

O n w a r d

Onward Repairs Limited

**Annual Report and Financial Statements for the year
ended 31 March 2023**

Companies House registration number 3538264

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BOARD AND ADVISORS

Members of the Board

Bronwen Rapley
Alexander Livingstone
Michael Gerrard
Matthew Saye

Company Secretary

Catherine Farrington

Registered office

Renaissance Court,
2 Christie Way,
Didsbury,
Manchester,
M21 7QY

Principal Banker

NatWest Group PLC
1 Hardman Boulevard,
Manchester, M3 3AQ

Principal Solicitors

Devonshires Solicitors LLP
Park House, Park Square West, Leeds, LS1
2PW

Trowers & Hamlins LLP

55 Princess Street, Manchester M2 4EW

External Auditor

BDO LLP
3 Hardman Street, Spinningfields, Manchester,
M3 3AT

Internal Auditor

Beever and Struthers LLP
One Express, 1 George Leigh Street,
Ancoats, Manchester, M4 5DL

STRATEGIC REPORT

Introduction

The Board presents its strategic report, containing the operating and financial review for the year ended 31 March 2023.

Overview and background

From Onward Repairs Limited's inception in 2006 the Company's main purpose has been to provide maintenance services, including day-to-day repairs and some elements of capital investment for Onward Group Limited ("the Group"). It forms an integral part of the wider property services strategy across the Group.

Current strategy

Following the procurement of repairs contracts in April 2019, Onward Repairs Limited ("the Company") expanded its area of operation and it now provides maintenance services including day to day repairs, voids and gas servicing services to the Lancashire operating region of the Group.

Maintenance in the housing sector is increasingly complex and challenging. Economic conditions and demand due to the age of housing stock and regulation is driving increased demand and cost for repairs and maintenance. Having considered all available options the Board has decided that the best way to secure a provider for Onward Group is for the future is to grow the Onward Repairs offer to cover 70% of the repairs and maintenance requirements of the Group. The remaining 30% will be completed by external 3rd party contractors. The growth of Onward Repairs will be incremental to ensure it is controlled at a sustainable rate.

Legal structure

Onward Repairs Limited is a Company registered at Companies House with registration number 3538264. The Company is a wholly owned subsidiary of Onward Group Limited.

Financial review

The Company is reporting a loss for the year of £802,000 (2022: loss £781,000). The Company ended the year with cash and short-term investments of £670,000 (2022: £970,000).

Operating review

The principal activities of the Company in the year involved the provision of maintenance services including day-to-day repairs services.

The Company utilises the group risk management framework to ensure all known risks are identified and assessed before any financial commitments are entered into.

This year's financial outturn has been impacted by increased materials and subcontractor costs due to the high rate of inflation. There has also been a reduction to expected income due to fewer void works being carried out than anticipated.

Moving forward the Company will be adopting a full cost recovery model of revenue recognition. This will support the Company's going concern status and will improve future cost recoverability.

Strategic report

The strategic report including the operating and financial review was approved by the Board on 29th August 2023 and signed on its behalf by:



Catherine Farrington

Company Secretary

Renaissance Court, 2 Christie Way, Didsbury, Manchester M21 7QY

DIRECTOR'S REPORT

The Board presents the Onward Repairs Annual Report (the 'Annual Report') and the audited financial statements for the year ended 31 March 2023.

Principal activities

The principal activities of the Company in the year involved the provision of maintenance services including day-to-day repairs services to Group customers in the Lancashire region.

Board members and executive directors

The current Board members of the Company are set out on page 2.

The Board members are made up of the executive directors of the Onward Group and have a wide background bringing together professional, commercial, and other experiences. The Board members are remunerated as executive directors of the Group, additional remuneration is not received for being Board members of Onward Repairs Limited.

Statement of compliance

The Board report and financial statements have been prepared in accordance with applicable reporting standards and legislation.

