

Registration number: 21410R

NEW OUTLOOK HOUSING ASSOCIATION LIMITED

Annual Report and Financial Statements

Year ended 31 March 2021



NEW OUTLOOK HOUSING ASSOCIATION LIMITED

INDEX

Company Information	1
Strategic Report	2-4
Report of the Board	5-11
Independent Auditor's Report	12-15
Statement of Comprehensive Income	16
Statement of Financial Position	17
Statement of Changes to Reserves	18
Statement of Cash Flows	19
Notes to the Financial Statements	20-34

NEW OUTLOOK HOUSING ASSOCIATION LIMITED

Company Information

Registered Office

Mill House, Mill Lane, Bromsgrove Street, Halesowen, West Midlands, B63 3JP

Auditor

Mazars LLP, 2 Chamberlain Square, Birmingham B3 3AX

Bankers

Barclays Bank PLC, 66 Oxford Street, Kidderminster, DY10 1BL

Lloyds Bank PLC, 125 Colmore Row, Birmingham, B3 3SD

Solicitors

Wragge Lawrence Graham & Co LLP, Two Snow Hill, Birmingham, B4 6WR

Higgs & Sons, Unit 3 Waterfront Business Park, Dudley Road, Brierley Hill, DY5 1LX

Our Vision, Mission, Values and Strategic Priorities

New Outlook – The Sensory Care Specialists

Our Vision and Mission:

Making a difference to people's lives through the provision of aspirational services for people with sensory and other specialist needs.

Our **core values** summarise what we ASPIRE to achieve:

- Approachable** → *friendly and easy to talk to*
- Supportive** → *understanding and encouraging*
- Professional** → *capable and skilful*
- Innovative** → *inventive and adaptable*
- Reliable** → *consistent quality and performance*
- Empowering** → *confident and strong*

The strategic priorities have been identified during development work undertaken by the New Outlook Board with input from the Executive Team. There are four overarching priorities which provide a framework for all activities of the Association. These are:

- *Quality and Compliance*
- *Culture and People*
- *Sustainability and Viability*
- *Development and Growth*

The four priorities provide a robust framework for the future direction of the Association while maintaining its culture and values and remaining true to its original aim to support people with sight loss or visual impairments.

Quality and Compliance

We want to ensure that we continue to offer high quality services and maintain compliance. This is not only because we want to achieve quality outcomes and keep people safe but also because we are registered with both the Regulator of Social Housing and The Care Quality Commission.

Culture and People

New Outlook recognises that the culture sets the tone for everything that happens across the Association and especially the quality of service that people receive. We strive to create a culture which is open and transparent based on continual learning. We want to ensure that we attract and retain the best staff possible and strive to create a supportive, enabling work environment in which each staff member is valued for their contribution.

Sustainability and Viability

It is essential that as an Association we remain sustainable and services are viable and therefore able to support people with sight loss in the future. We recognise that this is a dynamic, ongoing process to ensure we continue to deliver the right services at the right price and that future threats and opportunities are identified and responded to.

Development and Growth

New Outlook recognises the need to continually review and adjust its service offer to ensure it always offers good quality services based on current best practice and taking account of technological developments. It also recognises that people's expectations change and its therefore essential we have ongoing dialogue with the people we aim to support and commissioners, so that we understand these changes. New Outlook also recognises that sometimes, to be sustainable and offer the best work environment, it is necessary to grow and diversify its portfolio.

Performance for the year

2020/21 has been a challenging year in which we have strived to continue to deliver quality care and support within a pandemic, whilst still maintaining financial sustainability for the Association. The situation presented some new and unique challenges, which forced us to work and think differently. However, despite this we have managed to achieve good service delivery and an acceptable surplus. This was helped by good management and a real commitment from front line staff.

Our performance against our Key Performance Indicators has continued to be good with the exception of voids which have been an even bigger challenge during the Covid-19 restrictions. However, we have managed to end the year having filled the majority in supported housing with only the care home voids remaining a challenge.

We have made good use of government grants for Infection Control and testing to offset additional expenditure linked to Covid-19, mainly in relation to additional costs for personal protective equipment, the cost of staff self-isolating and in-home testing for staff, residents and recently for visitors.

Prospects

New Outlook are proud of the achievements of the staff during the pandemic and are positive about the year ahead. We continue to be committed to remaining a specialist provider supporting people with sensory and other specialist needs across the West Midlands.

We have clear plans to achieve our growth targets which have been delayed but not lost during the pandemic and more than ever recognise that this needs to be sustainable, enhance our reputation and not affect the quality of our current services. The learning from the pandemic is being utilised to develop new creative ways of working and delivering services which we believe will further enhance our service offers and improve efficiency and sustainability.

Given the commitment to remain a registered social landlord we are always looking at opportunities to increase our housing portfolio, and plan to take this forward during 2021/22. We are considering new developments, transfers from other providers and managing properties on behalf of other providers.

