

Company Registration  
Number: 9810057

**NOTTINGHAM CITY HOMES REGISTERED PROVIDER LIMITED**  
(Company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS**

For the year ended 31<sup>st</sup> March 2023

**Nottingham City Homes Registered Provider Limited**  
**(Company limited by guarantee)**  
**ADMINISTRATIVE INFORMATION**  
**For the year ended 31<sup>st</sup> March 2023**

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**For the year ended 31<sup>st</sup> March 2023**

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**BOARD OF DIRECTORS**

Mike Khouri-Bent  
Vicky Evans  
Paul Moat  
Andrew Knight (Resigned 3<sup>rd</sup> November 2022)  
Julian Owen (Resigned 21<sup>st</sup> February 2023)  
Martyn Shaw (Resigned 16<sup>th</sup> May 2023)

**EXECUTIVE MANAGEMENT TEAM**

Nick Murphy – Chief Executive (Resigned 31<sup>st</sup> July 2022)  
Steve Feast – Director of Housing (Resigned 28<sup>th</sup> April 2023)  
Alison Brown – Director of Property Services (Appointed 8<sup>th</sup> April 2022)  
Joanne Clifford – Director of Corporate Services (Resigned 9<sup>th</sup> May 2022)  
James Howse - Director of Corporate Services (Appointed 18<sup>th</sup> July 2022, Resigned 31<sup>st</sup> May 2023)  
Surjit Balu – Director of Property Services (Appointed 3<sup>rd</sup> October 2022, Resigned 30<sup>th</sup> April 2023)  
Sharon Guest – Interim Director of Property Services (Appointed 5<sup>th</sup> June 2023)

**REGISTERED OFFICE AND PRINCIPAL OFFICE**

Loxley House  
Nottingham  
NG2 3NJ

**AUDITORS**

Bishop Fleming LLP  
Salt Quay House  
4 North East Quay, Sutton Harbour  
Plymouth, Devon  
PL4 0BN

**SOLICITORS**

Nottingham City Council  
Legal Department  
Loxley House, Station Street  
Nottingham  
NG2 3NG

**BANKERS**

Lloyds Bank Plc  
Parliament Street  
Nottingham  
NG1 SDA

**RP registered number**

4862

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The directors present their reports and the audited financial statements for the year ended 31 March 2023.

**BUSINESS REVIEW**

Nottingham City Homes Registered Provider (NCH RP) is a housing company working to deliver our wider vision of creating homes and places where people want to live. It forms part of the wider Nottingham City Homes Group but acts independently of the group, with its own Board.

As a not for profit company, we reinvest any surpluses for the benefit of local people, making a significant contribution to the Nottingham economy.

Under s172 of the Companies Act 2006, NCH RP has a duty to promote the success of the company for the benefit of its members as a whole, having regard to:

- Maintaining a high standard of business conduct
- Acting fairly between the members of the business
- The interests of employees
- Fostering business relationships with suppliers, customers and others
- The impact of operations on the community and the environment
- The likely consequence of any decision in the long term

The Board also needs to address the following:

- The issues, factors and stakeholders the directors consider relevant in complying with the above and how we have formed that opinion.
- The methods the directors have used to engage with stakeholders and understand the issues to which they must have regard.
- The effect of that regard on the company's decisions and strategies during the year.

### **NCH RP's S172 STATEMENT**

During the period the Company supported NCH's 2021 to 2024 Corporate Plan goals through its key objectives:

- **To deliver the NCH Tenants' Charter**
  - To be safe in your home
  - To have a good quality home and neighbourhood to live in
  - To have a home you can afford
  - To have your voice heard and to be treated with respect
  - To know how we are performing
  - To have your complaints dealt with promptly and fairly
- **To diversity and grow**
- **To pursue organisational excellence**

### **The Company's core business over the year included:**

- Providing new homes for local families
- Delivering Move-On homes, with MHCLG funding, to house and support survivors of domestic and sexual violence and abuse in conjunction with Refuge providers in the City
- Providing accommodation for homeless families on behalf of Nottingham City Council (NCC)
- Providing homes and wraparound support to single homeless citizens through the Housing Led programme

### **Housing regulation**

The Regulator of Social Housing adopts a model of co-regulation, which sees the focus on governance, financial viability, quality of service and value for money, with organisations held accountable for service delivery through effective tenant scrutiny arrangements. NCH RP embraces co-regulation wholeheartedly and through the NCH Group have a Scrutiny Panel resourced to enable the panel to undertake their work effectively, leading to challenge of the organisation and improvement of services.

The regulatory approach taken by the Regulator of Social Housing for NCH RP is as follows:

- Both the economic and consumer standards apply;
- Only limited data requirements apply;
- The RP must publish annual Value for Money performance information;
- The RP must submit early information on restructures;
- It must submit relevant statutory notifications in relation to constitutional changes and disposals;
- The RP is subject to annual review of financial statements and, if relevant, the audit management letter. As appropriate, other information may be assessed e.g. if developing new homes, the regulator normally seeks and considers financial forecast information;
- Regulatory notices issued where the regulator has evidence that provider is in breach of an economic standard or for serious detriment finding;

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NCH RP is not required to complete a Quarterly Survey, or subject to Stability Checks, IDAs or regulatory judgements.

The government is expected to introduce the Housing Regulation Bill in 2023 and NCH Group is working towards ensuring that group wide it is able to meet the requirements of all government policy in this area.

