

Nottingham Community Almshouse Charity

Financial statements for the year ended 31 March 2022

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Trustee, Advisors and Bankers

Trustee

Nottingham Community Housing Association appointed in 1992 as the Sole Corporate Trustee.

Naomi Dobraszczyk

Clerk to the Trustee (resigned 15 September 2021)

Sylvia Gough

Clerk to the Trustee (appointed 15 September 2021)

The directors of the Sole Corporate Trustee

Ms Claire Winfield BA (Hons) (NCHA Chair) (retired 31 August 2022)

Ms Carri Swann BA (Audit and Risk Committee) (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) (appointed as NCHA Chair 1 September 2022)

Mr Mike Finister-Smith (Audit and Risk Committee)

Ms Lorelei Jarvis BSc (Hons)

Mr Pradeep Khuti BA

Mr Paul Parkinson BA (Hons) Dip. RSA FCIH

Mr Andrew Kilby FCCA (Audit and Risk Committee) (appointed 15 September 2021)

Ms Leanne Monger MPA, BA Hons CIHCM (Audit and Risk Committee) (appointed 15 September 2021)

Mr Mohammed Habib FCIH MCIOB (appointed 15 September 2021)

Registered Office

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External Auditors

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10th Floor,
103 Colmore Row,
Birmingham,
West Midlands,
B3 3AG

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 the East Midlands.

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 & 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. During 2021/22 an additional two Charities were added, William Crane Trust on 1 April 2021 and Nottingham Annuity

Charity on 20 August 2021. All assets, liabilities and reserves of the various charities were transferred to Nottingham Community Almshouse Charity and these accounts show performance for the current and prior year as a combined charity. The 2020/21 figures have been fully restated.

The Charity increased the number of housing properties owned during 2021-2022 from 144 to 148 units following the transfer of William Crane Trust and Nottingham Annuity Charity into the Charity. 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 147 properties provided gross maintenance contributions of £662,757 (restated 2021 - £644,078) at a weekly contribution of between £45.00 and £109.14 per property. Void losses of £18,085 (restated 2021 - £5,015) were incurred during the year.

Financial review

There was a surplus for the year of £9,268 (restated 2021 - £222,003).

The Statement of Financial Position of the Charity is strong, with unrestricted general fund reserves of £2,888,316 (restated 2021 - £2,879,048).

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).

Identification and evaluation of key risks

The Trustee confirms that there is a long-term ongoing review process for identifying and managing significant risks faced by NCAC covering the period up to the annual report. Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and ongoing process of management review in each area of NCAC's activities. The Executive team regularly considers and receives reports on significant risks facing NCAC and the Chief Executive is responsible for reporting to the Trustee any significant changes affecting key risks. All Trustee reports include a section detailing the risks arising or identified as a result of any information or recommendations included in the report.

In meeting its responsibilities, the Trustee has adopted a risk-based approach to internal controls which are embedded within the normal management and governance processes. This approach includes the regular evaluation of the nature and extent of risks to which the organisation is exposed. The Compliance and Risk Panel and our Trustee have continued to work together to assess the quantification of our risk appetite and have produced the following Risk Appetite statement:

"The Trustee recognises that the NCAC's activities involve risk and the taking of appropriately identified, evaluated and controlled risks in pursuit of business objectives is acceptable, particularly in pursuing business opportunities for the benefit of NCAC and its customers."

The risk based approach is consistent with best practice across the sector.

The process adopted by the Trustee in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework, includes:

- The annual review of the Risk Management Strategy and Framework, and biannual review of strategic risk maps is an ongoing process for identifying and managing significant risks faced by the organisation. This process has been in place throughout the year under review, up to the date of the Annual Report and Accounts, and is regularly reviewed by the Trustee.
- In addition, the Compliance and Risk Panel annually sets a plan to demonstrate to the Executive team, Audit and Risk Committee and Trustee how it intends to deliver its risk management objectives during the year.
- The NCHA Group and the NCAC Trustee approved a new Risk Management Framework in 2021, which replaced our existing risk management procedure and ensured that our risk management processes are consistent with the National Housing Code of Governance, which is adopted by NCHA. We will review this Framework in 2022/23 alongside the newly published National Housing Federation Risk and Assurance Guide. In addition, an Internal Audit review and sector benchmark of our risk management activity was scheduled to take place in Q1 2022/23.

