

Nottingham Community Almshouse Charity

Financial statements for the year ended 31 March 2021



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Trustee, Advisors and Bankers

Trustee:

The Nottingham Community Housing Association is the Sole Corporate Trustee

Naomi Dobraszczyc

Clerk to the Trustee

The directors of the Sole Corporate Trustee are:

Ms Claire Winfield BA (Hons) (NCHA Chair)

Ms Carri Swann BA (retired 2 June 2021)

Mr Paul Casey BA MCIH (retired 28 July 2021)

Ms Audra Wynter MBA FCMI MIC ATT Fellow FMATT (Audit and Risk Committee) (retired 28 July 2021)

Mr David Harrison BA MCIH

Mr Christopher Blackburn

Ms Donna Edwards BA, CPFA

Mr Callum Gillespie BSc (Hons) (Audit and Risk Committee Chair)

Ms Lorelei Jarvis BSc (Hons)

Mr Mike Finister-Smith (Audit and Risk Committee)

Mr Pradeep Khuti

Mr Paul Parkinson BA (Hons) Dip.RSA FCIH (Appointed 16 September 2020)

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External Auditors:

Beever and Struthers
Statutory Auditor
St. George's House
215 – 219 Chester Road
Manchester
M15 4JE

Solicitors:

Freeths LLP
Cumberland Court
80 Mount Street
Nottingham
NG1 6HH

Bankers:

Lloyds Bank plc
PO Box 72
Bailey Drive
Gillingham
Kent
ME8 0LS

Report of the Trustee



Objectives and activities

The objective of the Charity is to provide rented accommodation to necessitous persons. All activity is carried out in support of this objective.

Public benefit disclosure

The Charities Act 2011 identifies two key principles of public benefit namely there must be an identifiable benefit or benefits and the benefit must be to the public or to a section of the public.

The trustee, in the aims and objectives of the Charity and in the oversight of the Charity's operations, has had regard to and believes that it meets with the Charity Commission's guidance on public benefit. The trustee defines the public benefit of the Charity as being the provision of social rented accommodation to necessitous persons in Nottinghamshire.

Achievements and performance

Nottingham Community Almshouse Charity was formed on 1 April 2008 by combining seven individual charities into one Charity. Nottingham Almshouse Charity, Ada Mary Best Homes, Lambley Almshouses, Henry Brown Homes and Julien Cahn Homes were subsequently added into the Charity. During 2019/20 two further Charities were added, Warner's Almshouses on 1 June 2019 and Harworth Miners Bungalows on 20 December 2019.

The charity owned 144 properties at year end (2020 = 144). No gross maintenance contributions receivable were generated from one property at William Woodsend Memorial Homes where the tenants are allowed to reside without making maintenance contributions. The remaining 143 properties provided gross maintenance contributions of £627,003 (2020 - £610,772) at a weekly contribution of between £40.00 and £103.11 per property. Void losses of £5,015 (2020 - £8,394) were incurred during the year.

Financial review

There was a surplus for the year of £127,971 (2020 - £80,715).

The Statement of Financial Position of the Charity is strong, with unrestricted general fund reserves of £2,806,943 (2020 - £2,678,972).

Statement of compliance

The trustee confirms this Report of the Trustee has been prepared in accordance with the principles set out in the 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 (FRS102).

Plans for future periods

In future periods the Charity intends to continue to provide current activities in support of the Charity's objectives.

Post balance sheet events

On the 1 April 2021, the Charity Commission for England and Wales ordered that the William Crane Trust will be administered as part of the Nottingham Community Almshouse Charity.

Structure, governance and management

The Charity is governed by a Charity Commission scheme.

Nottingham Community Housing Association is the sole corporate trustee of the Charity. Naomi Dobraszczyk is the Clerk to The Trustee. The day to day management and activities of the Charity are carried out by employees of Nottingham Community Housing Association.

Reserves policy

It is the policy of the Charity not to designate any of its reserves for any specific purpose, other than the required Social Housing Grant Reserve. Targets are set by the trustee as part of the budgeting process. In the event of a shortfall the trustee considers plans to make good where appropriate. Similarly, where an excess is achieved the trustee considers plans on how best to utilise this.

