



Financial Statements

for the year ended 31 March 2022

Outward Housing
Company no. 02151434
Registered charity no. 800529



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The Board and professional advisors

Company number: 02151434

Charity number: 800529

Registered office and operational address:

Newlon House
4 Daneland Walk
Hale Village
London
N17 9FE

Trustees

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

Jackie Ballard
Chair

Alan McNab
Vice-chair

Nicola Bastin
Newlon Housing Trust Nominee

Shelley Joyce

Eilish Kavanagh
Treasurer

Zahra Maye

Joyce Saunders

Carol Tilbury
Resigned 8 September 2021

Rama Varsani
Appointed 15 December 2021

Key management personnel

Peter Little, Chief Executive and Secretary
27 November 2021

Nicky Boland, Chief Executive and Secretary
Appointed 28 November 2021

Executive Team

Nicky Boland
Director of Business Development to 27 November 2021

Katerina Gutheim

Director of Care and Support

Emma Richardson

*Assistant Director of Housing and Facilities
appointed 1 April 2021*

Lindy Shufflebotham

*Director of HR and Business Support,
appointed 6 March 2021*

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

The Trustees present their report and the audited financial statements for the year ended 31 March 2022.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice — Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Purposes and Aims

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

Outward Housing's (Outward) purpose, as set out in our 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, albeit mainly limited to support via telephone during the pandemic.

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

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

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

Achievements and performance

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

In 2021/22, Outward supported 813 people to maximise their independence and social engagement by providing essential care and support services. We provided our services across ten 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.

As always, we are immensely proud of our resilient frontline staff and volunteers. Not only have they worked creatively to engage the people we support during COVID restrictions, but they have also supported people to return safely to community activities as the world reopened. Our staff have also benefited from the relaxation of COVID restrictions, as we have been able to return to meeting and learning in-person. We hope to continue to offer hybrid digital/in-person training opportunities moving forward.

Here are some of our major achievements from the year:

Health and Wellbeing

Last year, we focused on helping people to achieve their health and wellbeing outcomes. To achieve this goal, we recruited a nutritionist to empower staff and people we support to cook healthy recipes and improve shopping habits. Volunteers spearheaded several initiatives to encourage healthy lifestyles, including an easy-read cookbook and video tutorials, a cooking competition (featuring prizes from local business, including a vegan baking workshop with a professional chef), and an online meditation resource. We also co-produced workshops and podcast episodes with a person we support to raise awareness about diabetes.

Positive Behaviour Support (PBS)

Positive Behavioural Support is an effective, ethical, and person-centred way of supporting people who are at risk of behaviour that challenges. We have worked closely with clinical psychologist Dr Steven Carnaby to embed PBS across Outward. Dr Carnaby has engaged in clinical supervision with our managers, conducted functional behaviour assessments, and introduced a training programme focused on reflective practice, trauma informed PBS, and active support. We are proud that this work has reduced incidents and helped more people achieve their goals.



A person we support shares their entry to the Outward healthy cooking competition

Nutley Edge

Set in the Sussex countryside, Nutley Edge remains a popular holiday destination for the general public and our activity break guests. We safely ran fourteen activity breaks despite the pandemic, providing 125 people with the opportunity to holiday in the countryside, learn new skills, and develop friendships. Families and carers have given feedback that our breaks provide a valuable respite opportunity for them too. We were also thrilled to have secured National Lottery funding to subsidise breaks for guests who needed financial assistance.



Fundraising

At the beginning of the year, we were awarded a Digital Lifeline Grant. Funded by the Department for Digital, Culture, Media and Sport (DCMS), the grant provided 40 tablets, accessories, data, and digital skills training for the most isolated people we support with learning disabilities, enabling them to stay connected and access services through the lockdowns. We are also nearing our target for our Nutley Edge minibus fundraiser, and hope to meet this goal in the coming year. Thank you to the funders and generous individual donors who supported our work this year.

Young People

Our most significant area of growth has been our Hackney young people's services. We retained and expanded our young people contract through the tendering process and opened a new supported housing project that provides modern one-bedroom flats and move on support for young people at risk. We have also introduced psychologically informed environments and are proud that 86% of the young people we support are engaged in education, employment, or training.

Drayton Road

We have closed Drayton Road in Waltham Forest as a registered care home, with a view to redeveloping the site for charitable services.

Thank you to our donors:

Heritage Lottery Fund

National Lottery Community Fund

The late Christine Walker

Good Things Foundation

Private Donor



Performance Monitoring

We set 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 2021/22, although performing on target for the majority of the indicators, we underperformed against the following:

- **Void and Rent Arrears:** These targets were impacted by the pandemic and, in the case of rent arrears, a cyber-attack on the London Borough of Hackney's computer systems.
- **Sickness Absence:** Absences were high due to COVID-19, particularly during the Omicron wave.

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.

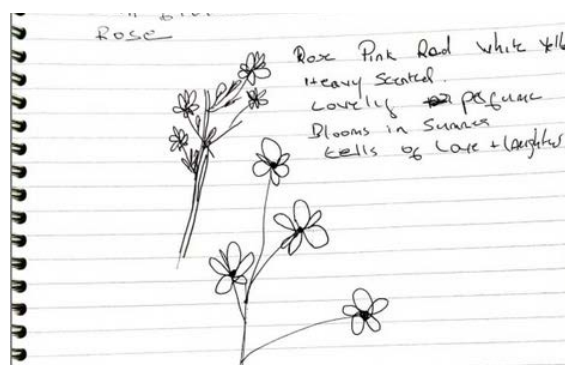
Recently we have expanded to include volunteers based remotely, who can offer support online and create wellbeing resources. We have also maintained our strong relationships with local universities and colleges, and have seen an increase in volunteer-led programmes. Here are some of the exciting projects led by volunteers over the last year:

Nutrition: Volunteers are collaborating with Outward's nutritionist to tackle ongoing dietary issues and build healthier routines in our learning disability services.