Health and safety

Health and Safety is an integral part of the proper management of all the undertakings over which the Company has control. The Company promotes safe practices and continuous improvement through a Health and Safety Group, and Regional Health and Safety Forums on which all parts of the group are represented. The Company is committed to ensuring:

- The health, safety and welfare of all its customers, leaseholders, colleagues, contractors and third parties involved in the operations of the Company.
- The safety of the general public who use or have access to premises or sites under its control.
- The way in which it operates contributes to the wellbeing of the community at large.

Corporate governance

The Company is governed by a Board who delegate day-to-day operational control as appropriate. The Board meets to consider key risks and approve the accounts. As a subsidiary of the Group, the Company delegates responsibilities to five committees:

- Audit and Risk - oversight of audit and risk matters for the Group.
- Finance & Treasury – oversight and scrutiny of Group finance, performance and treasury strategy.
- Property & Development - oversight of portfolio management, landlord compliance and the development programme with some delegations to approve development schemes and land purchases.
- Governance & People – makes recommendations to the Common Board on nomination and remuneration matters.
- Customer – oversight of customer engagement and customer voice.

The committee structure was changed from 1st April 2023 to the structure outlined above. The main changes were;

- The combining of finance, performance and treasury to consolidate all financial matters into one forum,
- The creation of a customer specific committee to put customers at the heart of everything we do,
- The renaming of the Nominations and Remunerations committee to the Governance and People committee
- Property was previously covered by the Finance and Performance committee but now it has been combined with development to form the Property and Development committee

DIRECTOR'S REPORT

Employee involvement

The Board recognises that its employees are its greatest asset and that it cannot achieve its aims and objectives without their involvement and contribution towards running the organisation.

The Company communicates and consults with its employees through a variety of structures including regular team briefings, employee emails, newsletters and colleague forum.

The Group is committed to developing a culture in which equality and diversity is integral to all of its activities, including the recruitment and development of colleagues. There is a Diversity Strategy in place which aims to achieve an inclusive culture that respects and values differences and eliminates discrimination in all areas.

Corporate social responsibility

The Board are committed to being a socially responsible organisation, managing in a socially responsible way, ensuring adherence to legislation and ethical operation. The majority of the Company's services are provided to customers who live in affordable rented, sheltered or supported homes.

Disclosure of information to auditor

So far as each of the directors of the Company is aware, at the time this report is approved:

- There is no relevant information which the Company's auditor is unaware; and
- The directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Statement of internal control

The Board acknowledges its ultimate responsibility for ensuring that the Company has in place a system of internal control and risk management that is appropriate to the various business environments in which they operate and for the review of the effectiveness of that system during the year.

The Audit and Risk Committee is responsible to the Onward Board for monitoring this system and reporting on its effectiveness.

DIRECTOR'S REPORT

Statement of internal control (cont'd)

Internal controls are designed to identify and manage rather than eliminate risks which may prevent an organisation from achieving its objectives. The system of internal control is designed to manage risk and give reasonable rather than absolute assurance with respect to:

- The achievement of key business objectives and expected outcomes;
- The preparation and reliability of financial and operational information used within the organisation and for publication;
- The maintenance of proper accounting and management records; and
- The safeguarding of assets against unauthorised use or disposition.

Internal assurance activities

The process followed to identify, evaluate and manage significant risks faced by the Company is ongoing and has been in place during the past financial year and up to the date of the annual report and financial statements.

Internal audit assurance

The Group's in-house internal audit function is used to provide assurance on the operation of the control framework and the management of risk. Internal audit is not responsible for the design and construction of control systems but provide an assessment as to their effectiveness.

The Audit and Risk Committee oversee the work of the internal auditor and review reports issued by them. The committee is responsible for monitoring that actions identified as a result of internal audit findings are implemented in a timely fashion.

The Group worked with Price Waterhouse Coopers (PwC), it's Internal auditors during 2022 – 23, to establish an internal audit plan for 2022 – 23 which is aligned to the strategic risk register. As of 1st April 2023 Beever and Struthers were appointed as the Groups internal auditors.

