



Financial Statements

For the year ended 31 March 2023

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, Resigned 21 September 2022

Jane Howlett CBE
Chair, Appointed 22 September 2022

Alan McNab
Vice-chair

Nicola Bastin
*Newlon Housing Trust Nominee
Resigned 30 November 2022*

Alison Muir
*Newlon Housing Trust Nominee
Appointed 19 January 2023*

Shelley Joyce
Resigned 23 June 2022

Eilish Kavanagh
Treasurer

Zahra Maye

Joyce Saunders
Resigned 23 June 2022

Rama Varsani

Ashley Staines
Appointed 22 September 2022

Key management personnel / Executive Team

Nicky Boland, Chief Executive and Secretary

Katerina Gutheim
Director of Care and Support

Emma Richardson
Assistant Director of Housing and Facilities

Lindy Shufflebotham
Director of HR & Organisational Development

The Chief Executive 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
Level 12
1 Churchill Place
London E14 5HP

Solicitors

Devonshires
30 Finsbury Circus
London
EC2M 7DT

Auditors

BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

Other trading styles

Nutley Edge Cottages

Websites

www.outward.org.uk
www.nutleyedge.org.uk

Trustees' Annual Report, incorporating Strategic Report

The Trustees present their report and the audited financial statements for the year ended 31 March 2023.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the 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.

Purpose and Aims

In 1975 a group of parents and professionals in Waltham Forest got together to find a way for people with learning disabilities to live outside institutional care; this is how Outward was created and where our name comes from, living 'out of the wards', in the heart of local communities.

Outward Housing's (Outward) purpose, as set out in our Articles 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.

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 undertaken as set out in its aims and objectives. The review also helps the Trustees ensure Outward's aims, objectives and activities remained focused on the strategies and objectives that were set and performance against them.

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.

Strategic Report and Performance

The strategic direction and performance monitoring of Outward, as a charity, focuses on the provision of high quality and reliable care, support and intensive housing management services to people requiring these services across most boroughs in north and east London.

Our geographical coverage has grown considerably, starting from Waltham Forest and then Tower Hamlets, to the current eight boroughs and the City of London. Waltham Forest and Hackney are our biggest serviced boroughs for care and support.

Outward continues to maintain a range of services to persons requiring support, which is highlighted in the achievements and performance section, allowing it to absorb the impact of a potential loss of a funder or service stream.

Service provision is, in the context of operational efficiency, achieving small year on year financial surpluses for maintaining sufficient day to day cash balances to fund operational activity and sufficient reserves to ensure Outward can continue to provide services into the foreseeable future.

Our balance sheet and ratios remain strong, buoyed by increased valuations of our properties.

We registered with the Fundraising Regulator in September 2022 and now have internal resource to invest 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.

The need to invest in and improve our use of software, technology and IT infrastructure remains and work commenced on developing our digital strategy through 2022-23 and will continue.

Outward invested, in prior years, some of its reserves in holiday cottages in East Sussex and three private rent flats in the London Borough of Waltham Forest. Commercial profits are reinvested into charitable activities and the holiday cottages are also used as a base to provide charitable activity and respite breaks.

Over the long term two thirds of Outward's service income is derived from care and support revenue and one third from intensive housing management, both designed to enable people we support to maintain their tenancies and make progress in their lives. Statutory funding does not cover all additional services that can make a real difference to people's lives and wellbeing, therefore Outward has funded and delivered additional projects through its community engagement and volunteering team. From 2021 onwards Outward has sought grant funding to support this work.

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 "income from donations and grants". All fundraising activities are managed internally, without involvement of professional fundraisers and the daily management of such income is delegated to the Executive team, who are accountable to the Trustees.

Care and Support is provided in a variety of settings primarily: Supported living, outreach and one

registered care home with intensive housing management provided for properties owned by Outward's parent, Newlon Housing Trust, and five other landlords.

Outward collects rent and sets and collects service charges from tenants on behalf of landlords and remit a share of the income to the landlords as a 'tariff'. From the proportion of income retained by Outward, Outward funds its intensive housing management and the risk of voids and arrears. Landlords are responsible for maintaining properties. In September 2022 Outward commenced a pilot tenancy sustainment service for Newlon tenants funded by Newlon, to support certain tenants to manage cost of living challenges. Newlon provides Finance and IT support services to Outward. All intra group services are provided at 'commercial' rates.

As a 'people' business that is 'selling,' primarily, the time and skills of its staff, requirement for capital expenditure is relatively low, however it is recognised that future investment is required in IT software and infrastructure and this started to be addressed during 2022-23 in its digital strategy and the appointment of a digital project manager to lead the process.

From the above it will be apparent that Outward is a 'service provider' charity, the following sections set out Outward's operating environment, the risks it encounters and mitigates and how Outward has performed in 2022-23 and how it expects to operate going forward.

Operational Risks and Exposures

Outward's Board reviews Outward's risk register and the application and success of mitigating actions at each Board meeting but delegates oversight of financial performance and associated risk to an Operations Committee who meet quarterly in advance of Board meetings and report back to the Board. The remit of the Operations Committee is reviewed regularly and includes operational performance and financial resilience as well as key performance indicators of service performance, efficiency and quality as standing agenda items.

Policies such as treasury management and delegated authorities, as part of Standing Orders are also reviewed regularly. Additionally, Outward uses the services of a third party internal audit service, who also report to the Newlon Group Audit & Risk Committee.

Our Risk Register categorises the risks we face in four key ongoing areas:

Financial: We rely mainly on Local Authority and Health funding to fund our services, after mitigation this remains a key area and a material risk. Our strategy will consider the funding policies of each local authority, potentially leaving contracts which we believe do not appropriately fund our services to a level the people we support deserve and for paying our staff at least the London Living Wage.

People: We are dependent on our staff for the delivery of our services therefore a key task is to recruit and retain enough 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, we believe this remains a material and increasing risk to us due to the current cost of living, 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 evidenced by robust and effective quality assurance systems that we can reduce this risk.

Feedback from the people we support, our stakeholders and the Care Quality Commission 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. Our Health and Safety Committee meets quarterly to review health and safety risks and monitor performance.

The key operating risks to Outward are considered as:

- Funding of care and support contracts – Outward remains committed to paying its, London based, staff at least the London Living Wage (LLW). For 2022-23 this was an uplift of 1.85% most, but not all the boroughs we work with were content to fund this. The Outward Board recognised, in March 2022, the then emerging cost of living ‘crisis’ and set aside a sum in the budget to pay staff a supplement during 2022-23. This was done and the cost was contained within the reported operating surplus for 2022-23. Going forward we have uplifted support worker pay by 8.14% from April 2023 in line with the LLW with no expectation to pay a further supplement. At the balance sheet date we are still negotiating with some boroughs to fund this salary uplift and general cost increases. Outward remains committed to not subsidising local authorities with charitable reserves. Should our services be transferred to another provider then TUPE regulations will apply to mitigate any potential redundancy costs.
- Outward maintains a register of contracts and supporting document repository supporting invoicing for care and support provided. However the majority of the boroughs we work with maintain their own brokerage team records. Delays and errors can impact on the timely collection of debt. In recent years this is exacerbated by drawn out uplift negotiations. Direct dialogue to rectify issues with boroughs in this area can be difficult and debt levels remain higher than target.
- Typically for care and support services direct costs cluster around 83% of associated income with the remainder covering local operating costs, overheads and a small surplus. Controls are in place at budget setting including the creation of staff establishments, rotas and monitoring of spend through monthly management accounts. In 2022-23 all services covered their direct local costs although 20% did not meet their and surplus target.
- Recruitment and retention of staff remains a key indicator of performance and can impact upon service quality. Vacancies are monitored as a key performance indicator as is staff turnover, although Outward’ staff turnover is below industry average it remains an area of risk and strong oversight.
- We manage 613 (2022: 614) tenancies over a wide range of property types on behalf of a

six landlords, principally Newlon Housing Trust. Housing Management Services are funded by retained rent and allowable service charge administration fees. Rent having uplifted by 4.1% in 2022-23 and the Government decision not to cap rent uplifts in supported housing below 11.1% for 2023-24 is welcomed.

