

Onward

# Onward Repairs Limited

(formerly Hyndburn Homes Repairs Limited)

Annual Report and Financial Statements for the year ended  
31 March 2022

Companies House registration number 3538264

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# BOARD AND ADVISORS

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## Members of the Board

**Bronwen Rapley**  
**Alexander Livingstone**  
**Michael Gerrard**  
**Matthew Saye**

## Company Secretary

**Catherine Farrington**  
**Victoria Parr** (Deputy) (resigned September 2021)

## 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**  
1<sup>st</sup> Floor, No.1 Whitehall Riverside, Whitehall  
Road, Leeds, LS1 4BN

## Trowers & Hamlins LLP

55 Princess Street, Manchester M2 4EW

## External auditor

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

## Internal auditor

**PricewaterhouseCoopers LLP**  
1 Hardman Square, Manchester, M3 3EB

# STRATEGIC REPORT

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## Introduction

The Board presents its strategic report, containing the operating and financial review for the year ended 31 March 2022.

## Overview and background

At Onward Repairs Limited's inception in 2006 the Company's main purpose was to provide maintenance services, including day-to-day repairs and some elements of capital investment for Onward Homes Limited. It now delivers maintenance services to other members of Onward Group Limited ("the Group") and 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.

## 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 £781,000 (2021: loss £930,000). The Company ended the year with cash and short-term investments of £970,000 (2021: £844,000).

## 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 deficit result has been impacted by the recent economic turbulence, corresponding inflation, interest rate rises and uncertainty in the supply chain. COVID-19 restrictions at the start of the financial year led to reducing volume of works, sickness and self-isolation levels in excess of that would be expected, impact on internal resources were thereby having to rely on external sub-contractors resulting in increased costs, and reduced profit element linked to performance.

Revenues have increased from 2020-21 levels and operational delivery is moving to full operational capacity. It is anticipated that full recovery will be made during 2022/23 financial year.

## Brexit

The exiting from the European Union (EU) on 31.01.21 means that new regulations are now in place for movement of goods and services across the EU/UK borders. Although the Group will not be directly impacted there will be an indirect impact on pricing of labour, materials, which will in turn impact our ability to deliver services such as building homes due to lack of certain materials.

## Ukraine

Onward would like to express our solidarity with the Ukrainian people who are suffering as a consequence of the war. Whilst the war has not thus far impacted Onward we recognise that longer term there will be impacts felt throughout our customer base specifically cost of living inflation, fuel poverty and potentially shortages of certain foods.

# STRATEGIC REPORT

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## Strategic report

The strategic report including the operating and financial review was approved by the Board on 2<sup>nd</sup> August 2022 and signed on its behalf by:



05/09/22

**Catherine Farrington**

Company Secretary

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

# DIRECTORS' REPORT

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The Board presents the Onward Repairs Annual Report (the 'Annual Report') and the audited financial statements for the year ended 31 March 2022. On the 5<sup>th</sup> January 2022, the Company changed its name to Onward Repairs Limited from Hyndburn Homes Repairs Limited.

## 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

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 Onward Group, the Company delegates responsibilities to five committees:

- Audit and Risk - oversight of audit and risk matters for the Group.
- Finance and Performance – oversight and scrutiny of Group finance and performance.
- Nomination and Remunerations – makes recommendations to the relevant Boards on nomination and remuneration matters.
- Development - oversight of the Group's development programme.
- Treasury - reviews funding and treasury matters and makes recommendations to the relevant Boards.

## 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, colleagues' forum and trade union meetings (consultation through the recognised trade union body, the JNCC).

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.

# DIRECTORS' REPORT (continued)

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## 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.

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.

## DIRECTORS' REPORT (continued)

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### 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.

### 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 2022. 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 £781k (2021: £930k loss). This is mainly due to the impact of recent economic turbulence, corresponding inflation, interest rate increases and uncertainty in the supply chain. COVID-19 restrictions at the start of the financial year led to reducing volume of works, sickness and self-isolation levels in excess of that would be expected, impact on internal resources were thereby having to rely on external sub-contractors resulting in increased costs, and reduced profit element linked to performance. The Company is supported by an intra-group loan agreement of £3.6m (2021: £2.6m) to support its operational cash flows. The Company has a long-term business plan which shows that it can service its intra-group loan.

Operational delivery is moving to full operational capacity. It is anticipated that full recovery will be made during the 2022/23 financial year.

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 Group Limited and support from Onward Group 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.



## DIRECTORS' REPORT (continued)

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### 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 2<sup>nd</sup> August 2022 and signed on its behalf by:



05/09/22

**Catherine Farrington**

Company Secretary

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

# INDEPENDENT AUDITOR'S REPORT

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## 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 2022 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 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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.

We have nothing to report in this regard.

