

FORWARD HOUSING SW

**Registered No: 03821702
Charity No: 1078391
OSCR Charity No: SC045082**

TRUSTEES REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2019

FORWARD HOUSING SW
(A charitable company limited by guarantee)

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INTRODUCTION

**These papers tell readers what the charitable company has been doing
between April 2018 and March 2019.**

**The directors have written about what has gone well and what
needs development.**

You can see how the charitable company has managed its money.

The accounts have been checked by our Auditor – Sayer Vincent LLP

**Some of these papers must be written in legal language. We have
introduced each section with an Easy Read text box.**

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REFERENCE AND ADMINISTRATION INFORMATION

The directors and trustees are pleased to present their report and financial statements for the year ended 31 March, 2019.

CHARITY NAME Forward Housing SW

COMPANY NUMBER 03821702

CHARITY NUMBER 1078391

OSCR CHARITY NUMBER SC045082

COUNTRY OF INCORPORATION United Kingdom

COUNTRY OF REGISTRATION England and Wales, Scotland

REGISTERED OFFICE 134 Edmund Street
Birmingham
B3 2ES

COMPANY SECRETARY Tarnya Thompson

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REFERENCE AND ADMINISTRATION INFORMATION

AUDITOR

Sayer Vincent LLP
Statutory Auditor
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

SOLICITORS

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

BANKERS

Barclays Bank PLC
43 High Street
Sutton
Surrey
SM1 1DR

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REPORT OF DIRECTORS AND TRUSTEES
year ended 31 March 2019

BOARD OF DIRECTORS

Members of the Board of Directors, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out below:

Robert Graham (Chairman)

Sebastian Blagbrough

Karen Boyce-Dawson (resigned 15 October, 2018)

Sean Brew

Simon Conway

Alan Partridge (resigned 12 June, 2019)

Matthew Smith (appointed 16 July, 2018)

David Wain

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REPORT OF DIRECTORS AND TRUSTEES
year ended 31 March 2019

This section explains that directors are responsible for putting together accounts which must show a true and fair view. This is the law.

RESPONSIBILITIES OF THE BOARD OF TRUSTEE DIRECTORS

The directors (who are also the trustees of Forward Housing SW for the purposes of charity law) are responsible for preparing the Report of the Directors and Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Board of Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the charitable company's incoming resources and application of resources, including the income and expenditure, for the financial year. In preparing these financial statements, the Board of Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;

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REPORT OF DIRECTORS AND TRUSTEES
year ended 31 March 2019

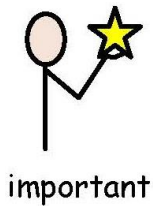
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the charitable company will continue in operation.

The Board is responsible for keeping adequate accounting records which disclose with reasonable accuracy, at any time, the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Board is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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REPORT OF DIRECTORS AND TRUSTEES
year ended 31 March 2019



What is Important for Forward Housing SW

Forward Housing SW is part of the Thera Group of companies. Thera's Vision clearly sets out Thera's philosophy of control and involvement by people with a learning disability:

Our vision

- 

Thera will show that people with a learning disability can be leaders in society
- 

Thera will be controlled by people with a learning disability
- 

People supported by Thera can say how their Thera company is directed and managed
- 

People with a learning disability will design the support they want from Thera.
- 

Thera will respect the rights and wishes of people at work, at home and in the community
- 

People with a learning disability will check the quality of support from their Thera company
- 

Thera Group will be led by a charity



Thera Group[®]
Supporting people with a learning disability

www.thera.co.uk

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REPORT OF DIRECTORS AND TRUSTEES
year ended 31 March 2019



Helping More People

more

The strategy adopted by Forward Housing SW will support Thera in furthering its plans to work across England and Scotland and to provide bespoke housing solutions for people with a learning disability where a Thera Company provides support.

During the past year, our ongoing Tranche 2 agreement with Cheyne Capital has significantly enhanced the ability of Forward Housing SW to provide further accommodation for people with a learning disability. Properties have been purchased by Touchpoint Housing (FH) S.A.R.L. (a subsidiary of Cheyne Capital) (“Touchpoint”) at the request of Forward Housing SW and subsequently leased to Forward Housing SW, then under-leased to Empower Housing Association, who grant Assured Tenancies to the people nominated to live in the new property. By March, 2019, this arrangement had provided accommodation for 113 people.

Forward Housing SW will continue to work with people with a learning disability and their families as well as other Thera companies and local authority commissioners to identify unmet housing needs. Appropriate properties will be acquired either through the Cheyne Capital agreement or directly by Forward Housing SW with the use of funding raised through Thera Trust’s Charity Bond. Forward Housing SW’s approach is to provide “an ordinary house on an ordinary street”. Once acquired, the

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year ended 31 March 2019

properties are leased to a Registered Provider, who grants an Assured Tenancy to each person. The properties are specially adapted by Forward Housing SW to meet the specific needs of each prospective tenant.

During the year 2018-19, the majority of new housing schemes were funded with capital from Touchpoint, with Forward Housing SW funding a property with the Thera Trust Charity Bond funding.