However rents are exposed to voids with a variety of factors including individual needs, property accessibility, compatibility with other tenants and available funding impacting upon the speed with which voids can be filled. Work continues with Newlon Housing Trust's asset management team, to identify those properties making deficits and which require remodelling or returning to Newlon Housing Trust if they are 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.

- 94% of rent and service charges are funded via Housing Benefit, delays in payment occurred during the pandemic and, in particular, after a cyber-attack at one borough. The situation eased during 2022-23.
- The rising cost of living is severely impacting the cost and affordability of service charges, with additional costs from communal electricity which was contracted in May 2022 and included in a revised service charge for 2022-23. Gas contracted from October 2022 and other cost increases in 2022-23 will be collected in 2024-25 in accordance with service charge regulations. Anticipated increases for 2023-24, again largely paid through benefits, have been accepted by local authorities.
- Outward has been an employer member of the Social Housing Pension Scheme (SHPS) since merging with another charity in 2002 and levels of reserves are exposed to material annual fluctuations in the accounting 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. Longevity rates, inflation rates and movements in financial markets will have an impact on Outward's exposure, 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 is committed to cash funding its share of liabilities until March 2028, with the next actuarial valuation due in September 2023 and the outcome expected by mid-2024.
- Outward has been able to maintain cash balances with prudent treasury management and has built up sufficient cash reserves over the years to satisfy working capital requirements, operational risks and with funds available for future investment in charitable services.
- Outward is keenly aware of the operational and reputational risks involved in providing people based services to vulnerable adults. It is considered those risks are managed down to an acceptable level.

In summary, in a period of high inflation and an uncertain economy, the interaction between

setting salary and benefit levels appropriately to attract and retain staff and the willingness of funders to recognise and fund the cost of providing statutory services will be a key dynamic for the foreseeable future.

Achievements

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.

In 2022-23, Outward supported 887 (2021-22: 813) people to maximise their independence and social engagement by providing essential care and support services. We provided our services across nine London boroughs and at Nutley Edge to individuals with learning disabilities, autism, mental health issues, young people at risk, and older people. All of our services regulated by the Care Quality Commission have retained a CQC "Good" rating.

In our 2022-23 business plan, we said Outwards focus should be upon the well-being of the people we support, and we would seek funding for co-produced projects which help people get healthier, happier and more active

With the invaluable help of colleagues, volunteers and some brilliant grant giving trusts and donors, we have been able to improve people's well-being by:

- A nutrition project which is improving knowledge and skills in budgeting, shopping and cooking healthy meals. We will be expanding this vital work in 2023-24 with additional funding received.
- A sports project funded by Sports England, and delivered in partnership with Sport Works which is getting people active and providing a fun way to socialise at weekly sports sessions across seven Outward locations. The success of this project has led to a strengthening of a partnership with Sport Works to deliver future sport programmes.
- Developing a partnership with 'Together for Music' who connected our older people's services with primary schools to curate short music performances.
- A safeguarding project led by the people we support, in collaboration with the Metropolitan Police to help provide guidance around being safe in the community. This has taken the shape of a guidance video to be shown at events and tenant meetings.



Hub Club members warm up for a sport session funded by Sports England

In 2022-23, the people we support benefitted from over 3,500 hours of additional time with the amazing community volunteers we recruited; helping people learn new skills and enjoy their interests and to reduce social isolation through befriending.

We monitor outcomes as part of our key performance indicators and, on average, during the year we supported people to achieve over 90% of the outcomes they wanted to achieve in their life. This is a testament to our colleagues in services who are 'enabling, engaging and empowering' through their support and putting the person right at the centre.

Co-Production

We co-produced a new strategy with people we support in 2022, this has resulted in a new family forum and a committee led by people we support. These activities ensure we are regularly listening to, and learning from, those who experience Outward services. We have expanded our Quality Checkers and Co-Trainers programme, and we now have 22 paid 'experts by experience' inspecting our services and facilitating training thereby ensuring colleagues hear directly how people want to be supported at Outward.

Our Co-trainers and Quality Checkers also meet monthly to form Outward's Ambassadors group. This group collaborate on a quarterly newsletter for people we support, and feedback on organisational information such as awareness days and surveys.

Valuing our Colleagues

Over the last year, the increased cost of living has impacted colleagues, the people we support, and our wider organisation. Through strong financial management and a decision to no longer accept under funded contracts, we are proud we were able to take positive action to ease the burden on our Outward community.

From April 2023, we took a stand against low pay in social care and pledged to pay a minimum of the Real Living wage. Despite this, we recognised our colleagues were still struggling financially with the increases in general living expenses. The Outward board took the decision to pay all colleagues two winter support payments to help them through this difficult time and to retain valued colleagues within our organisation and for the people we support.

We also set up a library of cost of living resources, together with a range of other initiatives which we are further developing into 2023-24.



Growing and Developing

Following a re-tender exercise, we were delighted to retain our supported living services for people with a learning disability in Tower Hamlets for another five years.

Our Young People service has been producing great outcomes, with 95% of the young people in our supported schemes in employment or education this year.

Building on this success, we are opening a new supported project in partnership with Hackney and aim to start the development of more new homes in 2023-24 with Newlon.

Developing Skills and Knowledge

Although we have retained our CQC Good ratings, we continue to focus upon continuous improvement and thrive for excellence in our care and support services. We have invested in a new service improvement manager post and delivered 126 days of face-to-face training to improve colleagues' specialist skills.

One important area of focus has been positive behaviour support (PBS). We have expanded our working relationship with Dr Steve Carnaby, a clinical psychologist who facilitates our PBS working group and are in the process of training nine new PBS coaches.

Developing our Digital Strategy

Last year, we invested in digital project management support to help us develop and deliver a new digital strategy for a more innovative and efficient Outward in the future.

Throughout the year, we have completed the important task of consulting with our teams, fully reviewing our systems and processes, identifying where we can become more efficient and effective, and reducing the administrative burden on our frontline support workers and managers. In the coming year, we will be focused on the next stage of our plan with an ambitious programme of digital transformation.

In our housing services, a new app is currently being launched, which will improve our ability to report repairs and property inspections efficiently and with real-time repairs reporting. Caretaker jobs have been migrated onto one database- improving reporting and performance analysis.

Colleagues have been further embracing Workplace (our internal staff communication tool), sharing good news, good practice and achievements and generally collaborating and communicating with the wider Outward community.



Nutley Edge

Set in the Sussex countryside, Nutley Edge remains a popular holiday destination for the general public and our activity break guests. Due to demand we are increasing our amount of activity breaks to 20 in 2023-24. With new and exciting activities for our guests to enjoy we look to further develop our breaks and continue to offer a high quality of support and a much needed break away.

We supported 155 people (2021-22: 125) on our respite breaks at Nutley Edge in 2022-23. We have now received enough funds through donors and grant givers to buy a new minibus at Nutley, which will ensure people can get out and about more and explore beautiful east Sussex whilst on our breaks. Families and carers have given feedback that our breaks provide a valuable respite opportunity for them too.



Fundraising

This year, we met our target for our Nutley Edge minibus fundraiser, and also raised funds for some guests in need to have partly or fully funded breaks through our Activity Breaks fundraising.