External audit assurance

The work of the external auditor provides some independent assurance over the adequacy of the internal control environment. The Company receives a management letter from the external auditor which identifies any internal control weaknesses. The Board itself and through the activities of the Audit and Risk Committee has reviewed the outcome of external audit work and the external audit management letter.

Fraud

The Company has a current policy on fraud which includes both fraud prevention and detection. A register of frauds and losses is maintained and is reported to the Audit and Risk Committee.

Review of risk management and governance arrangements

Risk management arrangements should mitigate against risks materialising.

Conclusion

The Board acknowledges that its responsibility applies to the full range of risks and controls across all Company activities and is to ensure that planned remedial and improvement actions agreed were implemented in a timely and comprehensive manner.

The Board has considered the effectiveness of the system of internal control in place in the year ended 31 March 2023. The Board considers that systems of internal control, governance and risk management arrangements are working effectively.

Going concern

The Company made a loss in the current year of £802,000 (2022: £781,000 loss). This year's financial outturn has been impacted by increased materials and subcontractor costs due to the high rate of inflation. There has also been a reduction to expected income due to fewer void works being carried out than anticipated.

Moving forward the Company will be adopting a full cost recovery model of revenue recognition. This will support the Company's going concern status and will improve future cost recoverability.

DIRECTOR'S REPORT

Going concern (cont'd)

The Company is supported by an intra-group loan agreement of £3,600,000 (2022: £3,600,000) to support its operational cash flows. The Company has an established growth plan to become the main provider of repairs and maintenance services to the Group. This strategy ensures that the intra-group funding in place is serviceable over the term of the loan.

Onward Group Limited has ultimate control over the level of business activity of the Company and the Group has approved a revised 30-year financial plan which indicates that the Company will have sufficient funds through trading with Onward Homes Limited and support from Onward Homes Limited to meet its liabilities as they fall due for that period.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Independent auditor

BDO LLP were appointed as auditors in the year. A resolution to appoint the Group's auditor will be proposed at a forthcoming board meeting. BDO LLP have indicated their willingness to continue in office should a resolution concerning their reappointment be agreed by the Board.

The Directors' Report, including the financial statements, was approved by the Board on 29th August 2023 and signed on its behalf by:



Catherine Farrington

Company Secretary

Renaissance Court, 2 Christie Way, Didsbury, Manchester M21 7QY

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ONWARD REPAIRS LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its loss 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 Onward Repairs Limited ("the Company") for the year ended 31 March 2023 which comprise Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position 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 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.

Conclusions relating to going concern

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

Other information

The Directors 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. 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.

INDEPENDENT AUDITOR'S REPORT (continued)

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 Strategic report and the Directors' report 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 have been prepared in accordance with applicable legal requirements.

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

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 Directors

As explained more fully in the Directors' Responsibilities, the Directors 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 Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the 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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance (including also consider legal counsel, board of directors, compliance manager);
- Obtaining and understanding of the Companies policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be FRS 102, UK Tax legislation & the VAT Act.

INDEPENDENT AUDITOR'S REPORT (continued)

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health and safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred;

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Companies policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these;

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and revenue recognition, in particular the cut off of the income around the year end.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias; and
- Considered recognition of income throughout the year and around the year end cut off period.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 is available on the Financial Reporting Council'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 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 Company's members those matters we are required to state to them in an auditor's report and for no other purpose.

INDEPENDENT AUDITOR'S REPORT (continued)

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Hamid Ghafoor

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Hamid Ghafoor (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester, UK

05 September 2023

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

FINANCIAL STATEMENTS

Statement of Comprehensive Income for the year ended 31 March 2023

		2023	2022
	Notes	£'000	£'000
Turnover	3	6,545	5,389
Cost of sales		(7,189)	(6,105)
Operating loss		(644)	(716)
Interest payable and similar charges	7	(155)	(65)
Loss on ordinary activities before taxation		(799)	(781)
Taxation on loss on ordinary activities	8	(3)	-
Loss for the year after taxation		(802)	(781)
Total comprehensive loss for the year		(802)	(781)

The accompanying notes form part of these financial statements.