As part of the Thera Group, Forward Housing SW applies Thera's Vision to the work that it does, ensuring that people have control and choice over all aspects of their house.



Forward Housing SW is a Charity

Forward Housing SW was incorporated on 9th August, 1999 as a not-for-profit company limited by guarantee and having no share capital. Forward Housing SW was registered as a charity on 29 November, 1999.

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year ended 31 March 2019

The company is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.¹



Fundraising

Forward Housing does not fundraise and therefore, under Section 13 of The Charities (Protection and Social Investment) Act 2016, has no disclosures to make.



Forward Housing SW Provides Accommodation for People with a Learning Disability

As at 31 March, 2019, Forward Housing SW owned 14 properties, leased 66 properties from Touchpoint referred to earlier and leased a further property from another company within the Thera Group.

As at 31 March, 2019, there were 146 people living in properties owned or leased by Forward Housing SW as well as 3 places provided in short break properties (31 March, 2018 total 130).

¹ The Objects of Forward Housing are the relief of sickness, disability and suffering anywhere in the world and not particularly but not so as to limit the generality of the foregoing i) the provision and management, maintenance and improvement of housing for people with learning or other disabilities or who suffer from mental illness of any kind ii) the provision and funding of appropriate training and research facilities and other necessary services and support in connection with such people.

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In addition to the needs of people supported and commercial considerations, trustees have had regard to the Charity Commission's guidance on public benefit and believe that the objectives and activities of Forward Housing SW fulfil the Commission's requirements. The content of this report sets out how the charitable company has achieved its objectives during the year.



What Happened in 2018-19

Our principal objectives during the year ended 31 March, 2019 were to:

- ✓ Carry out a full review of the South Devon property portfolio and review options on all properties
- ✓ Work with other companies in the Thera Group to identify unmet housing needs of people they support, or intend to support, with a view to providing appropriate accommodation
- ✓ Acquire properties to the needs of the people who will live with them
- ✓ Continue to use the Touchpoint funding facility to ensure targets on spend are achieved
- ✓ To acquire properties where Thera provide support with the use of Thera Trust Retail Bond Funding

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REPORT OF DIRECTORS AND TRUSTEES
year ended 31 March 2019

During the year, Thera Trust approved a first tranche of funding from its Thera Trust Charity Bond to enable Forward Housing SW to purchase four properties. Three of these were intended to enable three people with complex support needs to live in their own house for the first time who were being discharged from a long stay institution. Forward Housing was to provide a property for each of these individuals, with a Thera support company providing staff to support them. Both companies were subsequently advised by the local authority that the discharge from NHS inpatient care would not proceed at all.

The individuals had been involved in finding their new houses and choosing staff to work with them. Neither Forward SW nor the support company can know the detailed reasons for the decision, but it can be imagined that there will have been some negative impact on individuals, who will have been looking forward to gaining independence of institutional care.

Government policy continues to be that people have better lives when they live in their own home with suitable care and support arrangements around them. Over time, they can become more independent, require less paid support, make friends, exercise life choices, contribute to their local community and gain voluntary or paid employment. Sadly it seems as though progress with this policy remains slow.

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year ended 31 March 2019

As a result, Forward Housing SW provided only one property using Thera Trust's bond funds during the course of the financial year. However, additional properties will be provided in 2019-20.



People Forward Housing SW Has Helped in 2018-19

During the year ended 31 March, 2019, the people Forward Housing SW has helped included 15 people who moved into a property adapted to meet their needs.

The availability of further capital funds from the Touchpoint agreement has made the acquisition of property much easier, which in turn has allowed people to live in their own homes and enjoy all the benefits that this can bring to their lives.

People living in these new properties and supported by a Thera company have come from a range of different backgrounds but all now enjoy the enhanced quality of life their new home has brought them.

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Over the year Forward Housing SW has been able to provide accommodation for a range of people including:

- ✓ Young single people who have moved on from their parents' accommodation to their own home
- ✓ People who live in existing accommodation that does not meet their needs
- ✓ New groups of friends who want to live together and who need specialist equipment in their house
- ✓ People whom Thera already support but live in property that does not meet their needs
- ✓ People moving out of registered care homes to take up their own tenancy to improve the quality of their lives

One story will serve to demonstrate the positive and profound impact that Forward Housing SW's work has on individual tenants.

During the year, Forward Housing completed a 4-bedroom bungalow in East Anglia. Three men tell in their own words the impact this has had on their lives. People within a person's immediate circle can tell you what they heard and saw but it will always be from their perspective - from the outside, looking in. Only an individual can tell you their own story.

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We are three men who have been friends for a very long time. We were all born in the 1950's, in a time when people with a learning disability like us were labelled as idiots, mentally defective and imbeciles. Families in those days had very little support and were often told by professionals to 'forget about him - put him away. He won't live long anyway.' People in the local community didn't know what to say to people who had a child like us. As children, we were invisible, only being seen by others when out with our families.

The years progressed and the search for a more suitable home dwindled away. As we aged, we increasingly needed more support with our health and physical needs. The house aged with us and eventually no further adaptations could be made. On top of this, we were living in a shabby environment that was outdated, uninviting and depressing to be in.