Sex and Relationships: A volunteer created a podcast about sex and relationships in collaboration with people we support. Student volunteers are currently consulting with services to see how Outward can improve the way they support people around this topic.

Community Navigators: Apprentices from the University of East London are working across our young people's services, Hub Club, and our learning disability supported living services to build stronger relationships between services and their communities, with the aim of helping people to access more opportunities.

Inclusivity Forums: Volunteers with lived experience of disability led forums with the people we support about inclusivity. The forums stimulated meaningful conversations and the production of a short film via Zoom.



Top: Poem from a creative writing workshop for older people

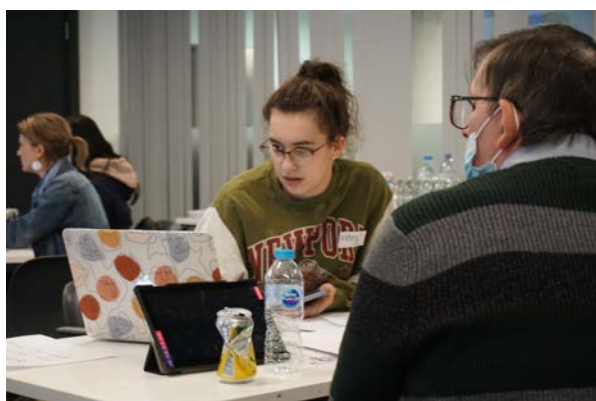
Bottom: Halloween "Jack the Ripper" tour

Health and Psychology: Health Psychology students from UCL helped to design a wellbeing survey for staff and people we support, a 'Mindfulness' course (available on YouTube), and a resource about the connection between gut health and mental health. This is the fourth year we have partnered with UCL.

Applied Theatre: Students from the Royal Central School of Speech and Drama have led a range of projects from creative writing workshops with older people to devising performances with people with learning disabilities. This is the second year of our partnership.

Health and Social Care: Over the last three years, students from London Metropolitan University have offered befriending and created healthy living resources.

“*My experience volunteering with Outward has been amazing. We created the [mindfulness] series because we think that it can help us understand ourselves better and feel more connected to the world around us. This would be particularly useful for people we support in areas such as emotional regulation, focusing, and reducing anxious and depressed feelings and thoughts. I have received a lot of support from the volunteer and community engagement team and felt that the team really value the volunteers.*”



From top left, clockwise: UCL students work with people we support to generate a social media strategy, art work from volunteer-led art classes at Catherine House, students from the Royal Central School of Speech and Drama lead drama workshops, a volunteer helps out at a vegan baking workshop.

Financial review, growth prospects and reserves policy

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

	2021-22 £k	2020-21 £k
Income	17,937	18,274
Operational surplus	225	802
Valuation gains on investment properties	197	508
Reduced / (increased) pension liability	178	(495)
Net surplus	600	815
Balance sheet net worth	8,271	7,671
Capital expenditure	139	105
Cash held	6,273	5,397

Operational surplus for the prior year included the release of £329k of historic automated expenditure accruals. Both cash and current liabilities, at 31 March 2022, include £326,000 paid by a local authority on 21 March 2022 in error and refunded after the balance sheet date. Our resilient operational performance is supported by a strong balance sheet and reserves together with a current ratio of 2.66.

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.

At 31 March 2022, unrestricted reserves were £8,271,544 (2021: £7,637,166) of which £3,636,292 (2021: £3,363,428) is represented by fixed assets, leaving £4,635,252 (2021: £4,273,738) of unrestricted free reserves, representing three months (2021: 3 months) of unrestricted expenses. Of this amount, Trustees have designated funds for planned purposes totalling £2,385,157 (2021: £2,300,000), as shown in Note 20 to these financial statements. The Trustees are confident the unrestricted free reserves level provides the organisation with reasonable financial flexibility, stability and contributes to longer-term sustainability. The Trustees review the level of reserves annually and may decide to adjust the policy level to ensure that the unrestricted free reserves kept are not insufficient nor excessive.

As a care and support 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 66% (2021: 67%) of the total income.

Our income for 2021-2022 was £337,611 less than the previous year. We attribute this to:

- Handing over our care and support contract in the London Borough of Bromley following re-tender
- Closing our Drayton Road care home for redevelopment
- High numbers of voids due to COVID-19

Our contracts are based on statutory provision and we will continue to seek grant funding to help enrich the lives of the people we support and improve their independence.

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

At the start of 2020 we set out a three-year strategy to ensure all our staff were paid at no less than the London Living Wage. With effect from April 2022 all our staff working in London are paid at or more than the London Living Wage of £11.05 per hour. We are aware the London Living Wage was set before the impact of the current cost of living 'crisis' and we are seeking ways to improve the financial wellbeing of our staff.

We have seen growth in other areas of our business. For example, we increased the number of homes we can provide for young people with support needs in Hackney. Not only were we awarded a new contract in the borough, but we also opened a newly redeveloped property that consists of six modern homes. Nutley Edge holiday complex also had another successful year, with income increasing by 38% due to increased demand.

Next year, we will work with local authorities and other funders so that our care and support contracts allow us to pay all staff at least the Real Living Wage. While we want to expand the number of people we can support, it is imperative that we can do so sustainably, with well-paid staff who can provide exceptional services.

Financial risks and exposures

Outward's Board delegates oversight of financial performance and associated risk to an Operations Committee who meet quarterly in advance of Board meetings and feed back to the Board. The remit of the Operations Committee is reviewed regularly and includes operational 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, insurance cover and delegated authorities, as part of Standing Orders are also reviewed regularly as is the risk register and the application and success of mitigating actions identified in the risk register. Additionally, Outward uses the services of a third party internal audit service, who also report to the Newlon Group Audit & Risk Committee.