# INDEPENDENT AUDITOR'S REPORT (continued)

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## Other Companies Act 2006 reporting

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

- the information given in the Directors' and Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' and Strategic report has 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 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; or

## Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, 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:

Based on our understanding of the Company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the reporting framework (FRS 102 and the Companies Act 2006) and we considered the extent to which non-compliance might have a direct impact and material effect on the Company Financial Statements or their continued operation.

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

## INDEPENDENT AUDITOR'S REPORT (continued)

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

The audit procedures to address the risks identified included:


- Agreement of financial statement disclosures to underlying supporting documentation;
- Challenging assumptions made by management in their significant accounting estimates and judgements, in particular the recoverability of trade debtors and intercompany balances;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading minutes of meetings of those charged with governance;
- Identifying and testing journal entries, in particular Benford's Law, any unusual account postings, any journal entries posted with specific key words, any journals posted by unusual users and a random sample;
- Considered recognition of income throughout the year and around the year-end cut off period; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

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. 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:  
  
829727ECC12041D...

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

Date: 06 September 2022

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 2022

	Notes	2022 £'000	2021 £'000
Turnover	3	5,389	5,017
Cost of sales		(6,105)	(5,914)
<b>Operating loss</b>		<b>(716)</b>	<b>(897)</b>
Interest payable and similar charges	7	(65)	(32)
<b>Loss on ordinary activities before taxation</b>		<b>(781)</b>	<b>(929)</b>
Taxation on loss on ordinary activities	8	-	(1)
<b>Loss for the year after taxation</b>		<b>(781)</b>	<b>(930)</b>
<b>Total comprehensive loss for the year</b>		<b>(781)</b>	<b>(930)</b>

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 2020	-	(1,356)	(1,356)
Loss for the year	-	(930)	(930)
<b>Balance at 31 March 2021</b>	-	<b>(2,286)</b>	<b>(2,286)</b>
<b>Total comprehensive expense for the period</b>			
Loss for the year	-	(781)	(781)
<b>Balance at 31 March 2022</b>	-	<b>(3,067)</b>	<b>(3,067)</b>

The accompanying notes form part of these financial statements.

# FINANCIAL STATEMENTS (continued)

## Statement of Financial Position

as at 31 March 2022

	Notes	2022 £'000	2021 £'000
<b>Debtors due after one year</b>	9	24	24
<b>Current assets</b>			
Stock	10	49	61
Debtors due within one year	11	1,002	1,419
Cash and cash equivalents		970	844
		<b>2,021</b>	2,324
Creditors: amounts falling due within one year	12	(1,512)	(2,034)
<b>Net current assets</b>		<b>509</b>	290
<b>Total assets less current assets</b>		<b>533</b>	314
Creditors due after one year	13	(3,600)	(2,600)
<b>Total net liabilities</b>		<b>(3,067)</b>	(2,286)
<b>Capital and reserves</b>			
Non-equity share capital	15	-	-
Revenue reserves		(3,067)	(2,286)
<b>Total capital and reserves</b>		<b>(3,067)</b>	(2,286)

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 2<sup>nd</sup> August 2022 and signed on its behalf by:



05/09/22

.....  
Bronwen Rapley  
Director



05/09/22

.....  
Mike Gerrard  
Director



05/09/22

.....  
Catherine Farrington  
Company Secretary

# NOTES TO THE FINANCIAL STATEMENTS

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## 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 2022 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 the historical cost basis.

### c) Going concern

The Company made a loss in the current year of £781k (2021: £930k loss). This is mainly due to the impact of recent economic turbulence, corresponding inflation, interest rate increases and uncertainty in the supply chain. COVID-19 restrictions at the start of the financial year led to reducing volume of works, sickness and self-isolation levels in excess of that would be expected, impact on internal resources were thereby having to rely on external sub-contractors resulting in increased costs, and reduced profit element linked to performance. The Company is supported by an intra-group loan agreement of £3.6m (2021: £2.6m) to support its operational cash flows. The Company has a long-term business plan which shows that it can service its intra-group loan.

Operational delivery is moving to full operational capacity. It is anticipated that full recovery will be made during the 2022/23 financial year.

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.

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.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

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### 2. Accounting policies (cont'd)

#### 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)

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### 2. Accounting policies (cont'd)

#### 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

	2022 £'000	2021 £'000
Turnover with group entities	5,389	5,017
<b>Total</b>	<b>5,389</b>	<b>5,017</b>

All turnover relates solely to the principal activities and is all generated from activities in the United Kingdom.

### 4. Operating loss

	2022 £'000	2021 £'000
Operating loss is stated after charging:		
Auditor's remuneration (excluding VAT):		
In their capacity as auditors	9	-
Operating lease payments	302	302

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 Company.

### 6. Employee information

	2022 Number	2021 Number
Average number of employees expressed as full-time equivalents (based on an average of 37 hours per week)	71	74

	2022 £'000	2021 £'000
Staff costs (for the above persons)		
Wages and salaries	2,016	2,070
Social security costs	189	192
Other pension costs	213	224
<b>Total</b>	<b>2,418</b>	<b>2,486</b>

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 £7,000 (2021: £32,000).