There is a recognition that a strategic partner could help us to deliver our objectives. This could be a housing partner who could increase our access to a wider range of housing (including development opportunities); a sensory care specialist who could enable us to become more specialist and further improve our reputation; or a partner with whom we could work within a formal agreement to deliver excellent holistic services.

All future plans and growth have been reassessed due to the COVID-19 pandemic and we believe that development and growth are still key to the long-term sustainability and financial viability of the Association. Any COVID-19 related risks such as voids are mitigated by developing our services and diversifying our income streams.

Approved by Order of the Board on 2nd September 2021

Registered office
Mill House, Mill Lane, Bromsgrove Street, Halesowen, West Midlands, B63 3JP

Lydia Bailey

Lydia Bailey (Sep 3, 2021 09:10 GMT+1)

L. Bailey
Secretary

The Board presents its report and the audited financial statements of New Outlook Housing Association Limited for the year ended 31st March 2021.

Principal risks and uncertainties

The Board of Management take a prudent approach to risk management by trying to identify and eliminate as many of the potential risks as it can. At present, the company has no debt financing and sufficient cash balance, meaning that it is protected from fluctuations in the financial markets and interest rate changes.

The company has a history of maintaining low debtor and creditor balances and that is not expected to change in the foreseeable future.

Reinvestment in our existing assets during 2020/21 was restricted due to COVID-19 and where possible focused on the kitchen and bathroom replacement programme, boiler replacements and meeting statutory requirements. A three-year asset replacement programme based on priorities is regularly reviewed by the Executive Team and Board.

The Companies Act 2006 requires that the directors of the association report exposure to risk under the following 4 specific headings: -

Price

New Outlook's primary source of income is residential fees paid by Local Authorities where the price is agreed in advance. During 2020/21 many of our Birmingham residents had their needs reviewed and fees were adjusted accordingly. For 2021/22 we have received notification of fee increases and increases in the hourly rates for domiciliary care and block contracts. Rents increases of 2.7% were applied for 2020/21 following three years of an annual rent reduction, and service charge income has been closely reviewed to recover all relevant costs.

Liquidity

Exposure to risk from liquidity are also unlikely as the Association has a relatively predictable cash flow. Most of our income comes from Local Authorities who pay on fixed payment cycles and payment of suppliers are managed in-line with our payment terms.

Credit

The Association has very limited exposure to credit risk as it has no debt, although our investment plans for the future may require the Association to borrow money. New Outlook can borrow money from our main banker to fund future projects and can use our existing assets as security if needed.

Cash Flows

Our cash flows are predictable across the year and the asset replacement programme and major works are monitored closely and planned over a three-year period. Our bank balances at the start of the year are sufficient for day to day purposes so exposure to cash flow risk is low.

The Board have reasonable expectations that New Outlook have adequate resources to continue in operation for the foreseeable future and continue to adopt the going concern basis in preparing the financial statements.

Britain exiting the European Union

We believe the Association has the correct management plans in place to mitigate against potential risks and we are continually reviewing the position and have strong links with organisations such as the National Care Forum who provide regular updates and advice. We believe that the biggest risk is in relation to staffing and given that we have a stable staff team, with lower than average turnover and sickness and our use of agency staff is minimal, we are in a better position than most to manage any reduction in the workforce.

Covid-19

Although Covid-19 has been a challenge for the Association to date we have been able to respond and adapt to keep all services operational. The main challenges that Covid-19 present for us are in relation to finance, staffing and voids.

COVID-19 has seen an increase in some costs specifically for PPE, staff and resident testing and staff absences due to infection or self-isolating. However, New Outlook has been successful in managing its resources, accessing government funding and ensuring staff attendance throughout the pandemic.

Due to the culture within New Outlook where we have strived to achieve the best terms and conditions and make staff feel valued, we now have a lower turnover of staff and very low sickness absence rates. The impact of COVID-19 on staff availability has been lower than expected and has been managed at all schemes without significant problems.

There was a risk of increased voids due to deaths from COVID-19 and not being able to fill vacancies due to restrictions. New Outlook only experienced one Covid-19 death and has been able to fill some of its voids as they have arisen especially in supported housing. There is however, an ongoing challenge with voids that arise in care homes as they are increasingly difficult to fill and are no longer the model of choice for commissioners. The review of our Residential care homes approved by Board, supports a move away from care homes to supported housing and supported living which has lower financial risk and is seen as a better model achieving improved outcomes for tenants.

Going concern

The Executive Team of New Outlook have considered all the external and internal factors affecting the organisation and have assessed the impact of these to ascertain the prospects of the Association and ensure it remains a going concern.