Historical cost surpluses and deficits are the same as those shown in the statement of comprehensive income.

Statement of Changes in Equity

	Non-equity share capital £'000	Revenue reserves £'000	Total reserves £'000
Balance at 31 March 2021	-	(2,286)	(2,286)
Loss for the year	-	(781)	(781)
Balance at 31 March 2022	-	(3,067)	(3,067)
Total comprehensive income for the period			
Loss for the year	-	(802)	(802)
Balance at 31 March 2023	-	(3,869)	(3,869)

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS (continued)

Statement of Financial Position as at 31 March 2023

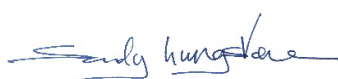
		2023	2022
	Notes	£'000	£'000
Debtors due after one year	9	24	24
Current assets			
Stock	10	49	49
Debtors due within one year	11	537	1,002
Cash and cash equivalents		670	970
		1,256	2,021
Creditors: amounts falling due within one year	12	(1,549)	(1,512)
Net current assets		(293)	509
Total assets less current liabilities		(269)	533
Creditors: amounts falling due after one year	13	(3,600)	(3,600)
Total net liabilities		(3,869)	(3,067)
Capital and reserves			
Non-equity share capital	15	-	-
Revenue reserves		(3,869)	(3,067)
Total capital and reserves		(3,869)	(3,067)

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 29th August 2023 and signed on its behalf by:



.....
Mike Gerrard
Director



.....
Sandy Livingstone
Director



.....
Catherine Farrington
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

1. Legal status

Onward Repairs Limited is a private Company, limited by guarantee, registered under the Companies Act 2006 (registration number of 3538264). The registered office is Renaissance Court, 2 Christie Way, Didsbury, Manchester, England, M21 7QY. Onward Repairs Limited is a trading subsidiary of Onward Group Limited which is a non-charitable Registered Society under the Cooperative and Community Benefit Societies Act 2014. It is registered with the Financial Conduct Authority, registration number of 31216R.

2. Accounting policies

a) Basis of accounting

The financial statements of the Company are prepared in accordance with Financial Reporting Standard 102 – the applicable financial reporting standard in the UK and Republic of Ireland (FRS 102).

The financial statements are presented in sterling (£) and have been rounded to the nearest £1,000 unless otherwise stated.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- The requirements of Section 7 Statement of Cash Flows;
- The requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- The requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- The requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- The requirements of Section 33 Related Party Disclosures paragraph 33.8; and
- The requirements of section 33 Key Management Personnel Compensation 33.6.

The Company's ultimate parent undertaking is Onward Group Limited. This information is included in the consolidated financial statements of Onward Group Limited as at 31 March 2023 and these statements may be obtained from Renaissance Court, 2 Christie Way, Didsbury, Manchester, England, M21 7QY.

b) Measurement convention

The financial statements are prepared on an historical cost basis.

c) Going concern

The Company made a loss in the current year of £802,000 (2022: £781,000 loss). This year's financial outturn has been impacted by increased materials and subcontractor costs due to the high rate of inflation. There has also been a reduction to expected income due to fewer void works being carried out than anticipated.

Moving forward the Company will be adopting a full cost recovery model of revenue recognition. This will support the Company's going concern status and will improve future cost recoverability.

The Company is supported by an intra-group loan agreement of £3,600,000 (2022: £3,600,000) to support its operational cash flows. The Company has an established growth plan to become the main provider of repairs and maintenance services to the Group. This strategy ensures that the intra-group funding in place is serviceable over the term of the loan.

Onward Group Limited has ultimate control over the level of business activity of the Company and the Group has approved a revised 30-year financial plan which indicates the Company will have sufficient funds through trading with Onward Group Limited and support from Onward Group Limited to meet its liabilities as they fall due for that period.