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

Outward has been able to maintain cash balances with prudent treasury management and has built up sufficient cash reserves over the years to satisfy working capital requirements and risks and / or investment in charitable services.

We consider we have performed well in the last few years in negotiating contract prices that recognise the true cost of provision, however the impact of cost inflation must be closely monitored in terms of our costs and the impact on our staff and consequently on staff recruitment and retention.

As a specialist supported housing provider, we have fantastic opportunities to develop our offerings to a range of service users. We will work with Newlon to continue reconfiguring existing properties and develop new supported housing schemes. From October 2022, most of our rents will uplift under the government formula by 4.1%.

Impact of COVID-19

Our work has been impacted by the COVID-19 pandemic over the last year, especially during a challenging period of high staff absences due to the Omicron wave.

To mitigate the impact of COVID-19 on our work, we have encouraged staff and the people we support to get vaccinated by sharing resources and offering staff drop-in sessions with a GP. We have had an encouraging vaccine take up and we are grateful to families, health partners, and councils for their guidance when individuals we support lacked the capacity to make the decision about vaccination.

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



Plans for the future

This year, we will be working to fulfil the objectives of our one-year business plan. The plan is guided by the aims and objectives in The Newlon Group's Corporate Plan for 2021-24, and we will be co-producing a new longer-term strategy with the people we support, our colleagues, and stakeholders over the coming months.

Our current plan is all about moving forward after two difficult years of delivering care, support, and housing management services throughout the COVID-19 pandemic. We hope to bring people back together wherever we can by holding events to celebrate individual and group achievements, increasing our community engagement and co-production activities, and encouraging people to plan for new life goals. For staff, we will also be increasing in-person training and events, including teambuilding days and staff awards.

Here is a summary of the five key focuses of our plan for the coming year:



Excellent Services

We will deliver great services by:

- Improving physical and mental wellbeing
- Delivering on co-produced outcomes and celebrating success
- Creating a shared vision for co-production and evidencing impact
- Delivering innovative recruitment and succession plans
- Investing more in learning and development



High Quality Homes

We will deliver care and support in homes that meet people's needs by:

- Embedding new tenant satisfaction measures and reporting on progress
- Improving disability access in accommodation at Nutley Edge
- Delivering on our Positive Behaviour Support strategy
- Embedding Profound Multiple Learning Disability (PMLD) standards at Catherine House
- Reviewing housing management contracts to ensure value for money
- Improving security and safety in homes



Growth

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

- Developing a young people strategy and expanding our provision in Hackney
- Delivering on our Outreach services growth plan
- Working with Newlon to plan a new scheme at Drayton Road in Waltham Forest



A Dynamic Workplace

We will be a high achieving, performance-focused organisation with a committed, diverse, and creative workforce by:

- Introducing new equality, diversity, and inclusion (EDI) management training
- Developing an EDI strategy and an annual programme of impact assessments
- Maximising staff engagement with 'Workplace'
- Undertaking staff forums and surveys



Efficiency and Effectiveness

We will ensure we have strong foundations even in uncertain times, maintain low overhead costs, and streamline processes by:

- Embedding recommendations from finance system review
- Reviewing all contracts with local authorities to pay living wage
- Fundraising with a focus on community engagement and volunteering
- Identifying digital systems to improve quality, efficiency, and accuracy in services
- Implementing Microsoft 365

Structure, governance and management

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. The memorandum of association establishes Outward's principal objective of providing care and support to vulnerable people to help them lead meaningful lives and maximise their independence. The articles of association then govern the powers under which Outward must operate. The articles were reviewed during the year and updated in line with legislation and technological advancement.

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.

National Housing Federation

Although Outward is not a registered provider, we have adopted the National Housing Federation (NHF) Code of Governance 2020 and Code of Conduct 2021/22. 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 2021/22.

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 which are, where appropriate, approved by the Newlon Housing Trust Board. Appointments are for a period of three years and Trustees do not receive remuneration. Outward embraces its responsibility for good governance and provides induction, 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. Appropriate delegations are made to the Operations Committee. The Committee reports back to the Board, and minutes of Committee meetings are circulated to Board members. The views of people we support are represented at Board. The Remuneration sub-committee monitors trends in pay and rewards and makes specific recommendations to the Board concerning pay proposals.

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

Outward buys Finance 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 on joint procurement exercises.

Remuneration policy for key management personnel

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

Policy for employment of disabled persons

Outward is committed to a positive policy of equality, diversity and inclusion (EDI). We uphold our belief in a society in which every person has a fair and equal place by seeking to ensure that there is total equality in all of the functions of the organisation and in the delivery of its services, integrating equality opportunity into all of our activities, and actively opposing discrimination and prejudice in all forms. We recruit, train and promote on the basis of ability. All staff complete EDI training as a mandatory requirement and we also offer unconscious bias and inclusive leadership training.



Employee engagement

This year, members of the Outward Executive Team consulted with their teams about what was important to feature in the business plan. This was the first step forward into holding meetings in services. It was hugely successful and staff provided some great ideas that were included in the business plan. One that resulted in staff sleep-in rooms being refurbished was very successful.

UNISON now attends our staff Welcome days to explain what the Union can offer and who they should make contact with if they have an interest.

Workplace chat and posts have been a great way of engaging with staff during and since the height of the pandemic. As of March there were 384 activated users of which 291 were posting regularly. Staff have been particularly engaged with sharing posts about what “not living in a lockdown” means to the people they support.

We have had some great photographs of activities, outings, and cooking. Last year it was agreed for the forthcoming year we will establish a task and finish methodology to run consultation groups on a variety of topics that include: Rewards & Benefits, Equality, Diversity and Inclusion, Improving Recruitment and Improving IT.