The Charity Commission defines free reserves as total unrestricted funds less tangible fixed assets for charity use less amounts designated for essential future spending. On this basis the Charity has free reserves of £359,494 (2020 - £230,508).

Investments

Control of investments is placed with NCHA's Director of Finance and Resources and Chief Executive. The value of investments will be dictated by the business cash flow requirements and proposed development plans. The exact amount of investments will vary from time to time and will be kept available to meet all liquidity requirements.

The Charity will maintain a list of institutions with whom it will invest.

The Director of Finance and Resources will liaise with external consultants to receive regular updates on the credit standing of the preferred list and will be authorised to add or remove firms as seen fit.

When significant funds are available to invest (typically greater than £5m) the Director of Finance and Resources will approach at least two of the preferred institutions to establish the best possible terms available. The funds will then be invested in accordance with the terms of this Policy at the best rates available.

In exceptional circumstances, where the Charity is holding large cash balances, the Director of Finance and Resources will seek to increase the diversity of investment counterparties through the use of Public Debt Constant Net Asset Value and Low Volatility Net Asset Value Money Market Funds and Deposit Funds.

Investments held by the Trust are managed by M & G Securities Limited at PO Box 9038, Chelmsford, England CM99 2XF and CCLA Investment Management at Senator House, 85 Queen Victoria Street, London, EC4V 4ET.

Statement of trustee's responsibilities in respect of the accounts

The trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the 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 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

Statement of trustee's responsibilities in respect of the accounts (continued)

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. The trustee is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustee is responsible for the maintenance and integrity of the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as the trustee is aware there is no relevant auditor information of which the auditors are unaware. The Trustee has taken all steps it ought to have taken as Trustee in order to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.

Related Parties

Nottingham Community Housing Association Limited is the sole Corporate Trustee of Nottingham Community Almshouse Charity. Its registered address, where consolidated accounts can be obtained, is 12-14 Pelham Road, Nottingham NG5 1AP.

Nottingham Community Housing Association Limited (NCHA) is registered as a charitable social landlord under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing. It was first registered on the 22 March 1973 for the benefit of the community. NCHA operates mainly within the East Midlands and has three regional offices and a number of satellite offices across the East Midlands. Its head office is in Nottingham.

NCHA's principal activities are the management, maintenance, improvement and development of social housing together with the provision of Care and Support services for those people within communities across the East Midlands with additional needs.

Going concern

After making enquiries, the trustee has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

The report of the trustee was approved on 28 July 2021 and signed on its behalf by:



Naomi Dobraszczyc

Clerk to the Trustee

Report of the Independent Auditor to the Trustee



Opinion

We have audited the financial statements of Nottingham Community Almshouse Charity “the charity” for the 31 March 2021 which comprise the Statement of Financial Activities and the Statement of Financial Position. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 “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 charity's affairs as at 31 March 2021 and of its incoming resources and application of resources (profit/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 Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 8-9, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145* of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We identified the laws and regulations applicable to the charity through discussions with directors and other management, and from our commercial knowledge and experience of the charitable housing sector.
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011, taxation legislation, data protection and health and safety legislation.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

Auditor's responsibilities for the audit of the financial statements (continued)

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures on depreciation to identify any unusual or unexpected relationships.
- Tested journal entries to identify unusual transactions.
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias.
- Investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Beever and Struthers, Statutory Auditor

Beever and Struthers is eligible to act as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Beever and Struthers
Chartered Accountants and Statutory Auditor
St George's House
215-219 Chester Road
Manchester
M15 4JE

Date: 27th August 2021

Statement of Financial Activities



Statement of Financial Activities (Including Income and Expenditure Account)

For the year ended 31 March 2021		Unrestricted General Fund 2021	Unrestricted General Fund 2020
	Note	£	£
Income from:			
Maintenance contributions net of identifiable service charges		627,003	610,772
Less voids		(5,015)	(8,394)
Other income		-	64
Surplus on sale of investments		-	81
Interest receivable	2	8,695	12,034
Unrealised surplus/(deficit) on revaluation of Investments	7	39,311	(29,344)
Total income		669,994	585,213
Expenditure on:			
Management		(117,301)	(114,576)
Service charge costs		(57,884)	(68,566)
Repairs and maintenance		(228,697)	(211,237)
Rent losses from bad debts		(5,234)	(2,183)
Depreciation of housing properties	4	(114,560)	(86,167)
Interest payable and similar charges	3	(18,347)	(22,309)
Total expenditure		(542,023)	(505,038)
Net income		127,971	80,175
Net movement in funds		127,971	80,175
Reconciliation of funds:			
Total funds brought forward		3,175,364	3,095,189
Total funds carried forward		3,303,335	3,175,364