For several years, family and staff tried to make the best of a bad situation but eventually the decision was taken to consider finding alternative accommodation. Sounds simple, but again legislation had changed; but now the rights of people with a learning disability had been acknowledged. This time, our opinions had to be sought, and a decision would only be taken on our behalf if we were unable to understand.

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In April, 2017, the process to find a suitable home that would meet our needs for the rest of our lives started. Everyone agreed that it was in our interest to stay together but move to a bungalow, ideally in the same area due to the people we knew in the area, our family and staff who knew us. Again, a fairly simple request until property prices in the area, plus the cost of adaptation works were factored in. Above all else, the property had to be affordable and sustainable, in terms of Housing Benefit.

Buying the property was just the first stage. The property had to be made fully wheelchair accessible throughout, with a bathroom and a second, level access shower room supplied. We chose the colour schemes for each of the rooms. The works took eight weeks to complete. During this time, our staff worked to help us prepare us for the move, as we find any change difficult and a major move like this was very challenging.

A detailed Housing Needs Assessment was completed for each of us. Forward Housing was asked to look for properties in the area. Over the next eight months, six properties were considered and discounted for a variety of reasons. The seventh property, which was in the same town, ticked all the boxes for us and our families. Funding for the purchase and the works were agreed and the property was purchased on the 26th February 2018.

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The 9th May, 2018, marked the start of a new chapter in our lives. The move went much more smoothly than anyone expected and we settled quickly. We now have a warm and inviting home in the place where we have lived for most of our lives, in a community which knows and accepts us. What a difference a year makes!

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year ended 31 March 2019



money

Forward Housing SW's Money

Forward Housing SW's accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with Forward Housing SW's Articles of Association, applicable company and charity law and the requirements of the "Accounting and Reporting by Charities, Statement of Recommended Practice FRS 102".

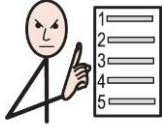
Total income from charitable activities in 2018-19 was £1,272k (2017-18 £994k).

In addition, Trustees have recognised a donation in the accounts of £100k (2017-18 £506k) representing the addition, without payment of any consideration, of the economic benefit inherent in certain leases granted by Forward Housing SW measured at fair value over their extended lifetime.

Forward Housing SW's reserves at the end of the year were £4.6m (31 March, 2018 £4.6m) including cash balances of £2k (31 March, 2018 £17k).

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year ended 31 March 2019



policy

Reserves and Remuneration Policy

As at 31 March, 2019, Forward Housing SW's reserves were £4.6m (31 March, 2018 £4.6m). FH has substantial overall charitable reserves relative to its annual income and expenditure. The majority of these reserves are however represented by investment property which is not easily realisable into cash. Expenditure on charitable activities largely relates to expenditure on rent and other property costs which is backed by income from property leases, which are considered a secure source of charitable income

As a result, trustees do not have any intention to target a higher level of overall reserves nor to increase free reserves to meet property costs already backed by secure income.

Instead, trustees have determined that they should either maintain, or have access to, sufficient working capital to allow the charity to continue to be managed and to deliver its overall charitable purposes by being able to sustain 6 months of relevant costs. These costs are support activities including the costs of management and operational staff. At present, net current assets of £172 k represent just over 50% of annual costs and trustees are satisfied that these reserves meet their current target.

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Forward Housing SW's trustees are satisfied that the charity has sufficient access to overall reserves and to working capital, both as part of its reserves and from facilities available within the Thera Group, to fulfil its charitable objects on an ongoing basis.

Salaries to management and other staff are set in accordance with Thera Group's pay policy. The pay of key management personnel is set by Thera Trust's Remuneration and Pensions Committee. The Committee consists of three non-executive directors, who independently determine the remuneration of executive directors of the organisation, and of its subsidiary companies. In its remuneration policy, the Committee takes account of good practice guidelines in setting executive pay, including the principles set out in the NCVO's April 2014 report on Charity Senior Executive Pay.

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REPORT OF DIRECTORS AND TRUSTEES
year ended 31 March 2019



risk

Managing Forward Housing SW's Risks

The directors have assessed the major risks to which Forward Housing SW may be exposed through a risk management strategy and are satisfied that systems are in place to minimise the incidence and impact of these risks. This strategy will be reviewed annually.

In addition, the board of directors are aware of the inherent risks associated with property acquisition, adaptation, leasing and financing and have ensured that arrangements are in place to both manage and minimise risk to Forward Housing SW. In particular, Forward Housing SW's principal risk arising from vacant tenancies is largely mitigated in leasing agreements and by voids insurance.

Plans for the future

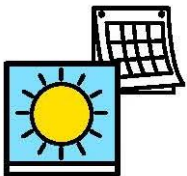
The trustees intend to continue with this activity during 2019-20 and, subject to further such funding, in future years. Forward Housing SW has been able to meet the housing needs for people who a Thera Company have been commissioned to support. This has included housing solutions delivered through our agreement with Touchpoint and the use of Thera Trust Charity Bond Funding, where they have provided the capital funds.

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year ended 31 March 2019

During the financial year 2018 – 19 the new Tranche 2 with Cheyne Capital has been used to deliver sustainable housing solutions to meet the specific needs of people whom Thera support.