Statement of responsibilities of the Trustees

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of Outward, and of the incoming resources and application of resources, including the income and expenditure, of Outward for that period.

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

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

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

Trustees' statement of internal control

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

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

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

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

- significant risks and financial implications considered as part of the decision making process and the incorporation of key risks and mitigations into a risk map 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, reviewed six monthly by the Board;
- regular reviews of key performance and dashboard indicators;
- the operation of a comprehensive budgeting system and the regular review of the financial performance; and
- the formal appraisal by the Outward Board of new business opportunities including significant new schemes and contracts, subject to delegations of authority

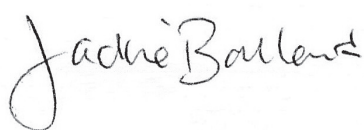
Additional controls included within the Newlon Group internal control framework are:

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

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 23 June 2022 and signed on their behalf by



Jackie Ballard
Chair

Strategic report

Financial context

Our geographical coverage has grown considerably, starting from Waltham Forest and then Tower Hamlets, to the current nine boroughs. Waltham Forest is now joined by Hackney as our biggest serviced boroughs for care and support. Our contracts in Bromley came to an end in January 2022, but we continue to expand in Hackney. We welcome the City of London as a new borough commissioning our services.

Outward continues to maintain a range of services and clients, which was highlighted in the achievements and performance section, allowing it to absorb the impact of a potential loss of a funder or client group. Outward continues to build services, such as Catherine House and Anthony Kendall House in Hackney that can be marketed on Outward terms rather than at local authority tendered or framework prices.

During our plan period 2020-2023 we decided not to concede any further funding cuts, which impacted upon Outward's ability to recruit, retain and recognise the valuable services our support workers and other staff provide and to move all staff based in London to at least the London Living Wage. As at April 2022 this has been achieved.

Our balance sheet and ratios remain strong, buoyed by increased valuations of our fixed asset and commercial properties and a reduction in our liability to the Social Housing Pension scheme. We are continuing 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.

Around one third of our income is derived from rent and service charges. Most rents will increase by 4.1% from October 2022 under the Government formula. While most rent and charges are paid through housing benefit, the impact on housing costs in the current economic climate will need close monitoring.

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

We are also aware that we need to invest in and improve our use of software and technology and we will be developing our digital strategy through 2022-23.

Principal risks and uncertainties

Outward, in common with most organisations and in accordance with Newlon Group practice and procedures, has developed, regularly monitors and updates a risk register. The risk register identifies mitigating actions that are in place, or that are to be taken, to reduce or eliminate the identified risks. Residual risks are also assessed as to their potential impact. The risk register and mitigating actions were reviewed fundamentally during the year and were endorsed by the Board of Trustees in March 2022.

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

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

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

We manage 614 (2021: 606) tenancies over a wide range of property types on behalf of a number of landlords, principally Newlon Housing Trust. Due to the nature of some tenant groups, the levels of voids and rent arrears can be materially higher than in general needs tenancies. Work is being undertaken in some cases with Newton Housing Trust's asset management team, to identify those properties making deficits and which require remodelling or returning to Newlon Housing Trust as they may no longer be suitable for supported housing. Together we are working to ensure the supported housing stock we manage is fit for purpose and will meet the future needs of our residents.

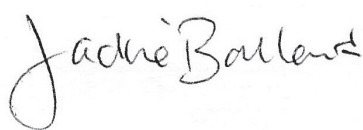
Our Risk Register, in addition to COVID-19, categorises the risks we face in four key ongoing areas:

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

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

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

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



Jackie Ballard

Chair

Date: 23 June 2022

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 2022 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 2022 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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Phil Cliftlands (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick, UK
Date 25 November 2022

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 2022

Company no. 02151434

	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Income from:							
Donations, grants and legacies	2	1,904	19,690	21,594	126,803	9,581	136,384
Charitable activities							
Rent	3	3,402,921	-	3,402,921	3,322,646	-	3,322,646
Service charges	3	2,283,085	-	2,283,085	2,300,427	-	2,300,427
Care and tenancy support	3	11,905,162	-	11,905,162	12,266,619	-	12,266,619
Investments	4	320,360	-	320,360	224,420	-	224,420
Other	5	4,021	-	4,021	24,259	-	24,259
Total income		17,917,454	19,690	17,937,144	18,265,174	9,581	18,274,755
Expenditure on:							
Raising funds	6	72,872	-	72,872	-	-	-
Charitable activities							
Rent	6	3,477,721	-	3,477,721	3,527,596	-	3,527,596
Service charges	6	2,283,085	-	2,283,085	2,071,887	-	2,071,887
Care and tenancy support	6	11,669,664	-	11,669,664	11,703,730	-	11,703,730
Other	6	155,208	53,896	209,124	159,627	9,581	159,628
Total expenditure		17,658,550	53,896	17,712,446	17,462,840	9,581	17,472,521
Net income / (deficit) before net gains on investments		258,904	(34,206)	224,698	802,334	-	802,334
Net gains / losses on investments	12	197,600	-	197,600	438,168	-	438,168
Net income / (deficit) before other recognised gains and losses	7	456,504	(34,206)	422,298	1,240,502	-	1,240,502
Gains on revaluation of fixed assets	11	-	-	-	69,723	-	69,723
(Losses) / gains on defined benefit pension schemes	18	177,875	-	177,875	(494,751)	-	(494,751)
Net movement in funds		634,379	(34,206)	600,173	815,474	-	815,474
Reconciliation of funds:							
Total funds brought forward		7,637,165	34,206	7,671,371	6,821,691	34,206	6,855,897
Total funds carried forward		8,271,544		8,271,544	7,637,165	34,206	7,671,371

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.