Our Sports England grant and Nutrition grants have meant we have been able to support numerous people with learning disabilities across Outward to access our Get Active Programme or nutrition projects. This work was boosted from a grant from the London Borough of Waltham Forest.

A fundraising push from our Carterhatch, Enfield supported living scheme led to a Jubilee street party to remember with a live band.

We have been supported by local business partners assisting our older people services events and with great prizes for our awards evening.

For the year ahead, we are thrilled to have received a Nationwide Building Society Community Grant which has given us the opportunity to employ a Cost of Living Champion.

Thank you to the funders and generous individual donors who supported our work this year so we can continue to put our values into action including

Local Business Partners

Sports England Jubilee Activity Fund

London Borough of Waltham Forest Community Ward Funding

Nationwide Building Society

Trust grants and pledges

Individual donations

Performance Monitoring

Outward sets Key Performance Indicators (KPIs) every year to measure our progress against our business plan and evidence that we are successfully mitigating risks. These high level KPIs are supported by a subset of clear performance indicators that are monitored and validated regularly.

In 2022-23 areas of performance being monitored as KPI's included the following; together with target and achievements comparisons to previous year:

- Care Quality Commission Inspection Rating (target 100% Good) – Achieved 2022-23 (100% in 2021-22).
- Positive Outcomes achieved by people receiving care support (target 95%) - Achieved 91% 2022-23 (not measured as KPI in 2021-22).
- Voids (target below 6%) - Not achieved 8% voids in 2022-23 (6.2% in 2021-22). We have been working with local authorities to try and speed up referrals processes as our voids took longer to fill in 2022-23 despite properties being ready to let.
- Income for the year totaled £17,883,097 against budget of £18,119,296. This was impacted by voids and consequent loss of revenue.
- Staff sickness absence (target maximum average days sick per FTE employee 7.4) not achieved - 10.61 average days (11.33 in 2021-22). We believe the pandemic continues to impact staff sickness due to potential long COVID and higher levels of mental health related illness reported compared to prior to 2020-21.

Role of our Volunteers

Volunteers have always been key to Outward's goal of engaging, enabling, and empowering people across our services, as they offer rich relationships that stem from a genuine wish to improve lives. Our volunteers have diverse backgrounds and skill sets, allowing them to offer a wealth of experience in roles that range from befriending to graphic design.

Some of the exciting projects led by volunteers over the last year include:

Nutrition: Our volunteers continue to reach a number of services, under the guidance of a nutritionist to promote healthy eating, and conscious grocery buying. Volunteers have also supported cross-service group sessions and a social event, in recognition of Hydration and Nutrition week.

Sex and Relationships: A working group of volunteers consulted a number of Outward's services; staff and people we support, to determine how people feel around the subjects of sexuality, identity and relationships. This took the form of one to one consultations and group activities including drama and creative writing. The volunteers then collated findings to form an academic overview, including recommendations for Outward to take forward. As an extension of this, we are delivering a Sex and Relationships course for people we support from May 2023

HR Apprentices: The University of East London's Apprenticeship Scheme facilitated the placement of two students to support with learning and development and contracts. Following this, we have placed two volunteers to assist with HR to continue this support to central services.

Arts and Crafts: Volunteers from a range of backgrounds have supported schemes with art groups, art study trips and graphic design. Designed products have been used for fundraising, including a special edition Queen's Jubilee mug, and a Christmas craft stall in Enfield.

Nutley Edge: A diligent volunteer for Nutley has now progressed into a paid member of staff, demonstrating the supporting pathway from volunteering to employment.

Health and Psychology: Health Psychology students from University College London (UCL) have been pivotal to steering nutrition support in services. Under the guidance of a nutritionist, students have helped schemes to work around the needs and eating habits of people we support. Students have been creative in their approach, building community resources and leading group sessions. This is the fourth year we have partnered with UCL.

Applied Theatre: Entering our third year, students from the Royal Central School of Speech and Drama have led a range of projects from creative writing sessions with young people in our Waltham Forest learning disability services, an online choir, to communication support in our people with multiple learning services. A holistic approach around communication was given to supporting the teams as well as the people we support.



"Priya has continued to find various ways of supporting two very different people. From talking in her native tongue with one and carving pumpkins with another she has made a keen effort to get to know them as individuals and ask questions about things they say to her to understand them more. Since she begun the people she supports are more confident, cheery and they look forward to seeing her each week"

Quote from Kadia, Team Manager referencing one of our volunteers Priya.

Supported Housing

2022-23 has been a challenging year for the people we support with the cost of living crisis. The housing team have worked to ensure that all residents are maximising income by reviewing benefit entitlements.

We have utilised government schemes and grants for those eligible with over 158 Housing support grants applied for. In addition to council tax rebate initiatives and the energy relief schemes. We have worked with partners Energy Angels to move people away from pre-payment meters where possible and strive to minimise costs wherever we can.

We recognised the detrimental impact the cost of living crisis was having on our residents. To assist individuals we provided over £7,000 in Tesco's vouchers to households as a one off payment of £30 to provide additional help. This helped 233 residents. We continue to build on our welfare programme into 2023-24 with a new Cost of Living Champion recruited following a successful grant bid through the Nationwide.

We understand the importance of having high quality homes, and despite challenges with the lack of workforce in certain building trades we maintained high levels of satisfaction with repairs and our handyperson service. With an average of 93% general satisfaction throughout the year and 99% for the caretaker service. We continue to work with partner landlords to improve performance and show ensure repairs are completed within timescale. Following a review of reporting we are better equipped to review and analyse data in this area.

Financial review, Growth prospects and Reserves policy

Despite the ongoing challenging economic environment Outward was again able to produce an operational surplus. The key operational results were:

	Note:	2022-23 Budget £k	2022-23 Actual £k	2021-22 Actual £k
Income	1	18,119	17,883	17,937
Operational surplus	2	123	87	225
Valuation gains on investment properties	3	-	150	197
(Increased) / reduced pension liability	4	-	(134)	178
Net surplus		123	103	600
Charity funds		8,395	8,375	8,272
Capital expenditure	5	100	65	139
Cash held	6	5,787	5,610	6,273
Current ratio (current assets / current liabilities)	7	2.00	3.56	2.66

1. Included in the income shortfall of £236k was £514k (4.4% less than the budget set of £11,673k) of care & support income due to voids and to a minor extent underfunded contracts, partly offset by additional service charge income of £455k (18.9% more than budget the budget set of £2,406k), based on additional costs, particularly utilities, being recoverable at a later date.
2. Surplus was after paying two cost of living supplements during the year to staff, partly offset by additional interest received and deferring / stopping discretionary spend.
3. A valuation gain was advised on the holiday cottages at Nutley Edge, with the private rent flats in Waltham Forest unchanged in valuation during the year.
4. Outward's share of the Social Housing Pension Scheme's liability was assessed, under FRS102, as increasing by £35k to £585k. The reported liability recognises cash payments made during the year under the deficit repayment plan.
5. The under spend in the capital programme reflects a measured approach to Outward's digital strategy, that is planned spend will not go ahead until Outward is satisfied that the best software solution has been identified.
6. Both cash and current liabilities, at 31 March 2022, included £326k paid by a local authority to Outward on 21 March 2022 in error and refunded during 2022-23. This was included in a budgeted reduction in cash holdings. At month ends cash held varied between £5,466k and £6,972k. Outward pays its parent, Newlon Housing Trust, regular on account payments for services provided by Newlon.
7. The Current Ratio for the prior year, without the £326k received in error, was 2.85.

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.

Any restricted funds are held 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.