In addition to the use of Cheyne funds, Forward Housing SW has also accessed funds from the Thera Trust Charity Bond, arranged by Triodos Bank, to fund property acquisitions.



date

What's happened since March 2019

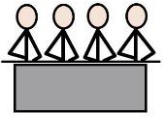
Since the end of the financial year, and further to the report last year, Forward Housing SW has carried out a full review of the South Devon Portfolio and the Board has approved a re-provision programme that will see two of the Forward Housing SW properties sold and new sustainable properties purchased as their replacements.

Forward Housing SW's Trustees have decided to rename the company Forward Housing, reflecting its work across the UK.

In addition, there is a pipeline of five properties to be funded by Thera Trust from its Thera Trust Charity Bond to provide tenancies for ten people. In total, this will mean that Forward Housing SW has been provided with over £2.3m from this source of funds.

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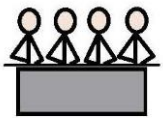
REPORT OF DIRECTORS AND TRUSTEES
year ended 31 March 2019



directors

Forward Housing SW's Trustees

Members of the board of trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report, are shown in the company information at the start of this report and accounts.



management

Management of Forward Housing SW's Activities

During the year to 31 March, 2019, Thera Trust was responsible for providing corporate services to Forward Housing SW. The Director, Gareth Jackson, manages the activities of Forward Housing SW.

The board has put in place a process to recruit a new director, in anticipation of Gareth's eventual retirement next year. Gareth has however indicated his willingness to join the board as a trustee, so Forward Housing SW will enjoy the continued benefit of his experience beyond his formal retirement.

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REPORT OF DIRECTORS AND TRUSTEES
year ended 31 March 2019



Forward Housing SW Makes Sure that it has Good Directors

(Recruitment, Induction and Training of Trustees)

As Forward Housing SW is part of the Thera Group and in accordance with its Articles, the majority of trustees are now appointed by Thera Trust.

All trustees in the Thera Group follow a formal induction process to ensure they know the organisation and its aims, and are aware of their responsibilities. All trustees are subject to references and enhanced DBS checks.

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REPORT OF DIRECTORS AND TRUSTEES
year ended 31 March 2019

This section explains that the directors have told the Auditor everything they should and that they have worked within the law.

DISCLOSURE OF INFORMATION TO THE AUDITOR

In so far as the Board of Directors is aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Board of Directors has taken all the steps that it ought to have taken in order to make itself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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REPORT OF DIRECTORS AND TRUSTEES
year ended 31 March 2019

**This section asks the Company Members to agree that the Auditor,
Sayer Vincent LLP, be chosen again as the company's Auditor.**

RE-APPOINTMENT OF AUDITOR

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the re-appointment of Sayer Vincent LLP as auditor of the Company.

The directors' report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

This report was approved by the board on 11 October 2019 and signed on its behalf.

Robert Graham
Trustee

Simon Conway
Trustee

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FORWARD HOUSING SW

This page explains that the Auditor is reporting that the accounts give a true and fair view of the company and that they are put together as the law says they should be put together.

OPINION

We have audited the financial statements of Forward Housing (the 'charitable company') for the year ended 31 March 2019 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FORWARD HOUSING SW**

This section explains that the Auditor has audited (checked) the accounts and that they are reporting to Company Members.

- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

BASIS FOR OPINION

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FORWARD HOUSING SW

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The other information comprises the information included in the Report of Directors and Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FORWARD HOUSING SW**

**This section explains that the Auditor must tell us if they are unhappy
with how the directors managed the company.**

**The Audit report says that there is nothing bad the Auditor wishes to
report to Company Members.**

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard

**OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES
ACT 2006**

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

- The information given in the Report of Directors and Trustees, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The Report of Directors and Trustees, has been prepared in accordance with applicable legal requirements

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FORWARD HOUSING SW

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the directors and trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require 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 trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FORWARD HOUSING SW

RESPONSIBILITIES OF THE BOARD OF TRUSTEE DIRECTORS

As explained more fully in the statement of responsibilities of the board of trustee directors as set out in the Report of Directors and Trustees, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FORWARD HOUSING SW**

**Trustee Directors' responsibilities are explained on page 32.
This page explains that it is the Auditor's responsibility to audit (check)
the accounts as the law says they should.**

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL
STATEMENTS**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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.

FORWARD HOUSING SW
(A charitable company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FORWARD HOUSING SW

This page explains how the Auditor checks the accounts.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw

FORWARD HOUSING SW
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FORWARD HOUSING SW

attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

USE OF OUR REPORT

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the

FORWARD HOUSING SW
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FORWARD HOUSING SW

charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard (Senior statutory auditor)

18 December 2019

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

You will see that this report and accounts also includes accessible information so that the directors of Forward Housing SW are ensuring that all Company Members, including those with a learning disability, are able to fulfil their duties in law including to receive the accounts and to appoint the directors and Auditor.

The law does not say we must provide this information, but Sayer Vincent LLP says it is in line with the statutory report and accounts.