The areas assessed were:

- Governance - New Outlook has a robust governance framework ,which is reviewed regularly, and an engaged and competent Board of Trustees
- Management of the Association – New Outlook has a strong and stable Executive Team who are supported by a competent management team.
- Quality and Compliance – New Outlook has comprehensive quality and compliance systems which met the requirements of our Regulators
- Financial management -New Outlook has good cash balances, access to additional funds if required and currently has no loans or long-term debt.
- Strategic Vision and development plans – New Outlook have strategic plans agreed by Board which have been produced following detailed analysis of current schemes and services.
- Partnerships – New Outlook has a wide range of strong partnerships which strengthen the resilience of the Association.

Based on its comprehensive assessments it is the opinion of the Executive Team that New Outlook is a going concern.

Value for Money – 2020/21

New Outlook recognises that as well as achieving our key performance indicators there is also a continual need to ensure that we are doing things in the most effective way which delivers good value for money and excellent outcomes for people who use our services and our staff. This increasingly relies on us to think differently and to find new ways of working and to use technology to continue to be the best that we can.

We use a range of measures to ensure we are meeting the requirements of the Regulator for Social Housing and The Care Quality Commission as well as achieving our corporate objectives.

Our performance against regulatory metrics:

RSH Metric	2016/17	2017/18	2018/19	2019/20	Peer group average	2020/21
Reinvestment %	9.5	6.6	2.4	2.6	3.7	2.1
New supply delivered %	-	9.1	-	1.9	-	-
Social Housing	-	3.4	-	2.5	-	-
Non Social Housing (care home beds)	-	28.6	-	-	-	-
Gearing %	10.5	14.4	6.4	5.0	17	1.8
EBITDA MRI interest cover %	N/A	N/A	N/A	N/A	253.5	N/A
Headline social housing cost per unit	£8,405	£9,159	£8,891	£9,554	£4,636	£9,522
Operating margin %	1.1	3.7	8.5	3.2	17.6	5.3
Operating margin % -Social Housing	4.4	20.8	13.2	7.0	18.22	17.5
ROCE	1.0	3.7	8.2	3.1	2.4	4.9

**Peer group includes thirteen West Midlands based housing associations with between 50 and 1,000 units with a profile similar to us. Average figures quoted are for 2019/20 as the data for 2020/21 was not available when the financial statements were finalised*

Reinvestment during 2020/21 was restricted due to COVID-19 and was mainly void works on kitchens & bathrooms in our sheltered schemes. Some additional work was carried out to replace boilers to improve the efficiency of our heating systems. New Outlook Housing's level of reinvestment is below that of our peer group but compares to previous years without COVID-19 restrictions.

No **New supply** was delivered during 2020/21 but work has been on-going on our strategic plan including adding additional supported living units over the next few years.

New Outlook does not have any loans and therefore **Gearing** is low compared to our peers. The decrease during 2020/21 is due to a higher cash balance and lower finance lease obligations

There is no **EBITDA MRI calculation** for New Outlook as we do not have any loans and therefore no interest payable costs.

Headline social housing cost per unit is high compared to our peer group. The social housing units in this calculation are mainly Queen Mother Gardens and Albert Weedall Centre where we have invested in the replacement of kitchens and bathrooms. During 2020/21 the number of social housing units reduced due to the end of the management contract for Chatham Place.

The **Operating margin** for 2020/21 is higher than in 2019/20 due to higher income from residential care fees and well managed expenditure during a difficult year. The operating margin – social housing is significantly higher than last year and in line with our peer group.

The **Return on Capital Employed** for 2020/21 is higher than our peers.

NEW OUTLOOK HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD

NOHA Metric	2016/17	2017/18	2018/19	2019/20	2020/21	Forecast 2021/22
Quality - services receiving a good CQC rating or above %	83.3	83.3	60.0	80.0	80.0	100.0
Quality – number of complaints	26	23	15	7	8	-
Quality – number of compliments	42	54	42	42	12	-
People – staff turnover %	27.9	31.3	20.2	27.3	22.0	28.0
People – staff sickness % of total hours	5.8	6.0	4.5	5.1	6.3	4.8
Additional - % People using services who have a sensory Impairment	N/A	74.0	78.5	78.7	81.7	85.0

Whilst there is an emphasis on controlling costs it is important that staff employed deliver quality services that meet the requirements of our varied groups of service users and that the quality is in line with the expectations of our regulators.

NEW OUTLOOK HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD

CONSTITUTION

New Outlook Housing Association Limited is a Registered Provider of Social Housing and is a Registered Society under the Co-operative and Community Benefit Societies Act 2014 (registration 21410R).

REVIEW OF ACTIVITIES

The principal activity of the Association continues to be the provision of services to people with sensory and other specialist needs. This includes sheltered accommodation for older people, care homes for younger people, domiciliary care services and supported living.

RESULTS FOR THE YEAR

The surplus for the year amounted to £208,101 (2020: £127,352). This has been transferred to reserves, giving retained reserves at the end of the year of £2,283,951 (2020: £2,075,849).

Turnover for the year was £3,935,458 compared with £3,992,542 in the previous year.