The results relate wholly to continuing activities and the notes on pages 25 to 36 form an integral part of these accounts. The financial statements of pages 17 to 36 were approved and authorised for issue by the Trustee on 28 July 2021 and were signed on its behalf by:



Naomi Dobraszczyc
Clerk to the Trustee

Signed on behalf of Nottingham Community Housing
Association Limited (Sole Corporate Trustee)

Statement of Financial Position



Statement of Financial Position

As at 31 March 2021		2021	2020
	Note	£	£
Fixed assets			
Tangible fixed assets (Housing Properties)	6	2,943,841	2,944,856
Investments	7	218,114	175,887
Total fixed assets		3,161,955	3,120,743
Current assets			
Debtors and prepayments	8	12,884	24,969
Short term deposit		29,478	29,443
Cash at bank and in hand		238,691	543,046
Total current assets		281,053	597,458
Creditors			
Amounts falling due within one year	9	(139,673)	(539,686)
Net current assets		141,380	57,772
Creditors			
Amounts falling due after more than one year	10	-	3,151
Net assets		3,303,335	3,175,364
Funds of the Charity			
Unrestricted General Fund		2,806,943	2,678,972
Social Housing Grant Reserve	11	496,392	496,392
Total funds of the Charity		3,303,335	3,175,364

The notes on pages 25 to 36 form an integral part of these accounts. The financial statements on pages 17 to 36 were approved and authorised for issue by the Trustee on 28 July 2021 and were signed on its behalf by:



Naomi Dobraszczyc
Clerk to the Trustee

Signed on behalf of Nottingham Community Housing
Association Limited (Sole Corporate Trustee)

Statement of Changes in Reserves



Statement of Changes in Reserves

For the year ended 31 March 2021	Income and expenditure	Social Housing Grant	Total
	£	£	£
Original balance at 31 March 2019	2,598,797	496,392	3,095,189
Surplus from Statement of Financial Activities	80,175	-	80,175
Original balance at 31 March 2020	2,678,972	496,392	3,175,364
Surplus from Statement of Financial Activities	127,971	-	127,971
Balance at 31 March 2021	2,806,943	496,392	3,303,335

The notes on pages 25 to 36 form an integral part of these accounts.

Statement of
Cash Flows



Statement of Cash Flows

As at 31 March 2021	2021	2020
	£	£
Cash flows from operating activities		
Net movement in funds	127,971	80,175
Adjustments for:		
Interest receivable	(8,695)	(12,034)
Interest payable and similar charges	18,347	22,309
Unrealised (surplus)/deficit on revaluation of investments	(39,311)	29,344
Realised (surplus) on revaluation of investments	-	(81)
Depreciation of housing properties	114,560	86,291
Increase/(decrease) in debtors	16,515	(5,908)
Increase in creditors	52,650	16,870
(Increase) in provisions	(4,430)	(628)
Net cash generated from operating activities	277,607	216,338
Cash flow from investing activities		
Purchase of tangible fixed assets	(113,545)	(161,109)
Proceeds from sale of intangible fixed asset (investment)	-	2,625
Interest received	5,779	8,951
Sub total	(107,766)	(149,533)
Cashflow from financing activities		
Interest paid	(12,385)	(16,346)
Loan issue fees	(5,962)	(5,962)
Repayment of borrowing	(455,814)	(4,593)
Sub total	(474,161)	(26,901)
Net change in cash and cash equivalents	(304,320)	39,904
Cash and cash equivalents at the beginning of the year	572,489	532,584
Cash and cash equivalents at the end of the year	268,169	572,489

Notes to the Financial Statements

Legal status

The Charity is an unincorporated charity registered in England and Wales with the National Almshouse Association and the Charity Commission. The registered office is 12-14 Pelham Road, Nottingham, NG5 1AP.



