactions

Creditors includes money due to Newlon Housing Trust of £82,412 (2020: £77,946).

27. Subsidiary

The Finsbury Park Homeless Families Project ('FPH') is a company limited by guarantee, registered number 02879813 and registered charity number 1030970, registered office 4 Daneland Walk, London N17 9FE. FPH is a wholly-owned subsidiary of Outward Housing by virtue of a 51% voting share. The reserves of FPH were distributed to other local charities supporting homeless families and FPH no longer provides services.

28. Ultimate parent entity

The ultimate parent undertaking and controlling party is Newlon Housing Trust, a registered provider of social housing. Newlon Housing Trust is the parent undertaking of the smallest and largest group to consolidate these financial statements. Consolidated financial statements for Newlon Housing Trust are available from its registered office at Newlon House, 4 Daneland Walk, Hale Village, London, N17 9FE. Control is exercised by virtue of a 51% voting share available as part of reciprocal representation on the Boards of the two entities. Newlon Housing Trust authorises the proposed appointment and removal of Trustees from the Board of Outward Housing.

Registered office: Newlon House, 4 Daneland Walk, Hale Village, London, N17 9FE.

Registered company no. 02151434, Registered charity no. 800529, Registered CQC provider ref. 1-101675816.

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