FORWARD HOUSING SW
(A charitable company limited by guarantee)

SUMMARY OF MONEY

For the year ended 31 March 2019

What we have earned and what we have spent: **£**

Money we got in	1,272,218
Donated assets	100,495
What we spent on our staff	(125,954)
Other money we spent	(1,424,474)
Revaluation of houses	<u>263,648</u>
Money left over for the year	<u>85,933</u>

What Forward Housing SW has at 31 March 2019: **£**

Houses	6,791,134
How much cash we had in the bank	2,478
What we are owed by others	288,097
What we owe to other Thera companies	(2,320,112)
What we owe to others	<u>(118,195)</u>
Final amount the company had at 31 March 2019	<u>4,643,402</u>

FORWARD HOUSING SW
(A charitable company limited by guarantee)
STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
for the year ended 31 March 2019

	Note	Unrestricted £	2019 Total £	Unrestricted £	2018 Total £
Income from:					
Donations	3a	100,495	100,495	506,300	506,300
Charitable activities	3b	1,272,218	1,272,218	994,089	994,089
Total income		<u>1,372,713</u>	<u>1,372,713</u>	<u>1,500,389</u>	<u>1,500,389</u>
Expenditure on:					
Charitable activities		1,479,495	1,479,495	1,302,249	1,302,249
Exceptional item		70,933	70,933	-	-
Total expenditure	4	<u>1,550,428</u>	<u>1,550,428</u>	<u>1,302,249</u>	<u>1,302,249</u>
Net (expenditure) / income before net gains on investment properties		(177,715)	(177,715)	198,140	198,140
Net gains / (losses) on investment properties	11	<u>263,648</u>	<u>263,648</u>	<u>(105,363)</u>	<u>(105,363)</u>
Net income for the year being the net movement in funds	5	85,933	85,933	92,777	92,777
Reconciliation of funds:					
Total funds brought forward		<u>4,557,469</u>	<u>4,557,469</u>	<u>4,464,692</u>	<u>4,464,692</u>
Total funds carried forward		<u><u>4,643,402</u></u>	<u><u>4,643,402</u></u>	<u><u>4,557,469</u></u>	<u><u>4,557,469</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18 to the financial statements.

FORWARD HOUSING SW
(A charitable company limited by guarantee)

BALANCE SHEET

as at 31 March 2019

COMPANY REGISTRATION NUMBER 03821702

	Note	£	2019 £	£	2018 £
Fixed assets:					
Tangible fixed assets	10		50,037		-
Investment properties	11		6,741,097		6,732,385
			<u>6,791,134</u>		<u>6,732,385</u>
Current assets:					
Debtors	12	288,097		300,097	
Cash at bank and in hand		2,478		17,303	
		<u>290,575</u>		<u>317,400</u>	
Current liabilities:					
Creditors falling due within one year	13	(118,195)		(101,117)	
			<u>172,380</u>		<u>216,283</u>
Net current assets					
			<u>6,963,514</u>		<u>6,948,668</u>
Total assets less current liabilities					
Long term liabilities:					
Creditors falling due after one year	14		(2,320,112)		(2,391,199)
			<u>4,643,402</u>		<u>4,557,469</u>
Total net assets	17				
			<u>4,643,402</u>		<u>4,557,469</u>
The funds of the charity:	18				
Unrestricted income funds:					
General funds		4,643,402		4,557,469	
		<u>4,643,402</u>		<u>4,557,469</u>	
Total unrestricted funds			<u>4,643,402</u>		<u>4,557,469</u>
Total charity funds			<u>4,643,402</u>		<u>4,557,469</u>

Approved by the trustees on 24 October 2019 and signed on their behalf by

Simon Conway
Trustee

Robert Graham
Trustee

FORWARD HOUSING SW
(A charitable company limited by guarantee)

STATEMENT OF CASH FLOWS
for the year ended 31 March 2019

	Note	2019 £	£	2018 £	£
Net cash provided by operating activities	19		(118,549)		(782,355)
Cash flows from investing activities:					
Payments to acquire investment properties		(244,569)		2,931	
Proceeds from sale of investment properties		529,067		865,852	
Purchase of tangible fixed assets		(68,837)		-	
Net cash provided by / (used in) investing activities			215,661		868,783
Cash flows from financing activities:					
Interest paid		(111,937)		(95,689)	
Net cash provided by / (used in) financing activities			(111,937)		(95,689)
Change in cash and cash equivalents in the year			(14,825)		(9,261)
Cash and cash equivalents at the beginning of the year			17,303		26,564
Cash and cash equivalents at the end of the year	20		2,478		17,303

FORWARD HOUSING SW
(A charitable company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

1 Accounting policies

a) Statutory information

Forward Housing SW is a charitable company limited by guarantee and is incorporated in the United Kingdom (England and Wales). The registered office address is 134 Edmund Street, Birmingham, B3 2ES. The operating address is The West House, Alpha Court, Swingbridge Road, Grantham, NG31 7XT. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

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

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from charitable activities represents fees for the accommodation of tenants. These fees comprise charges payable by registered housing providers who then sub-let the properties to the tenants.