Notes

1. Principal accounting policies

(a) Basis of accounting

The Charity's financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 October 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.

The accounts are prepared on the historical cost basis of accounting except as modified by the revaluation of investments and are presented in rounded pounds sterling.

In applying FRS102 the Charity meets the definition of a public benefit entity.

(b) Going concern

The Charity's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future based on the levels of anticipated income, expenditure and the funds of the Charity.

(c) Judgements and key sources of estimation uncertainty

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 date of the Statement of Financial Position and the amounts reported for revenue and expenses during the financial year. However, the nature of estimation means that the actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on the amounts recognised in the financial statements:

- i. Categorisation of housing properties. The Charity has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Charity has considered if the asset is held for social benefit or to earn commercial rentals.
- ii. The Charity has reviewed the useful economic lives of its housing properties and depreciates the property cost, less freehold land and residual value, for all housing properties.

Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Financial Activities. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. The Charity has identified a cash generating unit for impairment assessment purposes at a property programme level. Following a trigger for impairment, the Charity performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in an arm's length transaction on similar cash generating units (properties) or observable market prices less incremental costs for disposing of the properties.

Notes

1. Principal accounting policies (continued)

(c) Judgements and key sources of estimation uncertainty (continued)

The value in use calculation is based on either a depreciated replacement cost or a discounted cash flow model. The depreciated replacement cost is based on available data of the cost of constructing or based on either a depreciated replacement cost or a discounted cash flow model. The depreciated replacement cost is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to the Charity as the existing property. The cash flows are derived from the business plan for the next 30 years and do not include restructuring activities that the Charity is not yet permitted to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes. Following the assessment of impairment no impairment losses were identified in the reporting period.

(d) Turnover and revenue recognition

Turnover represents maintenance contributions income receivable (less loss of maintenance contributions due to voids) and other charges receivable and other income and is recognised in relation to the period when the goods and services have been supplied.

Maintenance contributions are recognised when the property is available for let, net of voids. 2020-2021 is a 52 rent week year. 2019-2020 was a 53 rent week year.

(e) Loan interest costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

(f) Loan finance issue costs

These are amortised evenly over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of net proceeds after issue, plus any increases to account for any subsequent amounts amortised. Where loans are redeemed in the year, any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Financial Activities in the year in which the redemption took place.

(g) Provision for bad debts

A provision for maintenance contributions debts becoming irrecoverable is made against 100% of former tenant arrears and 50% of current tenant arrears for all customers more than six weeks in arrears.

Notes

1. Principal accounting policies (continued)

(h) Corporation Taxation

The Association has charitable status and is exempt from UK Corporation Tax under section 531 of the Income Tax Act 2007.

(i) Value Added Tax

Nottingham Community Almshouse Charity is not registered for value added tax. In these financial statements, where applicable, expenditure is shown inclusive of VAT.

(j) Housing properties, depreciation and impairment

Social Housing:
The combined Charity has reviewed the useful economic lives of its housing properties and depreciates the property cost, less freehold land and residual value, for all housing properties other than those held on an investment basis. Housing properties were merged on the basis of historic cost.

Future estimated lives have been determined as follows:

New build houses	100 years
New build flats and rehabilitated houses	75 years
Rehabilitated flats	60 years

Where a housing property consists of two or more major components with substantially different useful economic lives, each component is accounted for separately and depreciated over its useful economic life. Expenditure relating to the subsequent replacement or renewal of components is capitalised as incurred.

Depreciation is charged in equal annual instalments over the assets expected useful economic lives. The useful economic lives for the identified components are as follows:

Freehold land	Not depreciated
Structure: new build houses	100 years
Structure: new build flats and rehabilitated houses	75 years
Structure: rehabilitated flats	60 years
Roof	50 years
Lifts	50 years
Windows and doors	40 years
Alternative energy systems	25 years
Bathroom	25 years
Kitchen	20 years
Heating system	20 years
Disabled adaptions	20 years

Notes

1. Principal accounting policies (continued)

(k) Other fixed assets

All other fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on all non-housing property fixed assets, to write off the cost less estimated residual value over their useful economic lives on the following methods:

Other fixed assets	Equal annual instalments 10 years
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The useful economic lives of tangible fixed assets are reviewed annually.