THE BOARD

The following were members of the Board at 31 March 2021. Unless otherwise stated, all served throughout the year:

Mr S. Wilson
Ms M Woodcock
Mr G Reed
Ms A Dickson
Ms J Gage
Mr P Keiser
Ms J Falconer
Ms H Marson

(Appointed 14th May 2020)

EMPLOYEE INVOLVEMENT

It is the Association's policy to involve all employees in matters affecting their functions.

TENANT AND RESIDENT PARTICIPATION

The Association seeks to involve tenants and residents in matters affecting their environment by close liaison between the Chief Executive, Board Members and tenant/resident committees. New Outlook also host regular service user engagement events throughout the year.

EQUAL OPPORTUNITIES POLICY

The Association operates an equal opportunities policy, which incorporates the CRE Code of practice in rented housing and the NHF Guidance in Equality in Housing.

INTERNAL CONTROLS ASSURANCE

The Board is ultimately responsible for the system of internal control, which provides assurance with regards to the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information.

The Board reviews the effectiveness of the system of internal control by reviewing and analysing:

- the significant risks which affect the organisation, and
- the policies and procedures by which these risks are managed

The main features of the internal control system are:

- Annual budgets
- Formal budgetary control arrangements via Management Accounting reports
- A review by the Board of the annual risk assessment
- Internal audit

BOARD MEMBERS' REPOSIBILITIES

The Board are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable Law and Regulations.

The Co-operative and Community Benefit Societies Act 2014 and legislation relating to Registered Providers of Social Housing require the Board to prepare financial statements for each financial year. Under that legislation the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and Applicable Law). Under Housing Association legislation, the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the Association and of the surplus or deficit for that period. In preparing these financial statements, the Board are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and 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 the Association will continue in business.

The Board are responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' INDEMNITY PROVISION

The board confirms that Company has in place directors and officer's insurance.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the Board members at the date of approval of this report confirmed that:

- As far as the Board members are aware, there is no relevant audit information of which the Association's auditor is unaware; and
- The Board members have taken all the steps that they ought to have taken as Board members to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

CORPORATE GOVERNANCE RESPONSIBILITIES

1. The Board acknowledge their ultimate responsibility for ensuring that the Association has in place a system of control that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to: -
 - (a) the reliability of financial information within the Association or for publication
 - (b) the maintenance of proper accounting records
 - (c) the safeguarding of assets against unauthorised use or disposition.
2. The Board acknowledges its responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements include ensuring that:
 - (a) Formal policies and procedures are in place, including documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets.
 - (b) Experienced and suitably qualified staff take responsibility for important business functions.
 - (c) Forecasts and budgets are prepared which allow the Board and management to monitor the key business risks and financial objectives. These are used to provide a financial basis for short and medium-term financial and business planning. Regular management accounts are prepared, providing relevant, realistic and up-to-date financial and other information and significant variances from budgets are investigated as appropriate.
 - (d) All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures through the Board.
 - (e) Financial viability and Value for Money. New Outlook is committed to managing resources economically, efficiently and effectively, ensuring that the organisation remains financially viable, providing quality services and homes which deliver on-going planned improvements and value for money.
3. On behalf of the Board, the appointed Board Members have reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2021.

MATTERS COVERED IN THE STRATEGIC REPORT

The company has chosen in accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Director's Report) Regulations to set out in the company's strategic report information certain items required to be disclosed within the directors' report. These include a summary of the principal risks, uncertainties and a review of the future developments of the Association.

Approved by Order of the Board on 2nd September 2021

Lydia Bailey

Lydia Bailey (Sep 3, 2021 09:10 GMT+1)

L Bailey

Chief Executive/Secretary

Opinion

We have audited the financial statements of New Outlook Housing Association Limited (the 'association') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2021 and of its surplus 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 Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's 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 association'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 Board with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Strategic Report and Board Report, other than the financial statements and our auditor's report thereon. The Board are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Statement of the Board's responsibilities set out on page 10, the Board is 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 Board 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 Board is responsible for assessing the association'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 Board either intends to liquidate the association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of New Outlook Housing Association Limited and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the Board's and 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 manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Board and management their policies and procedures regarding compliance with laws and regulations; and
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the association which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Board and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW OUTLOOK HOUSING ASSOCIATION LIMITED

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

This report is made solely to the association's members as a body in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Chapter 4 of Part 2 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association'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 association and the association's members as a body for our audit work, for this report, or for the opinions we have formed.

Mazars LLP
Mazars LLP (Sep 3, 2021 09:44 GMT+1)

Mazars LLP

Chartered Accountants and Statutory Auditor

2 Chamberlain Square

Birmingham

B3 3AX

Date: 3rd September 2021

NEW OUTLOOK HOUSING ASSOCIATION LIMITED (21410R)

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2021

	Notes	2021 £	2020 £
TURNOVER	3	3,935,458	3,992,542
Operating expenditure	3	(3,727,460)	(3,865,651)
OPERATING SURPLUS	3	207,998	126,891
Interest receivable	5	103	461
SURPLUS FOR THE YEAR		208,101	127,352
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		208,101	127,352

The surplus for the year arises from the Association's continuing operations.