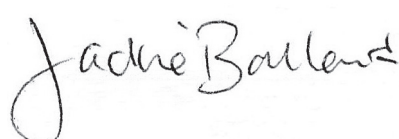
Balance Sheet

for the year ended 31 March 2022

Company no. 02151434

	Note	£	2022 £	£	2021 £
Fixed assets:					
Tangible assets	11		535,222		459,958
Investments properties	12		3,100,000		2,902,400
Investments	13		1,070		1,070
			<u>3,636,292</u>		<u>3,363,428</u>
Current assets:					
Debtors	14	2,252,635		1,768,844	
Cash at bank and in hand		<u>6,273,486</u>		<u>5,397,035</u>	
		8,526,121		7,165,879	
Liabilities:					
Creditors: amounts falling due within one year	15	<u>3,201,305</u>		<u>1,822,653</u>	
Net current assets			5,324,816		5,343,226
Total assets less current liabilities			8,961,108		8,706,654
Creditors: amounts falling due after one year	17		139,564		208,282
Net assets excluding pension liability					
Defined benefit pension scheme liability	18		8,821,544		8,498,371
			550,000		827,000
Total net assets			8,271,544		7,671,371
The funds of the Charity:					
Restricted income funds	20		-		34,206
Unrestricted income funds:					
Designated funds		2,385,157		2,300,000	
Revaluation reserve		915,604		718,005	
Pension reserve		550,000		827,000	
General funds		4,420,783		3,792,161	
Total unrestricted funds			8,271,544		7,637,165
Total Charity funds			8,271,544		7,671,371

Authorised and approved by the Trustees on 23 June 2022 and signed on their behalf by



Jackie Ballard
Chair



Eilish Kavanagh
Treasurer

Statement of cashflows

for the year ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities	21		
Net cash from operating activities		1,007,736	246,469
Cash flows from investing activities			
Dividends, interest and rents from investments		4,021	24,259
Purchase of fixed assets		(139,298)	(95,934)
Proceeds from sale of fixed assets		3,993	-
Additions to investment properties		-	(8,631)
		<hr/>	<hr/>
Net cash provided from investing activities		(131,283)	(80,306)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		876,453	166,163
Cash and cash equivalents at the beginning of the year		5,397,035	5,230,872
Cash and cash equivalents at the end of the year	22	<hr/> 6,273,488 <hr/>	<hr/> 5,397,035 <hr/>

The notes on pages 25 to 44 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) (effective 1 January 2015) — (Charities SORP FRS 102 - second edition effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. These are the accounts of the individual Charity and are not consolidated.

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

b) Public benefit entity

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

c) Going concern

The Trustees consider that there are no material uncertainties about Outward's ability to continue as a going concern. Outward coped well with the operational and financial challenges brought about by the pandemic restrictions and it is further considered only residual risks remain into 2022-23.

Expected cash flows have been forecast through to September 2023 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 2022 and although there is inherent uncertainty in ongoing market conditions the Trustees have looked at the likelihood of a fall in property prices as part of the financial scenarios considered and there would need to be a fall of 30% to have a material impact on the investment properties. Therefore the Trustees do not consider the professional valuation to be an area of material uncertainty.

The outcome of the actuarial valuation of the Social Housing Pension Scheme was received during the year and Trustees consider Outward has sufficient resources to fund the deficit repayment plan.

d) Income

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

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

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

e) Donations of gifts, services and facilities

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

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

f) Interest receivable

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

g) Fund accounting

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

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

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

h) Fundraising statement

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

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

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

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

i) Expenditure and irrecoverable VAT

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

- Costs of raising funds relate to the costs incurred by Outward in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering care, support and intensive housing management services undertaken to further the purposes of Outward and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

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

j) Allocation of support costs

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

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

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

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

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

k) Operating leases

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

l) Tangible fixed assets

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

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

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

- Freehold office buildings 50 years
- Furniture and Equipment 5 years
- Motor Vehicles 5 years

m) Investment properties

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

n) Investments in subsidiaries

Investments in subsidiaries are at cost.

o) Debtors

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

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of people we support.

q) Creditors and provisions

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

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

r) Pensions

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

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

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

- Valuations and/or impairment of fixed asset properties, relying on the professional opinion of independent qualified surveyors;
- Valuation of investment properties, relying on the professional opinion of independent qualified surveyors where they have recognised uncertainty in the property market at 31 March 2022;
- The critical underlying assumptions in relation to the actuarial estimate of the Social Housing Pension Scheme shortfall of projected assets against projected scheme liabilities and the Charity's obligation to fund its share of the deficit such as standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual expense;
- Whether leases entered into by Outward, either as a lessor or a lessee, are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis and;
- Income is generated from a range of sources, in particular, from rent to service charges to local authority income under a wide variety of contract types, durations and service specifications. Judgement is applied as to income recognition and recoverability on a source by source and/or contract by contract basis.

2. Income from donations, legacies and grants

Donors	Unrestricted	Restricted	2022 Total	2021 Total
	£	£	£	£
Job Retention Scheme Grant	1,904	-	1,904	126,803
Other donations	-	19,690	19,690	9,581
	1,904	19,690	21,594	136,384

3. Income from charitable activities

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Rent from tenants	3,402,921	-	3,402,921	3,322,646
Service charges from tenants	2,283,085	-	2,283,085	2,300,427
Sub-total for rent and service charges	5,686,006	-	5,686,006	5,623,073
London Borough of Bromley	1,036,633	-	1,036,633	1,001,039
London Borough of Camden	-	-	-	853,797
London Borough of Enfield	1,175,308	-	1,175,308	1,252,522
London Borough of Hackney	3,402,070	-	3,402,070	2,901,907
London Borough of Haringey	249,443	-	249,443	217,726
London Borough of Islington	348,874	-	348,874	327,359
London Borough of Newham	412,552	-	412,552	397,267
London Borough of Redbridge	157,274	-	157,274	156,781
London Borough of Tower Hamlets	1,327,917	-	1,327,917	1,180,817
London Borough of Waltham Forest	3,398,715	-	3,408,516	3,563,426
City of London	9,801	-	9,801	-
Activity breaks and other	386,575	-	386,575	414,067
Sub-total for care and tenancy support	11,905,162	-	11,905,162	12,266,619
Total income from charitable activities	17,591,168	-	17,591,168	17,889,693