(l) Fixed asset investments

The Charity holds fixed asset investments. These are shown at full market valuation at each balance sheet date. Any gains and losses on re-measurement are disclosed in the Statement of Financial Activities for the period.

(m) Short-term debtors and creditors

Debtors and creditors without any stated interest terms which are receivable or payable within one year are recorded at the transaction price. Should any losses be incurred as a result of impairment, these would be immediately recognised as other operating expenses in the Statement of Financial Activities

(n) Social Housing Grants

In accordance with the Charities SORP (FRS102), grants received from government have been treated as income and added to reserves. The fund is held separately from unrestricted reserves reflecting the possibility of a repayment demand in certain circumstances from the Regulator of Social Housing.

(o) Financial Instruments

The Charity holds fixed assets investments, short term debtors and creditors, loans and cash as financial instruments. The method of measurement for fixed assets investments and short term debtors and creditors are detailed above. Loans are held at contractual value. Cash is held at current value.

Notes

2. Interest receivable and other income

	2021	2020
	£	£
Bank deposit interest	833	4,003
Investment income	7,862	8,031
Total	8,695	12,034

3. Interest payable and similar charges

	2021	2020
	£	£
Loan interest payable	12,385	16,347
Loan arrangement fee	5,962	5,962
Total	18,347	22,309

4. Net income for the year

Net income is stated after charging:	2021	2020
	£	£
Depreciation	114,560	86,167
Auditors' remuneration (excluding VAT) in their capacity as auditors	3,380	3,105
Management fee to trustee (including VAT)	99,683	95,892
Maintenance fee to trustee (including VAT)	31,678	33,907

Notes

5. Taxation

Nottingham Community Almshouse Charity is a registered Charity and is, therefore, exempt from any liability to taxation on its income and capital gains under section 531 of the Income Tax Act 2007.

6. Tangible fixed assets

	2021		
	Completed - housing properties (freehold)	Other fixed assets	Total
	£	£	£
Cost			
1 April 2020	3,615,600	-	3,615,600
Additions	113,545	-	113,545
Disposal of components	(37,001)	-	(37,001)
31 March 2021	3,692,144	-	3,692,144
Depreciation			
1 April 2020	670,744	-	670,744
Charge for the year	114,560	-	114,560
Less disposals during year	(37,001)	-	(37,001)
31 March 2021	748,303	-	748,303
Net book value			
31 March 2021	2,943,841	-	2,943,841
31 March 2020	2,944,856	-	2,944,856

The net book value of charged assets at 31 March 2021 was £1,298,263 (31 March 2020 - £1,326,181).

Notes

7. Investments

	2021	2020
	£	£
Market value at start of year	175,887	204,691
Accumulated dividends during year	2,916	3,083
Investments sold during year	-	(2,544)
Revaluation	39,311	(29,343)
Market value at end of year	218,114	175,887
The investment at market value comprises: Unlisted:		
95,530 (2020 - 95,530) NAACIF Income shares	82,060	66,861
846 (2020 - 846) NAACIF Accumulation shares	81,214	63,197
3,059 (2020 - 3,059) COIF Income units	54,840	45,829
Market value at 31 March 2021 and 31 March 2020	218,114	175,887
Cost at start of year 1 April 2020	90,855	90,316
Accumulated dividends during year	2,916	3,083
Sold during year	-	(2,544)
Cost at end of year 31 March 2021	93,771	90,855

Investments are revalued annually on 31 March taking the values published on the respective websites.

8. Debtors

	2021	2020
	£	£
Maintenance contribution receivable	19,982	16,748
Less provision for bad debts	(9,373)	(4,943)
Other debtors	2,275	13,164
Total	12,884	24,969

Notes

9. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Maintenance contributions received in advance	9,696	7,779
Amount due to the trustee	13,422	49,961
Loans due within one year	3,151	461,776
Loan issue costs within one year	-	(5,962)
Other creditors and accruals	113,404	26,132
Total	139,673	539,686

10. Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Housing loans including loan finance issue costs	-	3,151
	-	3,151
Housing loans are repayable in instalments falling due as follows:		
In less than one year	3,151	455,814
Between one and two years	-	3,151
Between two and five years	-	-
In five years or more	-	-
Total housing loans	3,151	458,965

There are two housing loans secured by specific charges on the Charity's housing properties. One is repayable in half yearly instalments, by 2022 and the other was a £450,000 loan from Svenska Handelsbanken AB repaid 31 March 2021.