NOTES TO THE FINANCIAL STATEMENTS (continued)

c) Going concern (continued)

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

d) Judgement and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements, estimates, and assumptions have had the most significant effect in amounts recognised in the financial statements.

Leases: Categorising leases into finance leases or operating leases requires judgement. Management assess whether significant risk and rewards of ownership have transferred to the Company as lessor before determining categorisation. Management will assess each lease to determine where risk lies and report on this accordingly in the accounts.

e) Basic financial instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historic cost model.

Onward Repairs does not have any financial instruments which fall into the non-basic financial instrument category.

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

f) Turnover

Turnover represents amounts received and receivable for services supplied to customers during the year excluding value added tax.

NOTES TO THE FINANCIAL STATEMENTS (continued)

g) Expenses

Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred.

Interest

Interest payable and similar charges include interest payable and finance charges on liabilities recognised in the statement of comprehensive income using the effective interest method and unwinding of the discount on provisions. Borrowing costs that are directly attributable to the acquisition, construction or production of housing properties that take a substantial time to be prepared for use are capitalised as part of the cost of that asset.

Other interest receivable and similar income includes interest receivable on funds invested.

Taxation

The tax charge for the year is based on the loss for the year end and includes current tax on any taxable losses for the year and deferred taxation.

Current tax is the expected tax payable or receivable on the taxable income or deficit for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Value added tax

Onward Repairs is part of the Onward Group Limited VAT Group which is VAT registered. However, a large proportion of the Group's income, rents and service charges are exempt from VAT giving rise to a partial exemption calculation. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

h) Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income in the periods during which services are rendered by employees.

Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probably that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than twelve months after the reporting date, then they are discounted to their present value.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Turnover analysis

	2023 £'000	2022 £'000
Turnover with group entities	6,545	5,389
	6,545	5,389

4. Operating loss

	2023 £'000	2022 £'000
Operating loss is stated after charging:		
Operating lease payments (note 14)	324	302
Auditor's remuneration (excluding VAT): In their capacity as auditors	12	9

Audit fees and fees to the auditors for other services were paid by Onward Group Limited in the year and recharged via group charges to all subsidiaries.

5. Board members

No remuneration was paid to the directors on the Board in their capacity as directors of the Association.

6. Employee information

	2023 Number	2022 Number
Average number of employees (including executive directors) expressed as full time equivalents (based on an average of 35 hours per week)	80	71
	2023 £'000	2022 £'000
Staff costs (for the above persons)		
Wages and salaries	2,433	2,016
Social security costs	235	189
Other pension costs	262	213
Severance payments	-	-
	2,930	2,418

A number of additional colleagues working for the Company are employed by Onward Homes Ltd and all salary costs relating to these employees are paid by Onward Homes Ltd. Onward Repairs repays Onward Homes Ltd through a management charge which also covers time spent carrying out Onward Repairs work by other staff on joint contracts.

Total employee costs recharged to Onward Repairs from Onward Homes Limited amounted to £3,500 (2022: £7,000).

Redundancy payments paid by Onward Repairs in the year amounted to £nil (2022: £nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Employee information (continued)

The aggregate number of full time equivalent staff whose remuneration (including salaries, benefits in kind, pension contributions paid by the employer and any termination payments) exceeded £60,000 were as follows:

	2023 £'000	2022 £'000
Remuneration between		
£60,000 and £69,999	-	-
£70,000 and £79,999	1	1
£80,000 and £89,999	-	-
£90,000 and £99,999	-	-
£100,000 and £109,999	-	-

7. Interest payable and similar charges

	2023 £'000	2022 £'000
Intercompany loan interest	155	65
	155	65

8. Taxation

	2023 £'000	2022 £'000
UK corporation tax		
Current tax charge for the year	-	-
Adjustment in respect of previous years	-	-
	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Adjustment in respect of previous years	3	-
Effect of tax change on opening balance	-	-
Total tax charge on surplus on ordinary activities	3	-

All amounts of taxation are recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (continued)