Any rentals receivable under operating leases are credited to the statement of financial activities on a straight line basis over the term of the lease.

f) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

FORWARD HOUSING SW
(A charitable company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

1 Accounting policies (continued)

g) Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is not separately analysed and is charged to the statement of financial activities when the expenditure to which it relates is incurred and is allocated as part of the expenditure to which it relates.

Support costs are central administration costs which have been recharged to the various activities using a fair allocation.

Governance costs include those incurred in the governance of the organisation's assets and are primarily associated with constitutional and statutory requirements.

All expenditure has been classified under headings that aggregate all costs relating to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

The charity is exempt from income tax and capital gains tax under Section 505 ICTA1988.

h) Operating leases

Rentals payable under operating leases are charged to the statement of financial activities on a straight line basis over the period of the lease.

i) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

~ Furniture and fittings	33% straight line
--------------------------	-------------------

The capitalisation threshold for tangible fixed assets is £1,000.

k) Investment properties

Investment properties are included at fair value. Any gain or loss on sale or revaluation is taken to the Statement of Financial Activities. Realised gains and losses are calculated as the difference between sales proceeds and original cost. Unrealised gains and losses of the year are calculated as the difference between the fair value at the year end and the opening fair value or purchase date if later. No depreciation is charged on investment properties in accordance with the Charities SORP.

l) Debtors receivable within one year

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

m) Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible into known amounts of cash with insignificant risk of change in value.

FORWARD HOUSING SW
(A charitable company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

1 Accounting policies (continued)

n) Creditors and provisions

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

o) Financial instruments

The charitable company enters into only basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans from related parties. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

p) Pensions

The pension cost charged to the statement of financial activities represents amounts payable by the charity in the accounting period. The charity makes payments to The Pensions Trust Ethical Fund. The scheme is a defined contribution scheme and the pension charge represents the amounts payable to the fund in respect of the year.

q) Parent charity and financial support

An Intra-Group Agreement exists between Thera Trust and twenty six of its subsidiaries. This Intra-Group Agreement incorporates a Funding Agreement which allows Thera Group companies to benefit from the movement of funds around the Group. Each subsidiary, other than The Camden Society, Equal Futures and Thera Limited, has acceded to this Intra-Group Agreement with Board approval. In addition to this, Thera Trust and its subsidiaries have all individually agreed not to demand the repayment of any inter-company borrowings within twelve months of the date on which the balance sheet is signed. Any amounts due to or from Group companies that have been shown as due within one year relate purely to balances arising from operational activities. A market rate of interest has been charged on balances between group companies.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

The directors of the company make estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the charitable company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

In preparing these financial statements, the directors have delegated authority to management to make the following judgements:

Group financial support

The directors of all of the subsidiaries within the Thera Group that have acceded to the Intra-Group Agreement as referred to above, have received assurance from the board of Thera Trust that adequate financing is in place to meet the group's financing needs and this has enabled the directors to confirm that management can prepare the accounts on a going concern basis.

FORWARD HOUSING SW
(A charitable company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

2 Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Leases

Management determines whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Investment properties - owned

Investment properties owned by the charity are valued based either upon vacant market possession, where appropriate, or upon the then current and future rental yields on properties where a lease to a Registered Housing Provider is currently in place.

Recognition of leased investment properties at donated value

By way of a Framework Agreement between Touchpoint Housing (FH) S.A.R.L. (a subsidiary of Cheyne Capital), Thera Trust and Forward Housing SW completed in July 2015 and a variation to the Agreement effective from 31 March 2017, Forward Housing had control at 31 March, 2019, over a portfolio of 57 properties. These are by way of a 20 year, renewable lease, with the start date being the date of purchase (the earliest dates commencing in 2015) with the right to purchase at the end of the lease. These were sub-leased to Empower Housing Association, a Registered Housing Provider who granted assured tenancies in the properties to people with a learning disability.

The trustees have reviewed the accounting treatment of this portfolio and have decided to recognise a fixed asset on the balance sheet. The asset represents the economic benefit inherent in the sub-leases measured at fair value by the trustees on the basis of the net present value of future cashflows. The trustees will assess the fair value of the asset at each balance sheet date with changes in fair value being reflected in the statement of financial activities. Changes in the fair value will be affected by the changes in the rate of the Consumer Prices Index (CPI) to which rental flows are linked.

No consideration has been granted in relation to the change in value of these properties. In 2018-19, a further asset has therefore been recognised by way of a gift in the statement of financial activities in the current year representing these further leases completed during the year.

Impairment of other assets

Management reviews the carrying value of all other assets for indications of impairment at each period end. If indicators of impairment exist, the carrying value of the asset is subject to further testing to determine whether its carrying value exceeds its recoverable amount. This process will usually involve the estimation of future cash flows which are likely to be generated by the asset.

FORWARD HOUSING SW
(A charitable company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

2 Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Recoverability of trade debtors

Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the statement of financial activities.