	2022-23 £k	2022-23 £k	2021-22 £k
	Target	Actual	Actual
Charity funds	8,395	8,375	8,272
Less: fixed assets and investments	(3,669)	(3,784)	(3,636)
Less: Designated funds	-	-	(2,385)
Unrestricted free reserves	4,726	4,591	2,251
Unrestricted free reserves / charity expenditure (expressed as weeks of operational expenditure)	13.0	13.4	6.6

Designated funds at 31 March 2023 were £nil (2022: £2,385k), as shown in Note 20 to these financial statements. The £2,385k balance at the end of last year has been undesignated to the Unrestricted free reserves for the reporting year. Trustees reserve the right to designate funds in line with firm planning intentions.

The Trustees are confident that the unrestricted free reserves level provides Outward with reasonable financial stability and flexibility in addressing any unknown risks and achieving business objectives. The Trustees review the level of reserves annually and may decide to adjust the policy level to ensure that the unrestricted free reserves are maintained at an appropriate level.

As a care, support and intensive housing management provider most of our income is provided by local authorities, directly from 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 63% (2022: 66%) of the total income.

Our income for 2022-2023 was £54k less than the previous year. We attribute this to the full year effect of:

- Handing over our care and support contract in the London Borough of Bromley following re- tender in January 2022.
- Closing our Drayton Rd care home for redevelopment in late 2021.
- Ongoing issues with hard to fill voids.

Income was buoyed by inflationary uplifts, ongoing expansion of young people's services in Hackney and working with Newlon on tenancy sustainment from September 2022.

Our contracts are based on statutory provision and we are now seeing success in obtaining grant funding to help enrich the lives of the people we support and improve their independence.

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, this was achieved from April 2022 and all our staff working in London are paid, from April 2023 at or more than the London Living Wage of £11.95 per hour. The pay uplift of 8.14% for support workers will be monitored in terms of recruiting and retaining staff and challenges remain to ensure local authorities fund contracts appropriately.

Income at Nutley Edge in 2022-23 reduced by £44k from 2021-22 as a result, we believe, due to cost of living rises impacting bookings and the previous year boosted by the boom in 'staycations' following the pandemic. In 2023-24 we expect bookings to level out and with growth from our Nutley Edge respite breaks bringing income back to 2021-22 levels.

Growth plans for 2022-23 were modest as we focused upon quality over quantity of service provision. We did however open a new supported housing for young people in partnership with LB Hackney and developed our plans for a new supported housing build to start in later 2023 in LB Waltham Forest.

Plans for the Future

As part of the Newlon Group, our shared strategic objectives shape our plans for the year ahead alongside feedback from people we support, colleagues and stakeholders. We have assessed the likely risks and challenges our charity faces; specifically the high cost of living, recruitment difficulties in the social care sector and financial pressures on the local authorities who fund our services. This has informed our risk mapping and focus for the year ahead to ensure Outward remains in a strong position, risks are minimised, and we can continue to innovate and grow.



Excellent Services

We will deliver great support by:

- Delivering specialist skills training for staff supporting people with complex needs.
- A new post helping people navigate the cost of living crisis.
- Improving staff retention and training managers of the future.
- Investing more in learning and development.
- Launch new Quality Assurance Framework.



High Quality Supported Homes

We will improve people's homes:

- Increasing property inspections and fixing problems quicker.
- Implementing a new tenant engagement strategy.
- Developing home improvement plans with tenants.
- Increase partnerships with local authorities and health-reducing pressures on hospital beds.



Growth

We will expand our high quality support and care services by:

- Increasing the number of activity breaks at Nutley Edge.
- Commissioning a new scheme at Drayton Road in Waltham Forest.
- Further expansion of Young People services.



A dynamic workplace

Embedding a dynamic workforce by:

- Delivering a Management Programme for aspiring, new and established managers.
- Launching our EDI strategy.
- Being an employer of choice - leading to improved retention.
- Surveying all staff and devising conferences responding to what staff say is important.
- Undertaking staff forums and surveys.



Efficiency and effectiveness

Responding to the changing environment:

- Getting ready for digitalisation of care records so information can be shared quickly, accurately and safely.
- Making sure that the hourly rates we get paid enable us to remunerate staff fairly.
- Making sure through careful procurement that service charges are kept as low as possible.

Corporate Governance

Governing Document

Outward is a charitable company limited by guarantee. It was incorporated on 29 July 1987 and registered as a charity on 5 December 1988. It is a separate legal entity with its own governance structure within the Newlon Group. Outward operates under its articles of association that establishes Outward's principal objective of providing care and support to vulnerable people to help them lead meaningful lives and maximise their independence and governs the powers under which Outward must operate.

Newlon Housing Trust

Newlon Housing Trust is a not-for-profit community benefit society and a charitable housing association. Outward does not receive financial support from Newlon Housing Trust 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.

Governance Codes

Outward has adopted the Charity Governance Code (2020) and although Outward is not a registered provider, we have adopted the National Housing Federation (NHF) Code of Governance 2020 and Code of Conduct 2022. 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 2022-23.

The Board

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 represent the diversity of the communities we serve, and have the range of experience, knowledge, 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 that 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, training, and ongoing 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.

Committees

The Board has an Operations sub-committee and a Remuneration sub-committee. The Committee reports back to the Board, and minutes of Committee meetings are circulated to Board members. The views of people we support are represented at Committee with a representative from our 'People we Support' committee attending twice per year to feedback and attending board planning days. The Remuneration sub-committee monitors trends in pay and rewards and makes specific recommendations to the Board concerning pay proposals.

The Board also receive feedback from the Group Audit and Risk Committee who are accountable to Outward for Outward Matters. An Outward trustee is a member of the Group Audit and Risk Committee.

Executive Team

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 1 of this report.

Related Parties and Relationships with Other Organisations

Outward works closely with Newlon Housing Trust and other registered providers of social housing (landlords), providing an intensive housing management service under formal agreements. A formal agreement also exists for Outward's use of the office building at Tottenham Hale, owned by Newlon Housing Trust.

Outward buys Finance and IT 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 also on joint procurement exercises.

Remuneration Policy for Key Management Personnel

Remuneration for key management roles is overseen by the Remuneration sub-committee. It is typically reviewed and determined with regard to current market rates and benchmarked against comparable industry salaries. The objective is to attract, retain and motivate personnel to ensure consistent and stable management of services.



Policy for Employment of Disabled Persons

The organisation recognises that discrimination and unconscious bias can have a negative impact on both staff and the people we support. We have worked this year to make sure we are equipped as an organisation to uncover and challenge discrimination wherever it manifests itself.

In 2022 we developed our EDI strategy which will be launched in 2023. We have fostered inclusive and fair working practices and sustaining an inclusive organisation where the dignity and rights of people we support and staff are respected and protected. We have worked to empower people to celebrate their individuality and protected characteristics, understand their right to live the life they choose free from discrimination and be supported by people who promote and advocate for inclusivity. We have done this by introducing training in EDI for all staff and running Conscious Inclusion training for all managers. LGBTQIA+ training has also been introduced as part of our mandatory training for all staff.

Employee Engagement

In 2022-23 we ran a series of EDI consultation groups that supported the development of our EDI strategy. We also consulted with staff on how to improve our recruitment and retention efforts. Feedback gleaned has helped inform our forthcoming recruitment strategy. A wide variety of staff also took part in our digitalisation consultations and their responses supported the development of the specification devised to secure the procurement of the digital platforms that we will be using going forward.

UNISON continues to attend our staff welcome days to explain what the Union can offer and who colleagues should make contact with if they have an interest.

Workplace (Facebook for the work environment) has been a great way of engaging with staff during and since the height of the pandemic. As of March 2023 there were 416 activated users of which 309 were posting regularly.



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 register with;
- 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;
- 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.