NCAC strategic risks

Our strategic risk map, reviewed biannually by the Trustee, addresses the risks associated with the following objectives, as outlined within our Group Corporate Plan:

- Failure to comply with charity law, Charity Commission policies and procedures and the rules set out in the Charity's governing document.
- Failure to remain viable by not meeting budgetary targets.

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

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.

Structure, governance and management

The Charity is governed by a Charity Commission scheme.

Nottingham Community Housing Association Limited (NCHA) is the Sole Corporate Trustee of the Charity. Sylvia Gough is the Clerk to the Trustee. The day to day management and activities of the Charity are carried out by employees of NCHA.

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 £398,272 (restated 2021 - £431,599).

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 (FRS 102)
- 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
- 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

NCHA 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.

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

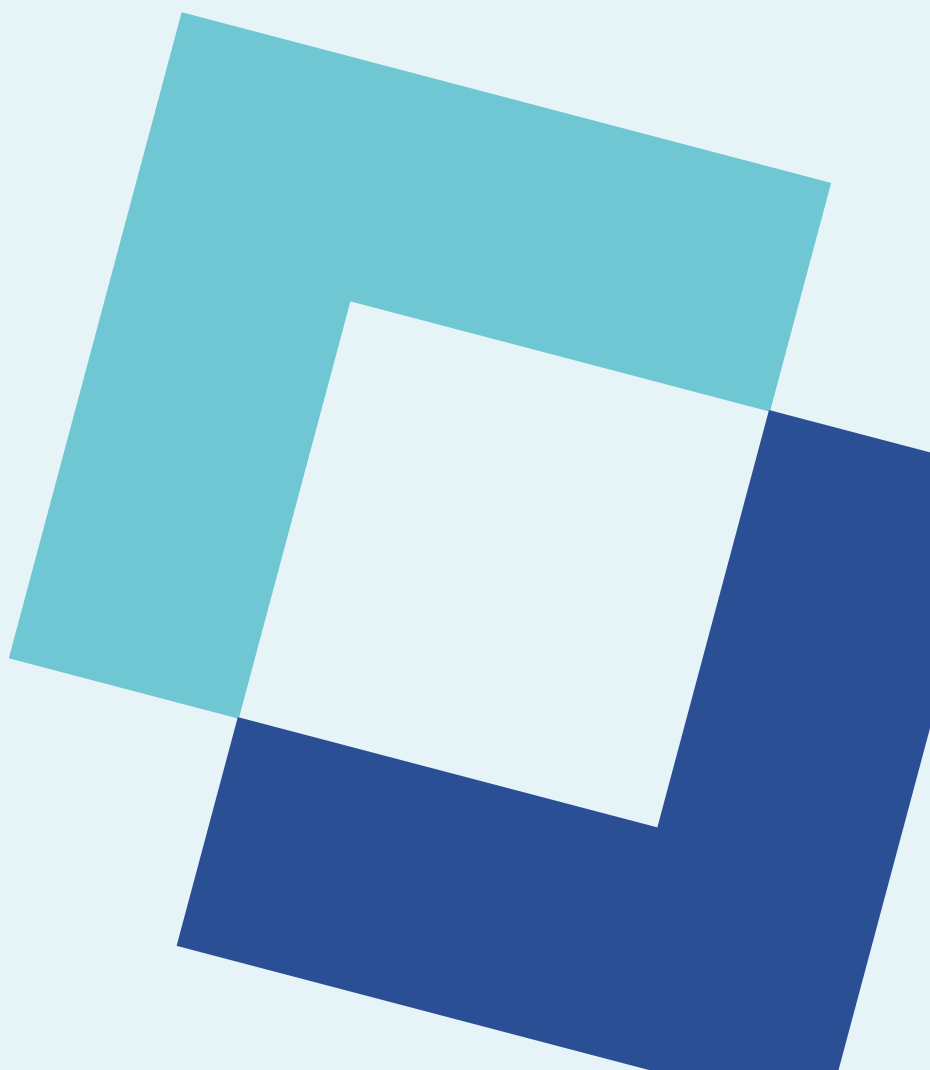
After making enquiries, the Trustee has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