3a Income from donations

	Unrestricted £	2019 Total £	Unrestricted £	2018 Total £
Leased investment properties at donated value	100,495	100,495	506,300	506,300
	<u>100,495</u>	<u>100,495</u>	<u>506,300</u>	<u>506,300</u>

3b Income from charitable activities

	Unrestricted £	2019 Total £	Unrestricted £	2018 Total £
Rent for accommodation of tenants	1,072,812	1,072,812	865,288	865,288
Service income	199,406	199,406	128,801	128,801
	<u>1,272,218</u>	<u>1,272,218</u>	<u>994,089</u>	<u>994,089</u>

Included in income from charitable activities are aggregate rentals receivable in relation to operating leases totalling £1,072,812 (2018: £865,288).

4 Analysis of expenditure

	Unrestricted £	2019 Total £	Unrestricted £	2018 Total £
Property costs	1,026,183	1,026,183	807,645	807,645
Support costs	393,508	393,508	398,915	398,915
Depreciation	18,800	18,800	-	-
Interest payable	111,937	111,937	95,689	95,689
Total expenditure	<u>1,550,428</u>	<u>1,550,428</u>	<u>1,302,249</u>	<u>1,302,249</u>

Exceptional costs of £70,933 (2018: nil), have been incurred in relation to the loss on disposal of an investment property.

FORWARD HOUSING SW
(A charitable company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

5 Net income / (expenditure) for the year

This is stated after charging / (crediting):	2019	2018
	£	£
Loss on sale of investment properties	70,933	109,148
Interest payable	111,937	95,689
Operating lease rentals:		
Property	970,115	766,503
Auditor's remuneration (excluding VAT):		
Audit	9,180	9,000
Other services	1,785	1,750
	=====	=====

Auditors' remuneration for the group is disclosed in full in the parent charitable company and is recharged to the subsidiary as part of the overall recharge of the group's management and administration costs.

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:	2019	2018
	£	£
Salaries and wages	108,983	140,898
Social security costs	15,464	16,443
Employer's contribution to defined contribution pension schemes	1,507	1,140
	=====	=====
	125,954	158,481

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2019	2018
	No.	No.
£60,000 - £69,999	-	1
£70,000 - £79,999	1	-
	=====	=====

The total employee benefits (including employer pension contributions and employer's national insurance) of the key management personnel were £78,327 (2018 £69,289).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2018 £nil). No charity trustee received payment for professional or other services supplied to the charity (2018 £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £813 (2018 £918) incurred by 4 (2018 3) members relating to attendance at meetings of the trustees.

FORWARD HOUSING SW
(A charitable company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 3 (2018: 3).

Staff are split across the activities of the charitable company as follows:

	2019 No.	2018 No.
Management and administration	3	3
	3	3

8 Related party transactions

There are no related party transactions to disclose for 2019 (2018: none) other than intra-group transactions as disclosed below.

Thera Trust is the parent charitable company of Forward Housing SW. Any balances due to or from entities within the Thera group are disclosed within the relevant debtors and creditors notes.

Thera Trust makes a recharge of management and administration costs incurred on behalf of the group to all of its subsidiaries. The specific amounts recharged to each entity are not being disclosed on the grounds that the Thera Group operates in a competitive commissioning environment and this information is commercially sensitive.

As in the Accounting policies note for Parent charity and financial support, a market rate of interest has been charged on balances between Thera Trust and Forward Housing SW, in 2019 £111,937 (2018: £95,689).

9 Taxation

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

10 Tangible fixed assets

	Furniture and fittings £	Total £
Cost		
Additions in year	68,837	68,837
Disposals in year	-	-
	<hr/> 68,837	<hr/> 68,837
At the end of the year		
Depreciation		
Charge for the year	18,800	18,800
Eliminated on disposal	-	-
	<hr/> 18,800	<hr/> 18,800
At the end of the year		
Net book value		
At the end of the year	<hr/> 50,037	<hr/> 50,037
At the start of the year	<hr/> -	<hr/> -

The above assets are used for charitable purposes.

FORWARD HOUSING SW
(A charitable company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

11 Investment properties

	Owne £	Lease £	2019 £	Owne £	Lease £	2018 £
Fair value at the start of the year	3,631,000	3,101,385	6,732,385	5,099,369	2,210,010	7,309,379
Additions including donations	244,570	100,494	345,064	(2,931)	506,300	503,369
Disposals at fair value	(600,000)	-	(600,000)	(975,000)	-	(975,000)
Revaluation during the year	-	263,648	263,648	(490,438)	385,075	(105,363)
Fair value at the end of the year	<u>3,275,570</u>	<u>3,465,527</u>	<u>6,741,097</u>	<u>3,631,000</u>	<u>3,101,385</u>	<u>6,732,385</u>

In 2018, the trustees had been provided with a valuation from Jones Laing LaSalle ("JLL") Residential Advisory Team, in accordance with the RICS Valuation Professional Standards July 2017 Global and UK Edition of the properties that it owns. This valuation was at market value as at 31st March, 2018. The valuation was based either upon vacant market possession, where appropriate, or upon the then current and future rental yields on properties where a lease to a Registered Housing Provider is currently in place, assuming good and marketable title free from onerous or unusual restrictions, covenants or encumbrances not covered by appropriate insurances, long term CPI of 2% and leases, where in place, formally registered with HM land Registry. The trustees do not consider any further revaluation necessary at 31st March, 2019 because there have been no fundamental change in rental flows on the properties however a professional revaluation will be taken at 31 March 2021.