Auditors

BDO LLP were reappointed as the 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 26 June 2023 and signed on their behalf by



Jane Howlett CBE
Chair

Independent Auditors' 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 2023 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 2023 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 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 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

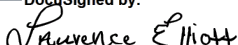
higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations 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.

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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Laurence Elliott (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick, UK

Date: 25 September 2023

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 2023

Company no. 02151434

	Note	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Income from:							
Donations and grants	2	8,504	14,956	23,460	1,904	19,690	21,594
Charitable activities							
Rent	3	3,310,433	-	3,310,433	3,402,921	-	3,402,921
Service charges	3	2,861,221	-	2,861,221	2,283,085	-	2,283,085
Care and tenancy support	3	11,318,721	-	11,318,721	11,905,162	-	11,905,162
Investments	4	276,664	-	276,664	320,360	-	320,360
Other	5	92,598	-	92,598	4,021	-	4,021
Total income		17,868,141	14,956	17,883,097	17,917,454	19,690	17,937,144
Expenditure on:							
Raising funds	6	5,736	-	5,736	72,872	-	72,872
Charitable activities							
Rent	6	3,470,539	-	3,470,539	3,477,721	-	3,477,721
Service charges	6	2,861,231	-	2,861,231	2,283,085	-	2,283,085
Care and tenancy support	6	11,158,970	-	11,158,970	11,669,664	-	11,669,664
Other	6	284,340	14,956	299,295	155,208	53,896	209,104
Total expenditure		17,780,815	14,956	17,795,771	17,658,550	53,896	17,712,446
Net income before net gains on investments		87,326	-	87,326	258,904	(34,206)	224,698
Net gains on investments	12	150,000	-	150,000	197,600	-	197,600
Net income before other recognised gains		237,326	-	237,326	456,504	(34,206)	422,298
Gains on revaluation of fixed assets	11	-	-	-	-	-	-
(Losses) / gains on defined benefit pension schemes	18	(133,944)	-	(133,944)	177,875	-	177,875
Net movement in funds		103,381	-	103,381	634,379	(34,206)	600,173
Reconciliation of funds:							
Total funds brought forward		8,271,544	-	8,271,544	7,637,165	34,206	7,671,371
Total funds carried forward		8,374,925	-	8,374,925	8,271,544	-	8,271,544

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.

Balance Sheet

for the year ended 31 March 2023

Company no. 02151434

	Note	£	2023 £	£	2022 £
Fixed assets:					
Tangible assets	11		532,582		535,222
Investments properties	12		3,250,000		3,100,000
Investments	13		1,070		1,070
			3,783,652		3,636,292
Current assets:					
Debtors	14	1,962,372		2,252,635	
Cash at bank and in hand		<u>5,610,096</u>		<u>6,273,486</u>	
		7,572,468		8,526,121	
Liabilities:					
Creditors: amounts falling due within one year	15	<u>2,124,588</u>		<u>3,201,305</u>	
Net current assets			5,447,880		5,324,816
Total assets less current liabilities			9,231,532		8,961,108
Creditors: amounts falling due after one year	17		271,607		139,564
Net assets excluding pension liability			8,959,925		8,821,544
Defined benefit pension scheme liability	18		585,000		550,000
Total net assets			<u>8,374,925</u>	-	<u>8,271,544</u>
The funds of the Charity:					
Restricted income funds	20		-		-
Unrestricted income funds:					
Designated funds		-		2,385,157	
Revaluation reserve		1,065,605		915,604	
Pension reserve		585,000		550,000	
General funds		<u>6,724,320</u>		4,420,783	
Total unrestricted funds			<u>8,374,925</u>		<u>8,271,544</u>
Total Charity funds			<u>8,374,925</u>		<u>8,271,544</u>

Authorised and approved by the Trustees on 26 June 2023 and signed on their behalf by:



Jane Howlett CBE
Chair



Eilish Kavanagh
Treasurer

Statement of cashflows

for the year ended 31 March 2023

	Note	2023 £	£	2022 £	£
Cash flows from operating activities	21				
Net cash from operating activities			(690,496)		1,007,736
Cash flows from investing activities					
Dividends, interest and rents from investments		92,598		4,021	
Purchase of fixed assets		(65,494)		(139,298)	
Proceeds from sale of fixed assets		-		3,993	
Additions to investment properties		-		-	
Net cash provided generated from / (used by) investing activities			27,104		(131,283)
Change in cash and cash equivalents in the year			(663,392)		876,453
Cash and cash equivalents at the beginning of the year			6,273,488		5,397,035
Cash and cash equivalents at the end of the year	22		5,610,096		6,273,488

The notes on pages 29 to 51 form part of these financial statements.

Notes to the 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) and (Charities SORP FRS 102 - second edition, 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 have considered Outward's position post pandemic and the macro-economic climate and while these bring operational challenges the Trustees consider that there are no material uncertainties about Outward's ability to continue as a going concern.

Expected cash flows have been forecast through to September 2024 and indicate a sufficiency of cash, further a range of stressed financial scenarios 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 investment properties were valued at 31 March 2023 and although there is inherent uncertainty in ongoing property 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 Outward. Therefore the Trustees do not consider the professional valuation to be an area of material uncertainty.

The Trustees consider Outward has sufficient resources to fund its share of the Social Housing Pension Scheme 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 revenue grants, is recognised when Outward has entitlement to the funds, any performance conditions attached to the grants have been met within any time bound conditions, that is the supply of stipulated services or the agreed achievement of specified outcomes, it is probable that the income will be received and the amount to be recognised can be measured reliably. Capital grant income is similarly recognised when specified goods or projects have been purchased.

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 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 deposit taker.

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) 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 overhead 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.

i) Allocation of overhead costs

Overhead costs, as disclosed at note 6 to these accounts, align internal cost definitions with the term 'support costs' as defined in FRS 102. The change of description is also made to avoid confusion with 'care & support', a key income stream for Outward.

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 central functions, is apportioned based on an estimate of the staff time attributable to each activity.

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

- Human Resources - Headcount
- All other overhead services - Activity income
- Governance - Activity income

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

j) Operating leases

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

k) 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 at valuation 50 years
- Furniture and equipment at cost 5 years
- Motor vehicles at cost 5 years

l) 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.

m) Investments in subsidiaries

Investments in subsidiaries are at cost.

n) 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.

o) 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.

p) 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.

q) Pensions

Outward operates a pension scheme through Scottish Widows, closed to new members and the 'auto enrolment' pension scheme through The Pensions Trust. Employer contributions are charged to resources expended as incurred. Both schemes are defined contribution plan and are post-employment benefit plans under which Outward paid fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are shown as an operating expense in the surplus for the year during which the services are rendered by employees.