4. Income from trading activities

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Hospitality and Leisure Continuity Grant	-	-	-	25,000
Nutley Edge accommodation	266,449	-	266,449	167,773
Private rent	53,911	-	53,911	31,647
	320,360	-	320,360	224,420

5. Income from investments

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Interest received	4,021	-	4,021	24,259
	4,021	-	4,021	24,259

6. Analysis of expenditure

	Charitable activities				Restricted	Trading	Governance costs	Support costs	2022 total	2021 total
	Cost of raising funds	Rent	Service charges	Care & tenancy support						
	£	£	£	£	£	£	£	£	£	£
Staff costs (Note 8)	-	382,153	-	9,658,521	-	93,580	-	1,121,166	11,255,419	11,513,810
Office rents	-	30,271	-	69,942	-	-	-	48,971	149,184	148,016
Service chargeable costs	-	-	2,276,989	-	-	-	-	-	2,276,989	1,893,698
Tariff payments to landlords	-	2,416,009	-	-	-	-	-	-	2,416,009	2,401,713
Bad and doubtful debts	-	128,152	-	(62,014)	-	-	-	-	66,138	150,908
Other costs	66,881	235,215	-	862,186	53,896	48,868	20,983	260,678	1,548,707	1,364,276
	66,881	3,191,800	2,276,989	10,528,634	53,896	142,448	20,983	1,430,815	17,712,446	17,472,421
Support costs	5,905	281,788	3,148	1,127,397	-	12,576	-	(1,430,815)	-	-
Governance costs	87	4,132	2,948	13,632	-	184	(20,983)	-	-	-
Total expenditure 2022	72,872	3,477,721	2,283,085	11,703,730	53,896	155,208	-	-	17,712,446	17,472,421
Total expenditure 2021	-	3,527,596	2,071,887	11,703,730	9,581	159,627	-	-	-	17,472,421

Of the total expenditure, £17,658,460 was unrestricted (2021: £17,463,839) and £53,986 was restricted (2021: £9,581). Support costs – other were reduced by £329,443 in the prior year following a review, in that year of automated expenditure accruals, identified as no longer required and written back.

Support costs comprise:

	2022	2021
	£	£
Central costs	321,247	57,301
Human resources	290,707	243,004
Business development	153,139	163,307
Quality	103,590	94,790
Customer engagement	80,157	47,420
Directorate costs	127,427	71,273
Finance & IT costs	345,867	338,755
Co-Production	8,680	2,598
	1,430,814	1,018,448

Central costs were reduced by £329,443 in the prior year for automated expenditure accruals, identified as no longer required and written back.

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

This is stated after charging:

	2022	2021
	£	£
Financial services bought in	224,275	224,275
IT Support bought in	106,000	75,000
Operating lease rentals	55,368	55,405
Depreciation	64,035	69,201
Provision for doubtful debts and rent arrears	66,138	150,908
Auditors' remuneration (excluding VAT):	11,950	11,250
Auditors' other services (excluding VAT):	615	1,589

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

Staff costs were as follows:

	2022	2021
	£	£
Salaries and wages	9,743,405	10,183,979
Redundancy and termination costs	95,296	24,709
Social security costs	875,046	894,691
Employer's contribution to defined contribution pension schemes	253,166	261,049
Operating costs of defined benefit pension schemes	22,000	26,233
Agency workers	266,505	123,149
	11,255,419	11,513,810

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

	2022	2021
	£	£
£60,000 - £69,999	2	1
£70,000 - £79,999	1	-
£80,000 - £89,999	1	1

Trustees consider those staff with material delegations of authority available to them to conduct operational activities as key management personnel. The total employee benefits including pension contributions of the key management personnel, comprising the Chief Executive and the executive team, were £387,030 (2021: £369,509). Within employee benefits, employers pension contributions of £18,084 were paid on behalf of five key management personnel (2021: £17,865 and five) into defined contribution schemes including the 'auto enrolment' scheme.

The Charity trustees were not paid nor received any other benefits from employment with the Charity in the year (2021: £nil). No Charity trustee received payment for professional or other services supplied to the Charity (2021: £nil).

Trustees' expenses represent the payment or reimbursement of travel and subsistence costs totalling £nil (2021: £nil).

9. Staff numbers

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

	2022	2021
	No.	No.
Rent	13	13
Service charges	1	1
Care and tenancy support	357	431
Support and trading activities	19	22
Governance	1	1
	391	468

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 396 (2021: 411).

During the year charitable activities were supported by 1,556 hours of volunteer time (2021: 250 hours). A fuller description of the role played by volunteers is included within the Trustees' report, however activities were severely curtailed by pandemic restrictions in both years.

10. Taxation

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

	2022	2021
	£	£
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	600,173	815,474
UK Corporation tax at 19% (2021:19%)	114,033	154,940
Profit on non-primary purpose trading activities	5,391	67,533
Otherwise exempt charitable income	(119,424)	(222,473)
Current tax charge for the period	-	-

11. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Motor vehicles £	Total £
Cost or valuation				
At the start of the year	407,241	1,380,434	72,931	1,860,606
Additions in year	20,961	84,589	33,748	139,298
Disposals in year	-	-	(65,732)	(65,732)
At the end of the year	428,202	1,465,024	40,947	1,934,173
Depreciation				
At the start of the year	39,641	1,288,076	72,391	1,400,648
Charge for the year	5,133	52,152	6,750	64,035
Disposal in year	-	-	(65,732)	(65,732)
At the end of the year	44,774	1,340,228	13,950	1,398,951
Net book value at the end of the year	383,429	124,796	26,997	535,222
At the start of the year	367,600	92,359	-	459,958

The freehold property at 179 Wood St, London E17 comprised 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 - 31 January 2020. The services of Strettons were procured in accordance with the Charity's procurement procedures and the trustees are satisfied of the independence of Strettons. The valuation has been prepared on the basis of market conditions and evidence as at 31 March 2021.