Redundancy payments paid by Onward Repairs in the year amounted to £nil (2021: £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:

	2022	2021
Remuneration between £60,000 and £69,999	-	-
£70,000 and £79,999	1	1
£80,000 and £89,999	-	-
£90,000 and £99,999	-	-

### 7. Interest Payable

	2022 £'000	2021 £'000
Intercompany loan interest	65	32
<b>Total</b>	<b>65</b>	<b>32</b>

### 8. Taxation

	2022 £'000	2021 £'000
<b>UK corporation tax</b>		
Current tax charge for the year	-	-
Adjustment in respect of previous years	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	1
Adjustment in respect of previous years	-	-
Effect of tax change on opening balance	-	-
	-	1
<b>Total tax charge on surplus on ordinary activities</b>	<b>-</b>	<b>1</b>

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

#### Factors affecting the tax charge for the period

The current rate of tax for the year is higher than the standard rate of corporation tax in the UK of 19% (2021: 19%). Any differences are explained below:

	2022 £'000	2021 £'000
Loss on ordinary activities before taxation	(781)	(929)
Current tax at standard corporation tax rate	(148)	(177)
Expenses not deductible for tax purposes	-	-
Adjustments in respect of prior periods	-	-
Remeasurement of deferred tax for changes in tax rates	(177)	-
Adjust opening deferred tax to average rate 19%	-	-
Deferred tax not recognised	325	178
<b>Total tax charge on surplus on ordinary activities</b>	<b>-</b>	<b>1</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 8. Taxation (continued)

As of 31 March 2022, the main rate of corporation tax in the UK was 19%. This was due to fall to 17% on 01 April 2020 but a change to keep the rate at 19% was announced in the Budget in March 2020 and substantively enacted on 17 March 2020. In the 2021 Budget, it was announced that the main rate of corporation tax will increase from the current rate of 19% to 25% from 01 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:

	2022 £'000	2021 £'000
Net tax (asset) at start of the year	(2)	(3)
Deferred tax charges in statement of comprehensive income	(1)	1
Unused tax losses	-	-
Other short-term timing differences	-	-
<b>Net tax (asset) at end of the year</b>	<b>(3)</b>	<b>(2)</b>

In addition to the deferred tax asset above, the Company has additional unrecognised gross tax losses of £nil (2021: £nil) in respect of losses carried forward, short term timing differences and accelerated capital allowances.

### 9. Debtors: amounts falling due after one year

	2022 £'000	2021 £'000
<b>Amounts falling due after one year:</b>		
Owed by joint ventures	24	24
<b>Total</b>	<b>24</b>	<b>24</b>

### 10. Stock

	2022 £'000	2021 £'000
Materials held in vans	49	61
<b>Total</b>	<b>49</b>	<b>61</b>

### 11. Debtors

	2022 £'000	2021 £'000
<b>Amounts falling due within one year:</b>		
Trade debtors	-	1
Other debtors	-	2
Amounts owed by related parties	910	1,349
Prepayments and sundry debtors	89	64
Deferred tax	3	3
<b>Total</b>	<b>1,002</b>	<b>1,419</b>

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

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 12. Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Loans from related parties	97	32
Trade creditors	51	150
Other taxation and social security	49	49
Accruals and deferred income	126	269
Amounts owed to related parties	1,186	1,534
Corporation Tax	-	-
Other creditors	3	-
<b>Total</b>	<b>1,512</b>	<b>2,034</b>

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

### 13. Creditors: amounts falling due after one year

	2022 £'000	2021 £'000
Loans from related parties	3,600	2,600
<b>Total</b>	<b>3,600</b>	<b>2,600</b>

### 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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Leases expiring:				
Within one year	63	17	168	178
In the second to fifth years	147	56	233	424
In more than five years	-	-	-	-
<b>At end of the year</b>	<b>210</b>	<b>73</b>	<b>401</b>	<b>602</b>

During the year £302,000 was recognised as an expense in the statement of comprehensive income in respect of operating leases (2021: £302,000).

### 15. Non-equity share capital

	2022 £	2021 £
Shares of £1 each fully paid and issued:		
At start of the year	1	1
Shares issued in the year	5	-
Cancelled during the year	-	-
<b>At end of the year</b>	<b>6</b>	<b>1</b>

The non-equity share capital is owned by Onward Group Limited.

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

## NOTES TO THE FINANCIAL STATEMENTS (continued)

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### 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 2022 (2021: £ nil)

### 18. Contingent liabilities

There were no contingent liabilities as at 31 March 2022 (2021: £ nil)

### 19. Ultimate parent Company and parent Company of larger group

The Company's immediate and ultimate parent Company is Onward Group Limited 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.

### 20. Post balance sheet events

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