The report of the Trustee was approved on 9 November 2022 and signed on its behalf by:



Sylvia Gough
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 year ended 31 March 2022 which comprise the Statement of Financial Activities, Statement of Financial Position, Statement of Changes in Reserves and the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the Charity's affairs as at 31 March 2022 and of its incoming resources and application of resources for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 Report of the Trustee other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Report of the Trustee. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- The information given in the financial statements is inconsistent in any material respect with the Report of the Trustee
- Sufficient accounting records have not been kept
- The financial statements are not in agreement with the accounting records and returns
- We have not received all the information and explanations we require for our audit
- The financial statements are not in agreement with the accounting records and returns.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on pages 8-9, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is 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 Trustee either intends 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

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.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the

assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- Obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the Charity operates in and how the Charity is complying with the legal and regulatory framework
- Inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud
- Discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the parent charity's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence local tax authorities and evaluating advice received from internal/external advisors

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the General Data Protection

Regulations and Health and Safety legislation. We performed audit procedures to inquire of management and those charged with governance whether the entity is in compliance with these law and regulations and inspected correspondence with regulatory authorities

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates .

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://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 the Charities Act 2011. 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.



11 November 2022

For and on behalf of RSM UK Audit LLP, Statutory Auditor,

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

RSM UK Audit LLP
10th Floor,
103 Colmore Row,
Birmingham,
West Midlands,
B3 3AG

Statement of Financial Activities



Statement of Financial Activities (including Income and Expenditure Account)

For the year ended 31 March 2022		Unrestricted General Fund 2022	Unrestricted General Fund 2021 Restated
	Note	£	£
Income from			
Maintenance contributions net of identifiable service charges		662,757	644,078
Less voids		(18,085)	(5,015)
Other income	2	118	-
Interest receivable	2	26,192	27,640
Unrealised surplus on revaluation of investments	8	20,501	131,283
Total income		691,483	797,986
Expenditure on			
Management		(128,030)	(128,164)
Service charge costs		(88,935)	(67,541)
Repairs and maintenance		(349,309)	(230,747)
Rent losses from bad debts		(20)	(5,234)
Depreciation of housing properties	7	(99,824)	(114,560)
Interest payable and similar charges	3	(4,527)	(18,427)
Annuity payments	4	(11,570)	(11,310)
Total expenditure		(682,215)	(575,983)
Net income		9,268	222,003
Net movement in funds		9,268	222,003
Reconciliation of funds			
Total funds brought forward		3,840,259	3,618,256
Permanent Endowment Revaluation		35,230	-
Total funds carried forward		3,884,757	3,840,259