All of the investment properties owned by the charity are located within the United Kingdom. The majority of these properties are held for use in operating leases. No properties were held for sale at the year end (2018: 1).

12 Debtors

	2019 £	2018 £
Trade debtors	19,257	40,046
Other debtors	132,957	148,992
Prepayments and accrued income	135,883	111,059
	<u>288,097</u>	<u>300,097</u>

13 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	9,866	22,362
Taxation and social security	14,081	4,126
Accruals and deferred income	94,226	74,629
	<u>118,195</u>	<u>101,117</u>

The group bank overdraft is secured by a fixed and floating charge over the undertaking and all property assets present and future across the companies included within the group overdraft facility.

14 Creditors: amounts falling due after one year

	2019 £	2018 £
Amounts due to group undertakings	2,320,112	2,391,199
	<u>2,320,112</u>	<u>2,391,199</u>

The repayment period for the amounts owed to group undertakings is disclosed in the accounting policy called Parent charity and financial support.

FORWARD HOUSING SW
(A charitable company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

15 Security

A first legal charge is held by Barclays Bank in respect of the Forward Housing's investment properties. These charges are in respect of borrowings due by Thera Trust, however equal liability is shared by the company.

16 Pension scheme

The Pensions Trust Ethical Fund

Forward Housing SW participates in The Pensions Trust Ethical Fund, which is a defined contribution scheme for the benefit of its employees. Contributions payable during the period amount to £1,507 (2018 £1,140). The amount outstanding in respect of this Scheme at the year-end was £nil (2018 £nil).

17a Analysis of net assets between funds (current year)

	General unrestricted £	Total funds £
Tangible fixed assets	50,037	50,037
Investment properties - owned	3,275,570	3,275,570
Investment properties - leased	3,465,527	3,465,527
Net current assets	172,380	172,380
Creditors due after more than one year	(2,320,112)	(2,320,112)
Net assets at 31 March 2019	4,643,402	4,643,402

17b Analysis of net assets between funds (prior year)

	General unrestricted £	Total funds £
Investment properties - owned	3,631,000	3,631,000
Investment properties - leased	3,101,385	3,101,385
Net current assets	216,283	216,283
Creditors due after more than one year	(2,391,199)	(2,391,199)
Net assets at 31 March 2018	4,557,469	4,557,469

18a Movements in funds (current year)

	At 1 April 2018 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2019 £
General funds	4,557,469	1,372,713	(1,286,780)	-	4,643,402
Total funds	4,557,469	1,372,713	(1,286,780)	-	4,643,402

The narrative to explain the purpose of each fund is given at the foot of the note below.

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18b Movements in funds (prior year)

	At 31 March 2017 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2018 £
General funds	4,464,692	1,500,389	(1,407,612)	-	4,557,469
Total funds	<u>4,464,692</u>	<u>1,500,389</u>	<u>(1,407,612)</u>	<u>-</u>	<u>4,557,469</u>

Unrestricted funds

General funds

Represents the amounts which are free of any restrictions or limitations.

19 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2019 £	2018 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	85,933	92,777
Unrealised movement on investment property	(263,648)	105,363
Loss on disposal of investment properties	70,933	109,148
Leased investment properties at donated value	(100,495)	(506,300)
Interest payable	111,937	95,689
Depreciation charges	18,800	-
(Increase)/decrease in debtors	12,000	115,588
Increase/(decrease) in creditors	(54,009)	(794,620)
Net cash provided by / (used in) operating activities	<u>(118,549)</u>	<u>(782,355)</u>

20 Analysis of cash and cash equivalents

	At 1 April 2018 £	Cash flows £	Other changes £	At 31 March 2019 £
Cash at bank and in hand	17,303	(14,825)		2,478
Total cash and cash equivalents	<u>17,303</u>	<u>(14,825)</u>	<u>-</u>	<u>2,478</u>

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21 Operating lease commitments

Forward Housing SW has entered into contracts with Touchpoint Housing (FH) S.A.R.L. to lease 57 (2018 48) properties over a 20 year period, with the start date being the date of purchase. These properties were then sub-leased to Empower Housing Association at the same rental charge.

Forward Housing SW's total future minimum lease commitments payable and receivable under non-cancellable operating leases is as follows for each of the following periods:

	Property	
	2019	2018
	£	£
Less than one year	1,086,415	870,004
One to five years	4,345,659	3,480,016
Over five years	13,785,026	11,599,779
	<hr/>	<hr/>
	19,217,100	15,949,799
	<hr/>	<hr/>

22 Ultimate holding company

Forward Housing SW's ultimate parent company is Thera Trust, a charitable company limited by guarantee (company number 3593418) and registered in England and Wales (charity number 1090163). Thera Trust is ultimately controlled by the board of trustees.

Copies of the consolidated Thera Trust financial statements are available from Companies House or the Charity Commission.

23 Post balance sheet event

After the year end, Forward Housing SW have committed to the purchase of six properties at a cost of £2.6m. These will be funded by a loan from the parent company Thera Trust, using monies generated from the charity bond.