Outward also recognises liabilities for a number of the former employees of Tower Hamlets Consortium Limited, who are or were employed by Outward and are deferred or pensioner members of a multi-employer Social Housing defined benefit pension plan. The difference between the fair value of the assets held and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in Outward's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that Outward is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

r) Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

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:

- The major sources of income generation are from care and support under a wide variety of contract types, durations and service specifications, funded primarily by local authorities. Local authorities mostly make payment on their own records, rather than Outward's invoicing. Judgement is applied as to income recognition, using a wide range of evidence such as contracts, negotiated uplifts, purchase order and support plans approved by local authority brokerage teams. Recoverability is assessed on a contract by contract or invoice by invoice basis. At 31 March 2023 doubts over recoverability informed a doubtful debt provision of £99,538. Rent receivable are calculated in accordance with legislation and service charges are set each year in advance as a variable service charge, that is for 2022-23 charges were collected, on account. In accordance with service charge legislation any future over or under recovery will be collected refunded in 2024-25. Due to rising energy and other prices a net under recovery of £354,737 was made. Provision is made for the non-payment of rent and service charges on a formulaic basis based on the average number of weeks in arrears each tenancy in arrears. At 31 March 2023 a provision of £106,954 was made.
- Staff costs represent 62% of total expenditure. Payroll and timesheet controls are in place over these costs. A further 14% of expense is represented by 'tariffs', that is, an agreed share of the rent payable to landlords.
- Potential claims against Outward are considered on a case by case basis and where necessary provision is made, however this is limited to an insurance excess of £15,000. Normal accounting accruals and prepayments are made where necessary and the overall risk of mis-statement is considered mitigated.
- Valuations of investment properties, received from the professional opinion of independent qualified surveyors, based primarily on their view of property market conditions at 31 March 2023, giving overall increase in valuation of £150,000.
- The underlying assumptions in relation to the accounting estimate of the Social Housing Pension Scheme shortfall of projected assets against projected scheme liabilities and Outward's obligation to fund its share of the deficit such as standard rates of inflation, mortality, discount rate and anticipated future salary increases are provided primarily by The Pensions Trust. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual expense. At 31 March 2023 Outward has chosen to accept the assumptions provided incurring an expense cost of £133,944.

2. Income from donations and grants

Donors	Unrestricted	Restricted	2023 Total	2022 Total
	£	£	£	£
Job Retention Scheme Grant	-	-	-	1,904
Other donations	8,504	14,956	23,460	19,690
	8,504	14,956	23,460	21,594

3. Income from charitable activities

	Unrestricted £	Restricted £	2023 Total £	2022 Total £
Rent from tenants	3,310,433	-	3,310,433	3,402,921
Service charges from tenants	2,861,221	-	2,861,221	2,283,085
Sub-total for rent and service charges	6,171,654	-	6,171,654	5,686,006
London Borough of Bromley	-	-	-	1,036,633
London Borough of Enfield	1,298,617	-	1,298,617	1,175,308
London Borough of Hackney	3,762,646	-	3,762,646	3,402,070
London Borough of Haringey	244,522	-	244,522	249,443
London Borough of Islington	488,395	-	488,395	348,874
London Borough of Newham	419,710	-	419,710	412,552
London Borough of Redbridge	120,909	-	120,909	157,274
London Borough of Tower Hamlets	1,252,274	-	1,252,274	1,327,917
London Borough of Waltham Forest	3,536,888	-	3,536,888	3,398,715
City of London	24,516	-	24,516	9,801
Activity breaks, other and COVID funding	170,244	-	170,244	386,575
Sub-total for care and tenancy support contracts	11,318,721	-	11,318,721	11,905,162
Total income from charitable activities	17,490,375	-	17,490,375	17,591,168

4. Income from trading activities

	Unrestricted £	Restricted £	2023 Total £	2022 Total £
Nutley Edge accommodation	222,864	-	222,864	266,449
Private rent	53,800	-	53,800	53,911
	276,664	-	276,664	320,360

5. Income from investments

	Unrestricted £	Restricted £	2023 Total £	2022 Total £
Interest received	92,598	-	92,598	4,021
	92,598	-	92,598	4,021

6. Analysis of expenditure

	Cost of raising funds	Rent	Service charges	Care & tenancy support	Restricted	Trading	Governance costs	Overhead costs	2023 total	2022 total
	£	£	£	£	£	£	£	£	£	£
Staff costs (Note 8)	5,094	448,520	-	9,575,946	3,199	98,943	19,298	904,991	11,055,991	11,255,419
Office rents	-	34,686	-	101,541	-	-	-	47,922	184,149	149,184
Service chargeable costs	-	-	2,645,893	-	-	-	-	-	2,645,893	2,276,989
Tariff payments to landlords	-	2,413,116	-	-	-	-	-	-	2,413,116	2,416,009
Bad and doubtful debts	-	(45,260)	-	-	-	16,625	-	3,918	(24,716)	66,138
Other costs	123	304,933	-	418,562	11,756	150,576	2,871	632,517	1,521,338	1,548,707
	5,216	3,155,996	2,645,893	10,096,049	14,956	266,144	22,169	1,589,348	17,795,771	17,712,446
Overhead costs	513	310,216	211,710	1,049,079	-	17,830	-	(1,589,348)	-	-
Governance costs	7	4,327	3,628	13,842	-	365	(22,169)	-	-	-
Total expenditure 2023	5,736	3,470,539	2,861,231	11,158,970	14,956	284,339	-	-	17,795,771	-
Total expenditure 2022	72,872	3,477,721	2,283,085	11,669,664	53,896	155,208	-	-	-	17,712,446

Of the total expenditure, £17,780,815 was unrestricted (2022: £17,658,460) and £14,956 was restricted (2022: £53,986)

Overhead costs comprise:

	2023 £	2022 £
Central costs	471,915	321,247
Human resources	344,297	290,707
Business development	61,205	153,139
Quality & business support	111,974	103,590
Customer engagement	72,443	80,157
Directorate costs	147,421	127,427
Finance & IT costs	349,313	345,867
Co-Production	30,780	8,680
	1,589,348	1,430,814

7. Net income before gains and losses for the year

This is stated after charging / (crediting):

	2023 £	2022 £
Financial services bought in	200,285	224,275
IT Support bought in	108,120	106,000
Operating lease rentals	37,416	55,368
Depreciation	68,132	64,035
Provision for doubtful debts and rent arrears	(24,716)	66,138
Auditor's remuneration (excluding VAT):	14,550	11,950
Auditor's other services (excluding VAT):	554	615

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

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	9,611,628	9,743,405
Redundancy and termination costs	27,738	95,296
Social security costs	959,219	875,046
Employer's contribution to defined contribution pension schemes	250,659	253,166
Operating costs of defined benefit pension schemes	20,000	22,000
Agency workers	186,747	266,505
	11,055,991	11,255,418

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

	2023	2022
	£	£
£60,000 - £69,999	-	2
£70,000 - £79,999	2	1
£80,000 - £89,999	-	1
£90,000 - £99,999	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 £310,747 (2022: £387,030). Within employee benefits, employers pension contributions of £15,886 were paid on behalf of four key management personnel (2022: £18,084 and five) into defined contribution schemes including the 'auto enrolment' scheme.

The trustees were not paid or received any other benefits, nor claimed any expenses from employment with Outward in the year or prior year.

9. Staff numbers

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

	2023	2022
	No.	No.
Rent	14	13
Service charges	1	1
Care and tenancy support	318	357
Support and trading activities	17	19
Governance	1	1
Total	351	391

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 367 (2022: 396).

During the year charitable activities were supported by 3,500 hours of volunteer time (2022: 1,556 hours). A fuller description of the role played by volunteers is included within the Trustees' report.

10. Taxation

Outward Housing is exempt from corporation tax as the majority of its income is charitable and is applied for charitable purposes.

	2023 £	2022 £
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	103,381	600,173
UK Corporation tax at 19% (2021:19%)	19,642	114,033
(Loss)/profit on non-primary purpose trading activities	(5,521)	5,391
Otherwise exempt charitable income	(14,121)	(119,424)
Current tax charge for the period	-	-

11. Tangible fixed assets

	Freehold property £ (at valuation)	Furniture and equipment £ (at cost)	Motor vehicles £ (at cost)	Total £
Cost or valuation				
At the start of the year	428,202	1,465,024	40,947	1,934,173
Additions in year	21,453	44,040	-	65,493
Disposals in year	-	-	-	-
Revaluation	(50,646)	-	-	(50,646)
At the end of the year	399,009	1,509,064	40,947	1,949,020
Depreciation				
At the start of the year	44,774	1,340,228	13,950	1,398,952
Charge for the year	5,873	55,510	6,749	68,132
Disposal in year	-	-	-	-
Revaluation	(50,646)	-	-	(50,646)
At the end of the year	-	1,395,738	20,699	1,416,438
Net book value at the end of the year	399,008	113,326	20,248	532,582
At the start of the year	383,428	124,796	26,997	535,222

The freehold property at 179 Wood St, London E17 comprises offices on the ground floor with accommodation above.