8 Taxation (Continued)

Factors affecting the tax charge for the period

The current rate of tax for the year is the same as the standard rate of corporation tax in the UK of 19% (2022:19%). The differences are explained below:

	2023 £'000	2022 £'000
Loss on ordinary activities before taxation	(799)	(781)
Current tax at standard corporation tax rate	(152)	(148)
Adjustments in respect of prior periods – deferred tax	-	-
Expenses not deductible for tax purposes	-	-
Remeasurement of deferred tax for changes in tax rates	(48)	(177)
Deferred tax not recognised	203	325
Total tax charge on surplus on ordinary activities	3	-

As of 31 March 2023, the main rate of corporation tax in the UK was 19%. This will rise to 25% with effect from 1 April 2023, which was substantively enacted in the Finance Bill 2021 on 10 June 2021.

Deferred taxation

The movement in the year is as follows:

	2023 £'000	2022 £'000
Net tax (asset) at start of the year	(3)	(2)
Deferred tax charges in statement of comprehensive income	3	(1)
Unused tax losses	-	-
Other short-term timing differences	-	-
Net tax (asset) at end of the year	-	(3)

The Company has additional unrecognised gross tax losses of £Nil (2022: £Nil) in respect of losses carried forward, short term timing differences and accelerated capital allowances.

9. Debtors: amounts falling due after one year

	2023 £'000	2022 £'000
Other debtors	24	24
	24	24

10. Stock

	2023 £'000	2022 £'000
Materials held in vans	49	49
	49	49

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Debtors

	2023 £'000	2022 £'000
Amounts falling due within one year:		
Trade debtors	5	-
Amounts owed by related parties	397	910
Prepayments and sundry debtors	74	89
Other debtors	-	-
Cash in transit	61	-
Deferred tax	-	3
	537	1,002

Amounts owed by related parties are due on demand and interest free.

12. Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	279	51
Other taxation and social security	59	49
Loans from related parties	252	97
Other creditors	-	3
Amounts owed to related parties	821	1,186
Corporation tax	-	-
Accruals and deferred income	138	126
	1,549	1,512

Amounts owed to related parties are due on demand and interest free.

13. Creditors: amounts falling due after one year

	2023 £'000	2022 £'000
Loans from related parties	3,600	3,600
	3,600	3,600

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Obligations under operating leases

The Company holds its office and some of its office equipment on operating leases. Payments are accounted for in the month in which they fall due. The future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings		Vehicles and equipment	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Leases expiring:				
Within one year	63	63	176	168
In the second to fifth years	84	147	83	233
In more than five years	-	-	-	-
At end of the year	147	210	259	401

During the year £324,000 was recognised as an expense in the statement of comprehensive income in respect of operating leases (2022: £302,000)

15. Non-equity share capital

	2023 £	2022 £
Shares of £1 each fully paid and issued:		
At start of the year	6	1
Shares issued in the year	-	5
Cancelled during the year	-	-
At end of the year	6	6

*This note is shown in £s rather than £'000s

16. Transactions with related parties

There are no related party transactions during the year, with the exception of transactions with wholly owned members of the group. Onward Repairs Limited has opted to take the disclosure exemption under the requirements of section 33 Related Party Disclosures paragraph 33.8 of FRS102 and as such do not need to report of these transactions.

17. Capital commitments

There were no capital commitments as at 31 March 2023 (2022: £ nil).

18. Contingent liabilities

There were no contingent liabilities as at 31 March 2023 (2022: £ nil).

19. Ultimate parent Company and parent Company of larger group

The Company's immediate and ultimate parent Company is Onward Group Limited (31216R) a non-charitable Registered Society under the Cooperative and Community Benefit Societies Act 2014. This is the smallest and largest group of undertakings for which consolidated financial statements are prepared. Copies of the consolidated financial statements can be obtained from its registered office: Renaissance Court, 2 Christie Way, Didsbury, Manchester M21 7QY.

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Post Balance Sheet Events

There were no significant post balance sheet events requiring adjustment to the financial statements.