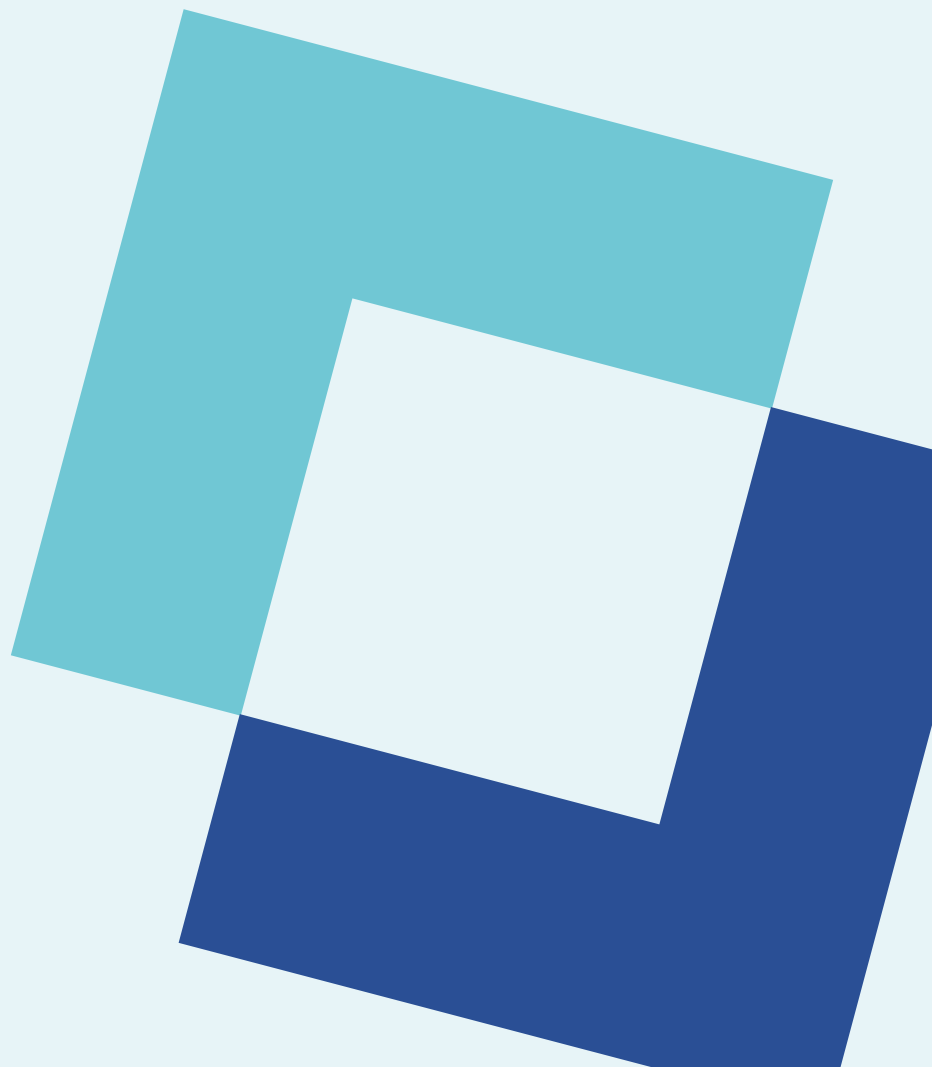
The results relate wholly to continuing activities and the notes on pages 25 to 37 form an integral part of these accounts. The financial statements of pages 17 to 37 were approved and authorised for issue by the Trustee on 9 November 2022 and were signed on its behalf by:



Sylvia Gough
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 2022		2022	2021 Restated
	Note	£	£
Fixed assets			
Tangible fixed assets: (housing properties)	7	2,986,435	2,943,841
Investments	8	791,559	733,083
Total fixed assets		3,777,994	3,676,924
Current assets			
Debtors	9	31,104	13,215
Short term deposit		35,675	29,878
Cash at bank and in hand		256,283	266,799
Total current assets		323,062	309,892
Creditors			
Amounts falling due within one year	10	(71,288)	(146,557)
Net current assets		251,774	163,335
Creditors			
Amounts falling due after more than one year	11	(145,011)	-
Net assets		3,884,757	3,840,259
Funds of the Charity			
Unrestricted General Fund		2,888,316	2,879,048
Permanent Endowment	13	500,049	464,819
Social Housing Grant Reserve	12	496,392	496,392
Total funds of the Charity		3,884,757	3,840,259