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 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. The valuation was prepared on the basis of market conditions and evidence as at 31 March 2021.

The historical cost of the freehold property, including additions is £93,685. The net book value of the freehold property is £399,008 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

	2023 £	2022 £
Fair value at the start of the year	3,100,000	2,902,400
Additions	-	-
Revaluation during the year	150,000	197,600
Fair value at the end of the year	3,250,000	3,100,000

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

A leasehold property at Cedar Court, 267 Hainault Rd, London E11 was valued at £350,000, on an open market basis, as at 31 March 2023 in a letter dated 28 April 2023 by an external firm Strettons Ltd. Strettons are RICS accredited valuers and undertook the valuation in accordance with the RICS Global Standards - January 2022. The services of Strettons were procured in accordance with the Outward's procurement procedures and the trustees are satisfied of the independence of Strettons. The valuation has been prepared on the basis of market conditions and evidence as at 31 March 2023.

The property was purchased in 2002 from a long lease of 999 years with 940 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 £46,275 giving a historic carrying value of £121,999.

A freehold holiday accommodation, at Nutley Edge in East Sussex was valued as at 31 March 2023 at £2,200,000, on an open market basis, as set out in a side letter dated 28 April 2023 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 – January 2022. The services of Avison Young were procured in accordance with Outward's procurement procedures and the Trustees are satisfied of the independence of Avison Young.

The property, purchased in 2012, was valued as a specialised property used for leisure purposes and the method of valuation gave weighting to stabilised earnings, based on historic turnover and potential future turnover, at a capitalisation rate of 9% and to comparable local sales and properties offered for sale, in particular holiday complexes. The valuation has been prepared on the basis of market conditions and evidence as at 31 March 2023. 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 £471,248 giving a historic carrying value of £1,433,636.

The two flats above the freehold office at 179 Wood St London E17 were valued at £700,000 on an open market basis with an assumed rental yield of 6.5%, as at 31 March 2023 in a letter dated 28 April 2023 by an external firm Strettons Ltd. Strettons are RICS accredited valuers and undertook the valuation in accordance with the RICS Global Standards – January 2022. The services of Strettons were procured in accordance with Outward's procurement procedures and the trustees are satisfied of the independence of Strettons.

The historical cost of the upper floors at Wood St, 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 £49,099 giving a historic carrying value of £204,509.

13. Investments

	2023 £	2022 £
Cost at the start and end of the year	<u>1,070</u>	1,070

Investments comprise 2 x £10 ordinary shares representing a 16.7% holding in Cedar Court Property Ltd, a company incorporated in England registered company number 05345500, registered address 1 Cedar Court, 267 Hainault Rd, London E11 1ET.

14. Debtors

	2023 £	2023 £	2022 £	2022 £
Gross arrears of rent and service charges	495,759		1,119,842	
Less: Provision for doubtful debt	<u>(106,954)</u>		<u>(267,981)</u>	
Net arrears of rent and service charges		388,805		851,861
Gross trade debtors	575,409		548,921	
Less: Provision for doubtful debt	<u>(99,538)</u>		<u>(105,413)</u>	
Net trade debtors		475,871		443,508
Prepayments		91,688		125,894
Accrued income		115,362		337,167
Other debtors		890,646		494,205
		<u>1,962,372</u>		<u>2,252,635</u>

15. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	110,745	238,055
Rent in advance	558,353	548,974
Other creditors	585,256	1,169,835
Amounts owed to Group undertakings	151,898	353,145
Accrued expenditure	612,167	786,082
Deferred income	106,169	105,214
	2,124,588	3,201,305

16. Deferred income

	2023 £	2022 £
Balance at the beginning of the year	105,214	62,131
Amount released to income in the year	(97,405)	(62,131)
Amount deferred in the year	98,360	105,214
Balance at the end of the year	106,169	105,214

17. Creditors: amounts falling due after one year

	2023 £	2022 £
Service charges refundable	271,607	139,564
	271,607	139,564

18. Pension schemes

Outward participates in the multi-employer Social Housing Pension Scheme and also operated a defined contribution scheme, now closed to new entrants, where employer contributions matched those of the employee and were 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.

Multi-employer Social Housing Pension Scheme (the scheme)

Outward 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.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-person standing arrangement'. Therefore Outward 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.

The latest accounting valuation was carried out with an effective date of 30 September 2022. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2023 to 28 February 2024 inclusive.

The liabilities are compared, at the relevant accounting date, with Outward's fair share of the Scheme's total assets to calculate the Outward's net deficit or surplus. Under the deficit repayment plan in place to March 2028 Outward is required to pay £125,486 towards the deficit in 2023-24.

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

	31 March 2023	31 March 2022
	(£'000)	(£'000)
Fair value of plan assets	2,552	3,713
Present value of defined benefit obligation	3,137	4,263
(Deficit) in plan	(585)	(550)
Defined benefit asset (liability) to be recognised	(585)	(550)

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

	Period ended 31 March 2023	Period ended 31 March 2022
	(£'000)	(£'000)
Defined benefit obligation at start of period	4,263	4,258
Expenses	6	6
Interest expense	118	92
Actuarial losses due to scheme experience	107	349
Actuarial (gains) due to changes in demographic assumptions	(7)	(64)
Actuarial (gains) due to changes in financial assumptions	(1,294)	(329)
Benefits paid and expenses	(56)	(49)
Defined benefit obligation at end of period	3,137	4,263

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

	Period ended 31 March 2023	Period ended 31 March 2022
	(£'000)	(£'000)
Fair value of plan assets at start of period	3,713	3,431
Interest income	104	76
Experience on plan assets (excluding amounts included in interest income) – (loss) / gain	(1,334)	128
Employer contributions	125	127
Benefits paid and expenses	(56)	(49)
Fair value of plan assets at end of period	2,552	3,713

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2023 was (£1,230,000).

Defined benefit costs recognised in statement of financial activities total expenditure

	Period ended 31 March 2023	Period ended 31 March 2022
	(£'000)	(£'000)
Expenses	6	6
Net interest expense	14	16
Defined benefit costs recognised in statement of financial activities	20	22

Defined benefit costs recognised in statement of financial activities other recognised gains and losses

	Period ended 31 March 2023 (£'000)	Period ended 31 March 2022 (£'000)
Experience on plan assets (excluding amounts included in net interest cost) – (loss) / gain	(1,334)	128
Experience gains and losses arising on the plan liabilities –(loss)	(107)	(349)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (key assumptions listed on page 41 to these statements)	7	64
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	1,294	329
Total amount recognised in statement of financial activities other recognised gains and losses – (loss) / gain	(140)	172

Assets

	31 March 2023 (£'000)	31 March 2022 (£'000)
Global equity	48	713
Absolute return	28	149
Distressed opportunities	77	133
Credit relative value	96	123
Alternative risk premia	5	122
Fund of hedge funds Emerging markets debt	14	108
Risk sharing	188	122
Insurance-linked securities	64	87
Property	110	100
Infrastructure	291	265
Private debt	114	95
Opportunistic illiquid credit	109	125
High yield	9	32
Opportunistic credit	-	13
Corporate bond fund	-	248
Liquid credit	-	-
Long lease property	77	96
Secured income	117	138
Cash	18	13
Liability driven investment	1,175	1,036
Currency hedging	5	(15)
Net current assets	7	10
Total assets	2,552	3,713

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

Key Assumptions

	31 March 2023 % per annum	31 March 2022 % per annum
Discount rate	4.87	2.79
Inflation (RPI)	3.19	3.57
Inflation (CPI)	2.75	3.19
Salary growth	3.75	4.19
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

	2023 Life expectancy at age 65 (Years)	2022 Life expectancy at age 65 (Years)
Male retiring in 2023	21.0	21.1
Female retiring in 2023	23.4	23.7
Male retiring in 2043	22.2	22.4
Female retiring in 2043	24.9	25.2

We were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with it being unlikely to be resolved before the end of 2024 at the earliest. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's technical provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

Scottish Widows defined contribution scheme

During the year employer contributions of £10,012 (2022: £15,173) were charged to income and expenditure and at 31 March 2023 3 staff (2022: 10 staff) were in the scheme.