The historical cost of the freehold property, including additions, is £72,232. The net book value of the freehold property is £383,429 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

	2022 £	2021 £
Fair value at the start of the year	2,902,400	1,990,000
Additions	-	8,631
Reclassified during the year from freehold property fixed assets	-	465,601
Revaluation during the year	197,600	438,168
Fair value at the end of the year	3,100,000	2,902,400

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 2022 in a letter dated 9 May 2022 by an external firm Strettons Ltd. Strettons are RICS accredited valuers and undertook the valuation in accordance with the RICS Global Standards - 31 January 2020. The services of Strettons were procured in accordance with the Charity's procurement procedures and the trustees are satisfied of the independence of Strettons. The valuation has been prepared on the basis of market conditions and evidence as at 31 March 2022.

The property was purchased in 2002 from a long lease of 999 years with 941 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 £44,171 giving a historic carrying value of £124,103.

A freehold holiday accommodation, at Nutley Edge in East Sussex was valued as at 31 March 2022 at £2,150,000, on an open market basis, as set out in a side letter dated 5 May 2022 by an external firm Avison Young (UK) Ltd, Leisure Division. Avison Young are RICS accredited valuers and undertook the valuation in accordance with the RICS Global Standards - 31 January 2020. The services of Avison Young were procured in accordance with the Charity's procurement procedures and the Trustees are satisfied of the independence of Avison Young.

The property, 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 10.5% 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 2022.

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 £434,988 giving a historic carrying value of £1,469,896.

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

The 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 2022 in a letter dated 9 May 2022 by an external firm Strettons Ltd. Strettons are RICS accredited valuers and undertook the valuation in accordance with the RICS Global Standards - 31 January 2020. The services of Strettons were procured in accordance with the Charity's procurement procedures and the trustees are satisfied of the independence of Strettons. On 28 August 2020 the RICS removed a requirement to include a material valuation uncertainty clause on certain properties and the valuation has been prepared on the basis of market conditions and evidence as at 31 March 2022.

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 £46,867 giving a historic carrying value of £206,741.

13. Investments

	2022	2021
	£	£
Cost at the start and end of the year	<u>1,070</u>	<u>1,070</u>

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 5345500, registered address 1 Cedar Court, 267 Hainault Rd, London E11 1ET.

14. Debtors

	2022	2021
	£	£
Arrears of rent and service charges	851,861	494,018
Trade debtors	443,508	370,709
Prepayments	125,894	73,816
Accrued income	337,167	415,829
Other debtors	494,204	414,472
	<u>2,252,635</u>	<u>1,768,844</u>

15. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	238,055	310,693
Rent in advance	548,974	376,251
Taxation and social security	-	-
Other creditors	1,169,835	237,475
Amounts owed to Group undertakings	353,145	217,622
Accrued expenditure	786,082	618,481
Deferred income	105,214	62,131
	3,201,305	1,822,653

16. Deferred income

	2022	2021
	£	£
Balance at the beginning of the year	62,131	90,280
Amount released to income in the year	(62,131)	(90,280)
Amount deferred in the year	105,214	62,131
Balance at the end of the year	105,214	62,131

17. Creditors: amounts falling due after one year

	2022	2021
	£	£
Service charges refundable	139,564	208,282
	139,564	208,282

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

	2022	2021
	£	£
Less than one year	118,944	121,126
Two to five years	397,543	705,874
More than five years	33,513	-
	550,000	827,000

18. Pension schemes

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

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

There was one member of staff who transferred in to Outward under TUPE regulations and remained a member of the local government pension scheme. That member of staff left Outward during the year.

Multi-employer Social Housing Pension Scheme (the scheme)

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

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

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

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

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

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2021. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2022 to 28 February 2023 inclusive.

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

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

	31 March 2022	31 March 2021
	(£'000)	(£'000)
Fair value of plan assets	3,713	3,431
Present value of defined benefit obligation	4,263	4,258
(Deficit) in plan	(550)	(827)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(550)	(827)

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

	Period ended 31 March 2022	Period ended 31 March 2021
	(£'000)	(£'000)
Defined benefit obligation at start of period	4,258	4,037
Current service cost	-	-
Expenses	6	6
Interest expense	92	95
Actuarial losses/ (gains) due to scheme experience	349	(584)
Actuarial losses/ (gains) due to changes in demographic assumptions	(64)	15
Actuarial losses/ (gains) due to changes in financial assumptions	(329)	765
Benefits paid and expenses	(49)	(76)
Defined benefit obligation at end of period	4,263	4,258

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

	Period ended 31 March 2022	Period ended 31 March 2021
	(£'000)	(£'000)
Fair value of plan assets at start of period	3,431	3,601
Interest income	76	86
Experience on plan assets (excluding amounts included in interest income) – gain/(loss)	128	(304)
Contributions by the employer	127	124
Benefits paid and expenses	(49)	(76)
Fair value of plan assets at end of period	3,713	3,431

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

Defined benefit costs recognised in statement of financial activities

	Period ended 31 March 2022 (£'000)	Period ended 31 March 2021 (£'000)
Expenses	6	6
Net interest expense	16	9
Defined benefit costs recognised in statement of financial activities	22	15