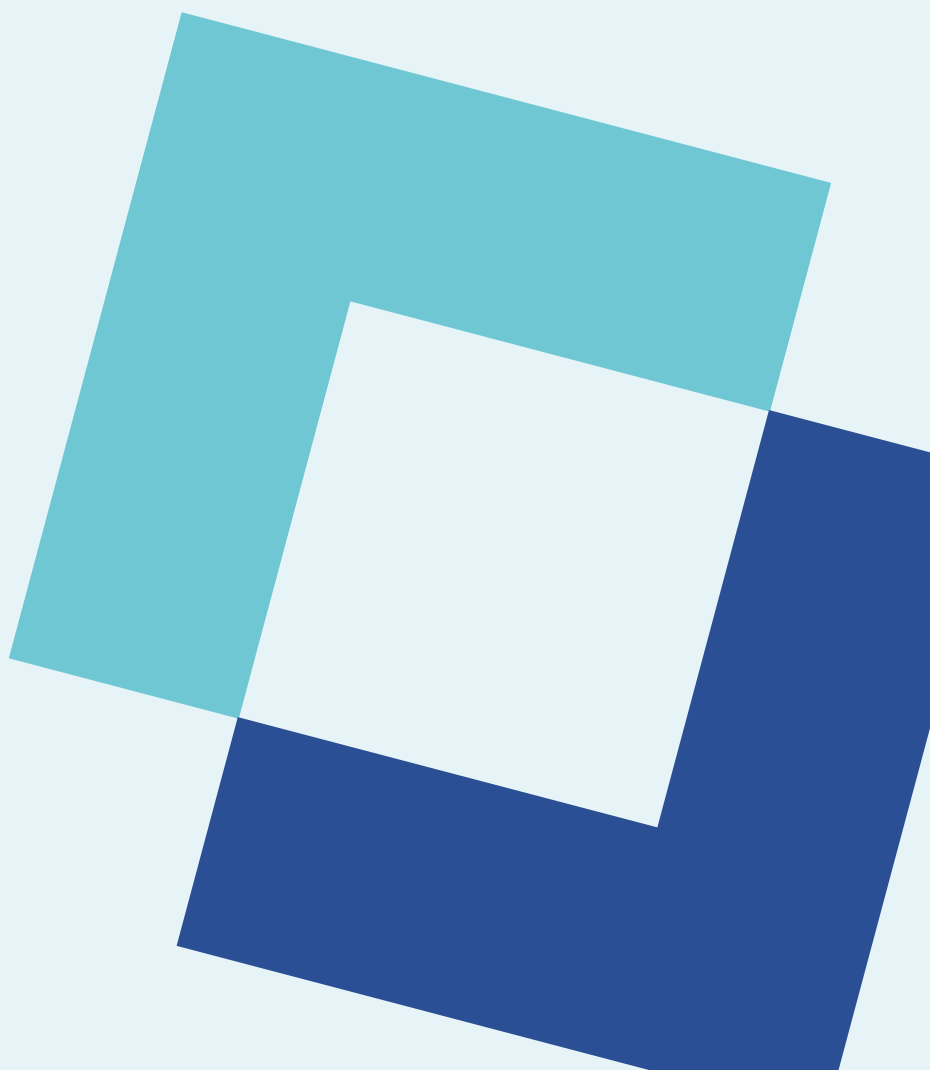
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Sylvia Gough
Clerk to the Trustee

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 2022	Income and Expenditure	Social Housing Grant	Permanent Endowment	Total
	£	£	£	£
Original balance at 31 March 2020	3,121,864	496,392	-	3,618,256
Surplus from Statement of Financial Activities	222,003	-	-	222,003
Original balance at 31 March 2021	3,343,867	496,392	-	3,840,259
Transfer to Permanent Endowment	(464,819)	-	464,819	-
Balance at 31 March 2021 (Restated)	2,879,048	496,392	464,819	3,840,259
Surplus from Statement of Financial Activities	9,268	-	35,230	44,498
Balance at 31 March 2022	2,888,316	496,392	500,049	3,884,757

The notes on pages 25 to 37 form an integral part of these accounts.

Statement of Cash Flows



Statement of Cash Flows

As at 31 March 2022	2022	2021 Combined
	£	£
Cash flows from operating activities		
Net movement in funds	9,268	222,003
Adjustments for:		
Interest receivable	(26,192)	(27,640)
Interest payable and similar charges	4,527	18,427
Unrealised (surplus) on revaluation of investments	(20,501)	(131,283)
Depreciation of housing properties	99,824	114,560
(Decrease)/increase in debtors	(17,889)	16,590
(Increase)/decrease in creditors	(70,584)	50,931
(Increase) in provisions	-	(4,430)
Net cash generated from operating activities	(21,547)	259,158
Cash flow from investing activities		
Purchase of tangible fixed assets	(142,418)	(113,545)
Interest received	23,448	24,724
Net cash from investing activities	(118,970)	(88,821)
Cashflow from financing activities		
Interest paid	(3,375)	(12,465)
Newly secured loans	150,000	-
Loan issue fees	(7,676)	(5,962)
Repayment of borrowing	(3,151)	(455,814)
Net cash from financing activities	135,798	(474,241)
Net change in cash and cash equivalents	(4,719)	(303,904)
Cash and cash equivalents at the beginning of the year	296,677	600,581
Cash and cash equivalents at the end of the year	291,958	296,677

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.