The average interest rate was 2.97%.

Notes

11. Social Housing Grant Reserve

	2021	2020
	£	£
Social Housing Grant	496,392	496,392
Total Housing Grant	496,392	496,392

12. Capital commitments

At 31 March 2021 and 2020, there were no capital commitments.

13. Contingent liabilities

At 31 March 2021 and 2020, there were no known contingent liabilities.

14. Housing properties and maintenance contribution

The number of properties managed as at 31 March 2021 was 144. (2020 - 144)

15. Ultimate controlling party, staff costs, directors' emoluments and related parties

Nottingham Community Housing Association Limited is the sole Corporate Trustee of Nottingham Community Almshouse Charity. Its registered address, where consolidated accounts can be obtained, is 12-14 Pelham Road, Nottingham, NG5 1AP.

Nottingham Community Housing Association Limited (NCHA) is registered as a charitable social landlord under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing. It was first registered on the 22 March 1973 for the benefit of the community. NCHA operates mainly within the East Midlands and has three regional offices and a number of satellite offices across the East Midlands. Its head office is in Nottingham.

NCHA's principal activities are the management, maintenance, improvement and development of social housing together with the provision of Care and Support services for those people within communities across the East Midlands with additional needs.

Notes

15. Ultimate controlling party, staff costs, directors' emoluments and related parties (continued)

The Charity employs no staff. Instead services are secured from the ultimate parent. The key employees of the ultimate parent are its Executive Team:



Paul Moat DMS, MBA, MRICS, BSc (Hons)
Chief Executive

- The NCHA Group Leadership
- Corporate Governance
- Risk
- Health and Safety



Allan Fisher BSc (Hons), PG (DIP), MSc
Director of Development and Assets

- Development
- Sales
- Asset Management
- Maintenance



Holly Dagnall BA (Hons), PG (DIP), MSc
Director of Homes and Wellbeing

- Affordable Social Housing
- Sub Market Rent
- Shared Ownership
- Care and Support
- Almshouse Charities



Naomi Dobraszczyk BA (Hons) ACA
Director of Finance and Resources

- Finance
- Human Resources
- Technology and Transformation
- Marketing Communications

The directors of the Sole Corporate Trustee are the key management personnel of the Charity. They receive no payment for their role in the Charity.

The Charity receives management and financial services from NCHA. These services include the handling and settling of the majority of Nottingham Community Almshouse Charity's invoices on behalf of the Charity and Nottingham Community Housing Association recharges the Charity for the invoiced amount. The Charity paid £99,683 for the management by the trustee (2020 - £95,892) and £31,678 for the maintenance by the trustee (2020 - £33,907). At the end of the accounting year there is a creditor balance of £13,422 payable to Nottingham Community Housing Association Limited (2020 - £49,961).

Notes

16. Post balance sheet events

We consider that there have been no events since the financial year end which have a material effect on the financial position of the Charity. However, on the 1 April 2021 The Charity Commission for England and Wales ordered that The William Crane Trust will be administered as part of Nottingham Community Almshouse Charity.

17. Financial Instruments

	2021	2020
	£	£
Assets measured at fair value:		
Investment	218,114	175,887
Assets measured at amortised cost:		
Maintenance contributions net of provision for bad debt	10,609	11,805
Other debtors	2,275	13,164
Cash at bank and in hand	268,169	572,489
Total	499,167	773,345
Liabilities measured at amortised cost:		
Loan finance falling due after more than 1 year	-	3,151
Loan finance falling due within 1 year	-	455,814
Amount due to the trustee	13,422	49,961
Other creditors and accruals due within 1 year	113,404	26,132
Total	126,826	535,058

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An electronic version of this report can be found on our website, www.ncha.org.uk
Nottingham Community Housing Association Limited is a charitable community benefit society, registered with the Financial Conduct Authority under number 7104.

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