Defined benefit costs recognised in statement of financial activities

	Period ended 31 March 2022 (£'000)	Period ended 31 March 2021 (£'000)
Experience on plan assets (excluding amounts included in net interest cost) – gain/ (loss)	128	(304)
Experience gains and losses arising on the plan liabilities – gain/ (loss)	(349)	584
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain/ (loss) (key assumptions listed on page 36 to these statements)	64	(15)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain/ (loss)	329	(765)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain/ (loss)	172	(500)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) – gain/ (loss)	-	-
Total amount recognised in financial activities – gain/ (loss)	172	(500)

Assets

	31 March 2022	31 March 2021
	(£'000)	(£'000)
Global equity	713	547
Absolute return	149	189
Distressed opportunities	133	99
Credit relative value	123	108
Alternative risk premia	122	129
Fund of hedge funds	-	-
Emerging markets debt	108	139
Risk sharing	122	125
Insurance-linked securities	87	82
Property	100	71
Infrastructure	265	229
Private debt	95	82
Opportunistic illiquid credit	125	87
High yield	32	103
Opportunistic credit	13	94
Corporate bond fund	248	203
Liquid credit	-	41
Long lease property	96	67
Secured income	138	143
Cash	13	-
Liability driven investment	1,036	872
Currency hedging	(15)	-
Net current assets	10	21
Total assets	3,713	3,431

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 2022	31 March 2021
	% per annum	% per annum
Discount rate	2.79	2.18
Inflation (RPI)	3.57	3.27
Inflation (CPI)	3.19	2.87
Salary growth	4.19	3.87
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	Life expectancy at age 65
	(Years)
Male retiring in 2022	21.1
Female retiring in 2022	23.7
Male retiring in 2042	22.4
Female retiring in 2042	25.2

Scottish Widows defined contribution scheme

During the year employer contributions of £15,173 (2021: £17,822) were charged to income and expenditure and at 31 March 2022 10 staff (2021: 8 staff) were in the scheme.

Social Housing Pension Scheme defined contribution (auto-enrolment)

During the year employer contributions of £237,992 (2021: £243,227) were charged to income and expenditure and at 31 March 2022 328 staff (2021: 380 staff) were in the scheme.

Local Government Pension Scheme

During the year employer contributions of £nil (2021: £11,233) were charged to income and expenditure and at 31 March 2022 no members of staff (2021: 1 staff) remained in the scheme.

Reported staff costs also include death-in-service benefit for all staff. The employer's premium was £27,027 (2021: £23,750).

19. Analysis of net assets between funds

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	535,222	-	-	535,222
Investment properties	3,100,000	-	-	3,100,000
Investments	1,070	-	-	1,070
Net current assets	2,939,659	2,385,157	-	5,324,816
Long term liabilities	(139,564)	-	-	(139,564)
Defined benefit pension liability	(550,000)	-	-	(550,000)
Net assets at the end of the year	5,886,387	2,385,157	-	8,271,544

20. Movements in funds

	At the start of the year £	Incoming resources and gains £	Outgoing resources and losses £	Transfers £	At the end of the year £
Restricted funds:					
Heritage Lottery Fund	34,206	-	(34,206)	-	-
National Lottery Community Fund	-	14,690	(14,690)	-	-
The late Christine Walker	-	500	(500)	-	-
Good Things Foundation	-	4,000	(4,000)	-	-
Private donor	-	500	(500)	-	-
 Total restricted funds	<u>34,206</u>	<u>19,690</u>	<u>(53,896)</u>	<u>-</u>	<u>-</u>
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	<u>2,300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,385,157</u>
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	<u>7,637,165</u>	<u>18,115,054</u>	<u>(17,480,675)</u>	<u>-</u>	<u>8,271,544</u>

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 our beneficiaries. The bequest from Christine Walker provided a memorial bench at Nutley Edge, similarly the donation from the private donor 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

	2022 £	2021 £
Net (deficit) / income for the reporting period (as per the statement of financial activities)	422,298	1,240,503
Depreciation charges	64,035	69,201
(Gains) / losses on investment properties	(197,600)	(438,168)
Actuarial gains / (losses) on defined benefit pension schemes	177,875	(494,751)
Dividends, interest and rent from investments	(4,021)	(24,259)
Profit on disposal of fixed assets	(3,993)	-
Decrease/(increase) in debtors	(483,791)	20,154
(Decrease)/increase in creditors	1,309,934	(517,213)
Increase/(decrease in pension liability)	(277,000)	391,000
Net cash flow from operating activities	1,007,736	246,469

22. Analysis of cash and cash equivalents

	At 1 April 2021 £	Cash flows £	Other changes £	At 31 March 2022 £
Cash at bank and in hand	4,397,035	876,451	-	5,273,486
Notice deposit (less than three months)	1,000,000	-	-	1,000,000
Total cash and cash equivalents	5,397,035	876,451	-	6,273,486

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

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

	Property 2022 £	2021 £
Less than one year	37,416	37,094
One to five years	153,013	151,660
Over five years	178,915	217,684
	369,344	406,438

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 2022	2021
	£	£
Less than one year	3,526,728	3,363,898
	3,526,728	3,363,898

24. Financial Instruments

Outward's financial instruments may be analysed as follows:

	2022	2021
	£	£
Financial assets measured at historical cost:		
Trade debtors and rent arrears	1,295,370	864,727
Prepayments and accrued income	463,061	489,645
Other debtors	494,204	414,472
Cash and cash equivalents	6,273,486	5,397,035
	8,526,121	7,165,879
	2022	2021
	£	£
Financial liabilities measured at historical cost:		
Trade creditors and rent in advance	787,029	686,945
Deferred income	105,214	62,131
Other creditors	2,309,062	1,160,733
Defined benefit pension creditor	550,000	827,000
	3,751,305	2,736,809

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 £197,091 (2021: £82,412).

27. Subsidiary

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

28. Ultimate parent entity

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