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 (FRS 102) (effective 1 October 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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 FRS 102 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.

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. 2021-2022 is a 52 rent week year. 2020-2021 was a 52 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 customer arrears and 50% of current customer arrears for all customers more than six weeks in arrears.

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 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 adaptations	20 years

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

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 (FRS 102), 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.

2. Interest receivable and other income

	2022	2021 Restated
	£	£
Bank deposit interest	15	869
Investment income	26,177	26,771
Other income	118	-
Total	26,310	27,640

3. Interest payable and similar charges

	2022	2021 Restated
	£	£
Loan interest payable	3,375	12,385
Loan arrangement fee	1,152	5,962
Total	4,527	18,347

4. Annuitants

	2022	2021 Restated
	No.	No.
The total number of annuitants at the end of the accounting period	23	23
	£	£
The cost of annuitants in force at the end of the accounting period	11,440	11,310

5. Net income for the year

Net income for the year is stated after charging	2022	2021 Restated
	£	£
Depreciation	99,824	114,560
Auditors' remuneration (excluding VAT) in their capacity as auditors	4,450	3,380
Management fee to Trustee (including VAT)	112,665	105,622
Maintenance fee to Trustee (including VAT)	45,560	32,979

6. Taxation

Nottingham Community Almshouse Charity is a registered Charity and is, therefore, exempt from liability to taxation on its income and capital gains.

7. Tangible fixed assets

2022

	Completed - housing properties (freehold)	Other fixed assets	Total
	£	£	£
Cost			
1 April 2021 (Restated)	3,692,144	-	3,692,144
Additions	142,418	-	142,418
Disposal of components	(18,578)	-	(18,578)
31 March 2022	3,815,984	-	3,815,984
Depreciation			
1 April 2021 (Restated)	748,303	-	748,303
Charge for the year	99,824	-	99,824
Less disposals during year	(18,578)	-	(18,578)
31 March 2022	829,549	-	829,549
Net book value			
31 March 2022	2,986,435	-	2,986,435
31 March 2021 (Restated)	2,943,841	-	2,943,841

The net book value of charged assets at 31 March 2022 was £1,308,705 (31 March 2021 - £1,298,263).

8. Investments

	2022	2021 Restated
	£	£
Market value at start of year	733,083	598,884
Accumulated dividends during year	2,745	2,916
Revaluation	55,731	131,283
Market value at end of year	791,559	733,083
The investment at market value comprises		
Unlisted		
436,383 (2021 - 436,383) M&G Multi Asset Fund Income shares	400,949	374,853
846 (2021- 846) M&G Multi Asset Fund Accumulation shares	90,119	81,214
3,029 (2021- 3,029) M&G Charifund Income shares	47,853	44,603
12,655 (2021 - 12,655) COIF Income units	246,446	226,866
26.78 (2021 – 26.78) COIF Accumulation units	6,192	5,547
Market value at 31 March 2022 and 31 March 2021	791,559	733,083
Cost at start of year 1 April 2021	271,291	268,375
Accumulated dividends during year	2,745	2,916
Cost at end of year 31 March 2022	274,036	271,291

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

9. Debtors

	2022	2021 Restated
	£	£
Maintenance contribution receivable	27,934	20,313
Less provision for bad debts	(9,367)	(9,373)
Other debtors and prepayments	12,537	2,275
Total	31,104	13,215

10. Creditors: amounts falling due within one year

	2022	2021 Restated
	£	£
Maintenance contributions received in advance	9,926	9,861
Amount due to the Trustee	15,413	14,307
Loans due within one year	-	3,151
Loan issue cost within one year	(1,536)	-
Other creditors and accruals	47,485	119,238
Total	71,288	146,557

11. Creditors: amounts falling due after more than one year

	2022	2021 Restated
	£	£
Housing loans including loan finance issue costs	150,000	-
Loan finance issue cost	(4,989)	-
Total	145,011	-
Housing loans are repayable in instalments falling due as detailed below		
In less than one year	(1,536)	3,151
Between one and two years	(1,536)	-
Between two and five years	146,547	-
In five years or more	-	-
Total housing loans	143,475	3,151

There were two housing loans secured by specific charges on the Charity's housing properties. One was repaid in June 2021. A new loan was taken out in June 2021 for £150,000 from Svenska Handelsbanken.