NEW OUTLOOK HOUSING ASSOCIATION LIMITED (21410R)

STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Housing properties	9	3,157,720	3,145,758
Other property, plant and equipment	10	338,444	328,850
		<u>3,496,164</u>	<u>3,474,608</u>
CURRENT ASSETS			
Debtors	11	324,182	347,360
Cash		681,589	626,281
		<u>1,005,771</u>	<u>973,641</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	<u>(292,907)</u>	<u>(401,356)</u>
NET CURRENT ASSETS		<u>712,864</u>	<u>572,285</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,209,028</u>	<u>4,046,893</u>
CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	13	<u>(1,925,077)</u>	<u>(1,971,044)</u>
		<u>2,283,951</u>	<u>2,075,849</u>
CAPITAL AND RESERVES			
Called up share capital	14	17	16
Revenue reserves		2,283,934	2,075,833
TOTAL RESERVES		<u>2,283,951</u>	<u>2,075,849</u>

The financial statements on pages 16 to 34 were approved by the Board and authorised for issue on 2nd September 2021 and signed on its behalf by:

Simon Wilson

S Wilson
Chair

A Dickson
ADickson (Sep 3, 2021 09:32 GMT+1)

A Dickson
Board Member

Lydia Bailey
Lydia Bailey (Sep 3, 2021 09:10 GMT+1)

L Bailey
Chief Executive/Secretary

NEW OUTLOOK HOUSING ASSOCIATION LIMITED (21410R)

STATEMENT OF CHANGES TO RESERVES
For the year ended 31 March 2021

	Share Capital	Revenue reserves	Total
	£	£	£
At 1 April 2019	16	1,948,481	1,948,497
Surplus for the year	-	127,352	127,352
Other comprehensive income	-	-	-
Total comprehensive income	-	127,352	127,352
At 31 March 2020	16	2,075,833	2,075,849
Surplus for the year	-	208,101	208,101
Share Capital issued in the year	1	-	1
Other comprehensive income	-	-	-
Total comprehensive income	1	208,101	208,102
At 31 March 2021	17	2,283,934	2,283,951

Revenue Reserves

The revenue reserves represent cumulative surpluses and deficits of the company.

NEW OUTLOOK HOUSING ASSOCIATION LIMITED (21410R)**STATEMENT OF CASH FLOWS**

For the year ended 31 March 2021

	2021	2020
	£	£
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES (Note 15)	233,158	132,082
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(177,954)	(190,793)
Interest received	103	461
NET CASH FLOWS FROM INVESTING ACTIVITIES	(177,851)	(190,332)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on issue of shares	1	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	1	-
NET (DECREASE) IN CASH AND CASH EQUIVLENTS	55,308	(58,250)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	626,281	684,531
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	681,589	626,281

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

1. PRINCIPAL ACCOUNTING POLICIES

New Outlook Housing Association is Limited by shares and is registered under the Co-operative and Community Benefit Societies Act 2014. It is incorporated in England. Its registered address is Mill House, Mill Lane Bromsgrove Street, Halesowen, West Midlands, B63 3JP.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for registered social housing providers 2014 (SORP), the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2019. New Outlook Housing Association Ltd. is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

Property, plant and equipment - housing properties

Housing properties are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings, directly attributable development costs and borrowing costs directly attributable to the construction of new housing properties during the development. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

Depreciation is charged to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their useful economic lives. Freehold land is not depreciated.

New build 60 or 70 Years

Major components

Major components of housing properties, which have significantly different patterns of consumption of economic benefits, are treated as separate assets and depreciated over their expected useful economic lives at the following annual rates:

Structure	60 or 70 years
Roofs	30 years
Doors and windows	20 years
Kitchens	15 years (communal) or 20 years (individual flat)
Bathrooms	15 years (communal) or 20 years (individual flat)
Heating systems	15 years
Lifts	25 years
Electrical Wiring	25 years

Properties held on long leases are depreciated over their estimated useful economic lives or the lease duration if shorter.

Improvements

Where there are improvements to housing properties that are expected to provide incremental future benefits, these are capitalised and added to the carrying amount of the property. Any works to housing properties which do not replace a component or result in an incremental future benefit are charged as expenditure in surplus or deficit in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

1. **PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

Leaseholders

Where the rights and obligations for improving a housing, property reside with the leaseholder or tenant, any works to improve such properties incurred by the Association is recharged to the leaseholder and recognised in surplus or deficit in the Statement of Comprehensive Income along with the corresponding income from the leaseholder or tenant.