Social Housing Pension Scheme defined contribution (auto-enrolment)

During the year employer contributions of £240,647 (2022: £237,992) were charged to income and expenditure and at 31 March 2023 304 staff (2022: 328 staff) were in the scheme.

Reported staff costs also include death-in-service benefit for all staff. The employer's premium was £32,727 (2022: £27,027).

19. Analysis of net assets between funds

				2023	2022
	Unrestricted £	Designated £	Restricted £	Total funds £	£
Tangible fixed assets	532,582	-	-	532,582	535,222
Investment properties	3,250,000	-	-	3,250,000	3,100,000
Investments	1,070	-	-	1,070	1,070
Net current assets	5,447,880	-	-	5,447,880	5,324,816
Long term liabilities	(271,607)	-	-	(271,607)	(139,564)
Defined benefit pension liability	(585,000)	-	-	(585,000)	(550,000)
Net assets at the end of the year	8,374,925	-	-	8,374,925	8,271,544

20. Movements in funds

	1 April 2022	Incoming resources and gains £	Outgoing resources and losses £	Transfers £	31 March 2023
Restricted funds:					
Sport England	-	9,850	(9,850)	-	-
Queen's Platinum Jubilee Activity Fund					
London Taxi Fund for Children	-	606	(606)	-	-
The late Christine Walker	-	1,000	(1,000)	-	-
London Borough of Waltham Forest	-	3,000	(3,000)	-	-
University College London	-	500	(500)	-	-
Total restricted funds	-	14,956	(14,956)	-	-
Unrestricted funds:					
Designated funds					
IT infrastructure	285,157	-	-	(285,157)	-
Grant match funding	100,000	-	-	(100,000)	-
Service investment	2,000,000	-	-	(2,000,000)	-
Total designated funds	2,385,157	-	-	(2,385,157)	-
Revaluation reserve	915,605	150,000	-	-	1,065,605
Pension reserve	550,000	-	(133,944)	168,944	585,000
General funds	4,420,782	17,883,097	(17,795,772)	2,216,213	6,724,320
Total unrestricted funds	8,271,544	18,033,097	(17,929,716)	-	8,374,925

Purpose of restricted funds

The Sport England – Queen's Platinum Jubilee Activity fund was applied for a sports project. The London Taxi Fund provided sensory equipment at our Anthony Kendall House service in Hackney. The bequest from Christine Walker provided a summer party for the people we support in Waltham Forest. Waltham Forest funding was applied to a nutrition project and University College London provided funding for marketing equipment.

Purposes of designated funds

Funds will, as a minimum, be designated in line with firm contractual commitments in furtherance of charitable objectives.

	1 April 2021	Incoming resources and gains £	Outgoing resources and losses £	Transfers £	31 March 2022
Restricted funds:					
Heritage Lottery Fund	34,206	-	(34,206)	-	-
National Lottery Community Fund	-	14,690	(14,690)	-	-
The late Christine Walker	-	500	(500)	-	-
Good Things Foundation	-	4,000	(4,000)	-	-
Private donor	-	500	(500)	-	-
Total restricted funds	34,206	19,690	(53,896)	-	-
Unrestricted funds:					
Designated funds					
IT infrastructure	200,000	-	(54,743)	139,900	285,157
Grant match funding	100,000	-	-	-	100,000
Service investment	2,000,000	-	-	-	2,000,000
Total designated funds	2,300,000	-	(54,743)	139,900	2,385,157
Revaluation reserve	718,005	197,600	-	-	915,605
Pension reserve	827,000	-	-	(277,000)	550,000
General funds	3,792,160	17,917,454	(17,425,932)	137,100	4,420,782
Total unrestricted funds	7,637,165	18,115,054	(17,480,675)	-	8,271,544

Purpose of restricted funds

Heritage Lottery Fund represented the, now fully depreciated, cost of improvements at the Nutley Edge Holiday Cottages. The National Lottery Community Fund was applied to subsidise activity breaks for Outward's beneficiaries. The bequest from Christine Walker provided a memorial bench at Nutley Edge, similarly the private donation funded equipment for the yurt installed at Nutley Edge. The grant from the Good Things Foundation funded hand held IT equipment.

Purposes of designated funds

IT infrastructure recognises the need to improve connectivity and software supporting service delivery. Grant match funding makes available funds where needed to match grant givers requirement. 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

	2023 £	2022 £
Net income for the reporting period (as per the statement of financial activities)	237,326	422,298
Depreciation charges	68,132	64,035
(Gains) on investment properties	(150,000)	(197,600)
Actuarial (losses)/gains on defined benefit pension schemes	(133,944)	177,875
Dividends, interest and rent from investments	(92,598)	(4,021)
Profit on disposal of fixed assets	-	(3,993)
Decrease/(increase) in debtors	290,263	(483,791)
(Decrease)/increase in creditors	(944,674)	1,309,934
Increase/(decrease) in pension liability	35,000	(277,000)
Net cash flow (used by / generated from operating activities)	(690,496)	1,007,736

22. Analysis of cash and cash equivalents

	At 1 April 2022 £	Cash flows £	Other changes £	At 31 March 2023 £
Cash at bank and in hand	5,273,486	(663,790)	-	4,610,096
Notice deposit (less than three months)	1,000,000	-	-	1,000,000
Total cash and cash equivalents	6,273,486	(663,790)	-	5,610,096

23. Operating lease commitments**Amounts payable as lessee:**

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

	2023 £	2022 £
Less than one year	37,744	37,416
One to five years	154,394	153,013
Over five years	139,790	178,915
	331,928	369,344

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 2023	2022
	£	£
Less than one year	<u>3,654,783</u>	<u>3,526,728</u>
	3,654,783	3,526,728

24. Financial Instruments

Outward's financial instruments may be analysed as follows:

	2023	2022
	£	£
Financial assets measured at historical cost:		
Trade debtors and rent arrears	864,675	1,295,370
Prepayments and accrued income	207,050	463,061
Other debtors	890,647	494,204
Cash and cash equivalents	5,610,096	6,273,486
	<u>7,572,468</u>	<u>8,526,121</u>
	2023	2022
	£	£
Financial liabilities measured at historical cost:		
Trade creditors and rent in advance	669,098	787,029
Deferred income	106,169	105,214
Other creditors	2,205,928	2,859,062
	<u>2,981,195</u>	<u>3,751,305</u>

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 £52,934 (2022: £197,091).

27. Subsidiary

The Finsbury Park Homeless Families Project Limited ('FPH') was a company limited by guarantee, registered number 02879813 and registered charity number 1030970. FPH was a wholly-owned subsidiary of Outward Housing. The reserves of FPH were distributed to other local charities supporting homeless families in a prior year. FPH was dissolved voluntarily on 21 February 2023.

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.