The average interest rate was 8.37%.

12. Social Housing Grant Reserve

	2022	2021 Restated
	£	£
Social Housing Grant	496,392	496,392
Total Housing Grant	496,392	496,392

13. Permanent endowment

	2022	2021 Restated
	£	£
Transfer from Nottingham Annuity Charity	464,819	464,819
Revaluation of investments	35,230	-
Total	500,049	464,819

The permanent endowment is held for the purpose of generating income to cover the payments of annuities in perpetuity.

14. Capital commitments

At 31 March 2022 and 2021, there were no capital commitments.

15. Contingent liabilities

At 31 March 2022 and 2021, there were no known contingent liabilities.

16. Housing properties and maintenance contribution

The number of properties managed as at 31 March 2022 was 148. (2021 restated - 148).

17. 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.

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

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
- Property Services
- Environmental Sustainability



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
- Equality, Diversity and Inclusion
- Social Impact



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

- Finance
- People
- Technology
- Transformation
- Marketing Communications
- Procurement
- Information and Intelligence
- Value for Money

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 NCHA recharges the Charity for the invoiced amount. The Charity paid £112,665 for the management by the Trustee (2021 restated - £105,622) and £45,560 for the maintenance by the Trustee (2021 restated - £32,979). At the end of the accounting year there is a creditor balance of £15,413 payable to NCHA (2021 restated - £14,307).

18. 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.

19. Financial instruments

	2022	2021 Restated
	£	£
Assets measured at fair value		
Investment	791,559	733,083
Assets measured at amortised cost		
Maintenance contributions net of provision for bad debt	18,567	10,940
Other debtors and prepayments	12,537	2,275
Cash at bank and in hand	291,958	296,677
Total	1,114,621	1,042,975
Liabilities measured at amortised cost		
Loan finance falling due after more than one year	145,011	-
Loan finance falling due within one year	(1,536)	3,151
Amount due to the Trustee	15,413	14,307
Other creditors and accruals due within one year	47,485	119,238
Total	206,373	136,696

20. Analysis of principal SoFA components for 2020/21





	Nottingham Community Almshouse Charity Pre-merger	William Crane Trust Pre-merger	Nottingham Annuity Charity Pre-merger	Combined total
	£	£	£	£
Total income	630,683	19,038	16,982	666,703
Total expenditure	(542,023)	(19,193)	(14,767)	(575,983)
Net income/(expenditure)	88,660	(155)	2,215	90,720
Other gains/(losses)	39,311	9,474	82,498	131,283
Net movement in funds	127,971	9,319	84,713	222,003
Total funds brought forward	3,175,364	42,761	400,131	3,618,256
Total funds carried forward	3,303,335	52,080	484,844	3,840,259



21. Analysis of principal SoFA components for 2021/22

	Nottingham Community Almshouse Charity Pre-merger (01/04/21- 19/08/21)	Nottingham Annuity Charity Pre-merger (01/04/21- 19/08/21)	Nottingham Community Almshouse Charity Post-merger (20/08/21- 31/03/22)	Combined total (20/08/21- 31/03/22)
	£	£	£	£
Total income	249,425	3,992	417,565	670,982
Total expenditure	(175,636)	(3,501)	(503,079)	(682,216)
Net income/(expenditure)	73,789	491	(85,514)	(11,234)
Other gains/(losses)	17,555	30,450	(27,503)	20,502
Net movement in funds	91,344	30,941	(113,017)	9,268

22. Analysis of net assets at the date of merger

	Nottingham Community Almshouse Charity	William Crane Trust	Nottingham Annuity Charity	Combined total
	£	£	£	£
Net assets	3,303,335	52,080	484,844	3,840,259
Represented by				
Unrestricted funds	2,806,943	52,080	20,025	2,879,048
Restricted income funds	496,392	-	-	496,392
Endowment funds	-	-	464,819	464,819
Total funds	3,303,335	52,080	484,844	3,840,259

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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.