Non-housing property, plant and equipment

Non-housing property, plant and equipment is stated at historic cost less accumulated depreciation and any provision for impairment. Depreciation is provided on all non-housing property, plant and equipment, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold offices	60 years
Furniture, fixtures & fittings	5 years
Vehicles	4 years
Computer equipment	5 years

Impairment of social housing properties

Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential.

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in surplus or deficit in the Statement of Comprehensive Income. The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell. Where assets are held for their service potential, value in use is determined by the present value of the asset's remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model. An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and included in surplus or deficit in the Statement of Comprehensive Income.

Social Housing Grant and other Government grants

Where grants are received from government agencies such as Homes England, local authorities, devolved government agencies, health authorities and the European Commission which meet the definition of government grants they are recognised when there is reasonable assurance that the conditions attached to them will be complied with and that the grant will be received.

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred or for giving immediate financial support with no future related costs, it is recognised as revenue in the period in which it becomes receivable.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Social Housing Grant and other Government grants (cont.)

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component

Recycling of grants

Where there is a requirement to either repay or recycle a grant received for an asset that has been disposed of, a provision is included in the Statement of Financial Position to recognise this obligation as a liability. When approval is received from the funding body to use the grant for a specific development, the amount previously recognised as a provision for the recycling of the grant is reclassified as a creditor in the Statement of Financial Position. On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, any unamortised grant remaining within liabilities in the Statement of Financial Position related to this asset is derecognised as a liability and recognised as revenue in surplus or deficit in the Statement of Comprehensive Income.

Turnover

Turnover represents rent and service charges receivable, residential care fees, domiciliary care fees and donations. Service charge income is recognised when expenditure is incurred as this is the point at which the service has been performed and the revenue recognition criteria met.

Leased assets

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.

Payments under operating leases are charged to surplus or deficit in the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Pensions

Defined contribution scheme

The Company participates in a defined contribution scheme where the amount charged to surplus or deficit in the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

Service charge sinking funds and service costs

Unutilised contributions to service charge sinking funds and over-recovery of service costs which are repayable to tenants or leaseholders or are intended to be reflected in reductions to future service charge contributions are recognised as a liability in the Statement of Financial Position. The amount included in liabilities in respect of service charge sinking funds includes interest credited to the fund. Where there has been an under-recovery of leaseholders' or tenants' variable service charges and recovery of the outstanding balance is virtually certain, the balance is recognised in the Statement of Financial Position as a trade receivable. Debit and credit balances on individual schemes are not aggregated as there is no right of set-off.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at transaction value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables and interest-bearing loans and borrowings.

Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at transaction value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Taxation

The Company is registered as having charitable purposes with HMRC and there is no taxable income generated.

2. SIGNIFICANT MANAGEMENT JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not clear from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant management judgements

The following are management judgements in applying the accounting policies of the Group that have the most significant effect on the amounts recognised in the financial statements.

Impairment of social housing

The Association must make an assessment as to whether indicators of impairment exist. In making the judgement management considered the detailed criteria set out in the SORP. No indicators of impairment have been identified as existing at the year end.

Estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Bad and Doubtful Debts

Provision is made against rent and service charge arrears for current and any former tenants and against any sundry debts to the extent that they are considered by management not to be recoverable at their full value. The level of provision is based on historical experience and future expectations.

Economic life of Assets

An estimation of the useful economic life of the Association's assets are determined by management and disclosed within the Accounting Policies. The estimates are based on industry standards adjusted to reflect our own experience and quality of components.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	<u>2021</u>		
	Turnover £	Operating costs £	Operating surplus £
SOCIAL HOUSING LETTINGS (Note 4)	662,957	(556,889)	106,068
OTHER SOCIAL HOUSING ACTIVITIES	20,288	(6,769)	13,519
	<u>683,245</u>	<u>(563,658)</u>	<u>119,587</u>
RESIDENTIAL CARE INCOME	2,154,175	(2,241,583)	(87,408)
DOMICILLARY CARE INCOME	1,098,141	(922,219)	175,922
OTHER INCOME	(103)	-	(103)
TOTAL	<u>3,935,458</u>	<u>(3,727,460)</u>	<u>207,998</u>
	<u>2020</u>		
	Turnover £	Operating costs £	Operating surplus £
SOCIAL HOUSING LETTINGS (Note 4)	1,098,378	(1,033,501)	64,877
OTHER SOCIAL HOUSING ACTIVITIES	28,338	(13,910)	14,428
	<u>1,126,716</u>	<u>(1,047,411)</u>	<u>79,305</u>
RESIDENTIAL CARE INCOME	1,957,301	(1,955,349)	1,952
DOMICILLARY CARE INCOME	908,986	(862,891)	46,095
OTHER INCOME	(461)	-	(461)
TOTAL	<u>3,992,542</u>	<u>(3,865,651)</u>	<u>126,891</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

4. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	General needs housing £	Supported housing £	Other £	2021 £	2020 £
INCOME					
Rents receivable	6,865	243,410	31,227	281,502	532,290
Service charge income	595	269,414	76,612	346,621	531,254
Amortised government grant	-	34,834	-	34,834	34,834
Turnover from social housing lettings	7,460	547,658	107,839	662,957	1,098,378
EXPENDITURE					
Service charge costs	803	207,989	61,452	270,244	411,076
Management	1,193	84,980	15,354	101,527	389,140
Routine maintenance	679	62,468	13,992	77,139	137,753
Planned maintenance	113	14,814	1,302	16,229	24,078
Bad debts	-	(541)	(655)	(1,196)	(11,037)
Depreciation of housing properties	1,310	76,895	7,292	85,497	79,909
Other costs	-	255	7,194	7,449	2,582
Operating costs	4,098	446,860	105,931	556,889	1,033,501
Operating surplus/(deficit) from social housing lettings	3,362	100,798	1,908	106,068	64,877
Void losses	-	(58,231)	(14,256)	(72,487)	(103,610)

5. OTHER FINANCE INCOME

	2021 £	2020 £
Bank interest receivable	103	461

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

6. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

Surplus on ordinary activities before taxation is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation of property, plant and equipment	92,118	28,467
Covid-19 income	217,417	
Amortisation of Government grants	(45,967)	(45,967)
Loss on disposal of fixed assets	-	3,840
Audit fees: - Statutory audit	12,960	12,600
Audit Fees: - Service charge audit	-	960
Operating lease rentals	168,798	165,879
	=====	=====

7. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	2,347,902	2,285,036
Social security costs	141,674	139,534
Other pension costs	62,893	62,230
	=====	=====
	2,552,469	2,486,800

Employees of New Outlook Housing Association Limited were members of the Birmingham Royal Institution for the Blind defined contribution scheme between 1st April 1997 and 31st October 1997. The assets of the scheme are held separately from those of BRIB in an independently administered fund. Since 1st November 1997 employees of New Outlook Housing Association Limited are members of their own personal pension scheme and New Outlook Housing Association Limited contributes towards these personal pensions, alongside the members' own contributions. The charge to the Income and Expenditure account amounted to £62,893 (2020: £62,230), including life and personal health insurance.

The full-time equivalent number of staff who received emoluments, including pension contributions, in excess of £60,000 were as shown below.

	2021	2020
	Number	Number
60,000-69,999	-	-
70,000-79,999	1	1
80,000-89,999	-	-
	=====	=====
The average full-time equivalent number of employees was:	102	100
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

8. DIRECTORS' REMUNERATION AND TRANSACTIONS

	2021	2020
	£	£
Key management personnel remunerations		
Wages and salaries	225,323	244,415
Social security costs	25,865	27,247
Other pension costs	8,137	8,621
Compensation for loss of office	-	-
Board members		
Remuneration & travelling expenses	2,558	2,614
	<u>261,883</u>	<u>282,897</u>

In the opinion of the directors, key management personnel are members of the Board, the Chief Executive, and any other person who is a member of the Executive Management team.

	2021	2020
	£	£
Remuneration of the highest paid director, excluding pension contributions		
Emoluments	<u>75,554</u>	<u>74,412</u>

The Chief Executive is an ordinary member of the NEST pension scheme with enhanced contributions of 5%. Pension contributions paid during the year in respect of the Chief Executive were £3,585 (2020: £3,508).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

9. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

	Completed rental properties £	Total £
COST		
At 1 April 2020	5,134,287	5,134,287
Components capitalised	113,157	113,157
Components disposed of	(57,500)	(57,500)
AT 31 MARCH 2021	<u>5,189,944</u>	<u>5,189,944</u>
DEPRECIATION		
At 1 April 2020	1,988,529	1,988,529
Charge for the year	101,195	101,195
Disposals	(57,500)	(57,500)
AT 31 MARCH 2021	<u>2,032,224</u>	<u>2,032,224</u>
NET BOOK VALUE		
At 31 March 2021	<u>3,157,720</u>	<u>3,157,720</u>
At 31 March 2020	<u>3,145,758</u>	<u>3,145,758</u>
	2021	2020
	£	£
Housing properties at net book value comprise:		
Freehold	1,167,687	1,157,233
Long leasehold	1,990,033	1,988,525
At 31 March	<u>3,157,720</u>	<u>3,145,758</u>
	2021	2020
	£	£
Expenditure on housing properties for lettings comprise:		
Replacement of components	78,403	136,058
Routine maintenance	66,342	76,576
At 31 March	<u>144,745</u>	<u>212,634</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

10. PROPERTY, PLANT AND EQUIPMENT - OTHER

	Freehold £	Fixtures and fittings £	Total £
COST			
At 1 April 2020	325,063	416,261	741,324
Additions	-	64,796	64,796
Disposals	(6,780)	-	(6,780)
AT 31 MARCH 2021	318,283	481,057	799,340
DEPRECIATION			
At 1 April 2020	117,566	294,908	412,474
Charge for the year	5,070	50,132	55,202
Disposals	(6,780)	-	(6,780)
AT 31 MARCH 2021	115,856	345,040	460,896
NET BOOK VALUE			
At 31 March 2021	202,427	136,017	338,444
At 31 March 2020	207,497	121,353	328,850

11. DEBTORS

	2021 £	2020 £
Amounts falling due within one year		
Rental arrears	10,228	36,846
Less provisions	(427)	(8,622)
Net rental debtor	9,801	28,224
Other debtors	162,205	161,794
Prepayments	152,176	157,342
	324,182	347,360

No disclosure has been made of the net present value of rental arrears subject to repayments plans as the amount is insignificant.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Rents received in advance	15,401	13,204
Trade creditors	74,577	78,640
Other taxation and social security	35,698	38,519
Other creditors	83,779	185,177
Government grants	45,967	45,967
Accruals and deferred income	37,485	39,848
	<u>292,907</u>	<u>401,355</u>

Deferred income – Government Grants**GRANTS**

At 1 April 2020	3,217,551
AT 31 March 2021	<u>3,217,551</u>

AMORTISED

At 1 April 2020	1,200,540
Amortised during the year	45,967
AT 31 MARCH 2021	<u>1,246,507</u>

GRANT BALANCE REMAINING

AT 31 MARCH 2021	<u>1,971,044</u>
-------------------------	-------------------------

Due within one year	<u>45,967</u>
---------------------	---------------

Due after one year	<u>1,925,077</u>
--------------------	------------------

13. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2021	2020
	£	£
Other creditors	-	-
Government grants	1,925,077	1,971,044
	<u>1,925,077</u>	<u>1,971,044</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

14. SHARE CAPITAL

	2021	2020
	£	£
Allotted, issued and fully paid shares of £1 each		
At 1 April 2020	16	16
Issued during the year	1	-
Forfeited during the year	-	-
	<u>17</u>	<u>16</u>

Each share has the nominal value of £1 which shall carry no right to interest, dividend or bonus.

When a shareholder ceases to be a shareholder, his or her share will be cancelled, and the amount paid up shall become the property of the Association. The Association's rules require that members shares are cancelled if they do not attend two consecutive shareholder meetings.

15. NET CASH GENERATED FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Surplus for the year	208,101	127,352
Adjustment for non-cash items: -		
Depreciation of property, plant and equipment	156,398	152,677
Disposal of Property, Plant and Equipment	-	8,963
Decrease/(increase) in debtors	23,178	(74,234)
Increase/(decrease) in creditors	(154,416)	(82,215)
Interest received	(103)	(461)
Net cash generated from operating activities	<u>233,158</u>	<u>132,082</u>
Cash and cash equivalents		
Cash at bank and in hand	681,589	626,281
Cash and cash equivalents	<u>681,589</u>	<u>626,281</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

16. FINANCIAL INSTRUMENTS

The carrying values of the Association's financial assets and liabilities are summarised by category below:

	2021	2020
	£	£
FINANCIAL ASSETS		
Measured at undiscounted amounts receivable		
- Rent arrears and other debtors (see note 11)	162,205	161,794
- Cash at bank and in hand	681,589	626,281
	843,794	788,075
FINANCIAL LIABILITIES		
Measured at undiscounted amounts receivable		
- Trade and other creditors	146,663	252,786
	146,663	252,786

17. FINANCIAL COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Payments due: -		
Within one year	140,026	154,212
Between one and five years	535,283	523,837
After five years	91,421	219,390
	766,730	897,439

18. HOUSING STOCK

	General Needs	Supported Housing	Residential Care	Total
	£	£	£	£
At 1 April 2020	1	121	35	157
Additions	-	-	-	-
Disposals	-	(64)	-	(64)
AT 31 MARCH 2021	1	57	35	93

The disposal of 64 units relates to Chatham Place which was managed by New Outlook under a management agreement that ended on 31st March 2020.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

19. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2020	Cash flows	At 31 March 2021
	£	£	
Cash at bank and at hand	626,281	55,308	681,589
	<u> </u>	<u> </u>	<u> </u>

20. CONTINGENT LIABILITIES

Under the terms of the legal charge between the Housing Association and the Secretary of State for Health, the grant advanced by the West Midlands Regional Health Authority of £209,000 in connection with the purchase and renovation of 15 Woodville Road, Harborne, is repayable if the property ceases to be used for the purposes agreed and in certain other circumstances.

The land occupied by "Queen Mother Gardens" and the "Albert Weedall Centre" was leased rent-free from Birmingham Royal Institution for the Blind but will be reclaimed if the housing properties cease to provide accommodation for visually impaired people.

21. RESIDENT FUNDS

These funds are not under the direct control of the Housing Association and are therefore excluded from the financial statements.

22. RELATED PARTY TRANSACTIONS

None of the senior staff or Board Members of the Association had any transactions with the Association during the year which require disclosure.