### **Investing in the housing stock**

As at 31 March 2023, NCH RP owns and manages 39 homes for Nottingham families. 17 of these are in Lenton, 14 are part of the Martin's Reach, Wollaton development S.106 acquisition and the remaining 8 are 'Move-on' homes.

We are continuing to lease more properties, from NCH and the open market to provide housing for homeless families and homeless citizens with complex needs:

- 171 homes leased from NCH
- 24 homes leased from NCH EL
- 28 homes leased from individual landlords through our Private Sector Leasing scheme
- 1 home leased from Nottingham City Council
- 29 flats at Highwood House leased from Nottingham City Council
- 126 serviced apartments leased from corporate landlords
- 11 flats leased from NCH for homeless citizens with complex needs through the Housing Led programme.
- 5 sanctuary rooms in a shared secure house for homeless women with complex needs and risks of domestic violence and sexual abuse (DVSA), providing 24/7 care, support and supervision in conjunction with partners

### **Successes**

- Managing 31 new homes for social and affordable rent to local families
- Providing 11 permanent homes with wrap-around support for homeless citizens with complex needs through the Housing Led programme
- Providing 5 sanctuary rooms for homeless women at acute risk of DVSA
- Providing 8 Move-On homes, linked to 3 Women's Aid Refuges in the City, for survivors of domestic and sexual violence and abuse.
- Providing temporary accommodation, care, support and supervision to homeless families in 379 properties

### **Future Developments and Prospects**

The Board are ambitious and would like to deliver more homes but recognise the current financial constraints. We will continue to seek investment for more affordable housing in the city and maintain a constructive relationship with Homes England.

All NCH staff delivering services to NCHRP were TUPE Transferred into NCC on 1<sup>st</sup> April 2023. Services are now bought in from NCC under a service level agreement.

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Using Nottingham City Council's housing management services, NCH RP will continue to support tenants and residents. Our priority continues to be sustaining tenancies, minimising evictions, reducing problem debts and supporting homeless households back into a permanent home. We give practical support to help people into training and employment. We work with partner agencies such as the Nottingham Credit Union and the services provided through Advice Nottingham to help people manage their finances.

We want our homes and neighbourhoods to be attractive, safe and welcoming places to live and visit. Places which people are proud to call their home. We deliver this by working with our partners in the City Council and with others.

Over the next financial year NCH RP plans to:

- Manage our existing homes well, delivering the NCH Tenants Charter to provide housing services based on our tenants' priorities
- Provide support and assistance to families and citizens who are in housing crisis - ensuring temporary accommodation meets their needs and they are assisted in securing a permanent home and preventing repeat homelessness
- Be a well governed and financially stable organisation
- Look for opportunities that will allow us to deliver our long-term aims of building more social housing
- Support Nottingham's zero carbon ambitions
- Promote the value of NCH RP to NCC and other stakeholders more widely

### **Operational Context**

The sector has continued to face increased demand for homelessness services and associated need for accommodation. Upward pressures on household expenditure have also proved difficult for residents and rapidly increasing market rent levels are unsustainable for many households.

Financial constraints and the difficult fiscal environment in which local authorities are operating has meant that access to local authority supported borrowing has not been possible. It is expected that this will not change in 2023-24. Alternative sources of development funding are being actively sought, but the small freehold portfolio will make this difficult.

The Social Housing White Paper: 'The Charter for Social Housing Residents' set the key themes for social housing for the future, and it focused on the following areas:

- Resident and building safety
- Landlord performance, and the clear publication of performance information
- Prompt and fair complaints processes
- A strong consumer regulator, supporting tenants to be treated with respect
- Residents' voices being heard by their landlord
- Good quality homes and neighbourhoods, including the prospect of a new Decent Homes Standard
- Helping tenants take their first steps into home ownership.

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The Government is expected to enact the Housing Regulation Bill in 2023. NCHRP recognises the importance of the Bill and will seek ensure services and procedures are in line with requirements, including any proposed changes from the Regulator of Social Housing. Although the likelihood of regulatory intervention is low due to the size of its operation, NCH RP is committed to delivering services and standards in line with current and emerging regulation.

NCHRP is setting a prudent Business Plan to ensure its current homes and services remain good quality, provide value for money and the business is sustainable.

**COMPLIANCE WITH THE GOVERNANCE AND FINANCIAL VIABILITY STANDARD**

The NCH RP has undertaken a review of its compliance against the Governance and Financial Viability Standard in 2022/23 and can confirm that the company complies with the Standard.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The NCHRP Risk Register sets out the risks deemed to most adversely impact on the Company's ability to achieve its corporate objectives and is monitored by the Board. The principal risks, impacts and mitigation which reflect uncertainties facing the business are highlighted in the table below. We aim to identify, control and manage all risks within a culture of risk management. Each risk is assessed for likelihood and severity of impact. Mitigating actions are agreed to reduce or eliminate these factors, and progress is monitored by both management and the Board.

<b>Risk</b>	<b>Impact</b>	<b>Mitigation</b>
<b>Governance</b>		
The Board has a clear Business Plan which outlines the business priorities and strategic direction	The potential for Board decisions that are not aligned to a corporate plan or to NCC objectives leading to fragmented use of resources	Redrafting the NCHRP business plan in line with the new three-year corporate plan, incorporating option appraisals, Group Board involvement.
There is a highly skilled, diverse and well-trained Board able to lead NCHRP, which is compliant with NHF Code of Practice and industrywide best practice, successfully manages its relationships with key stakeholders and is aware how it will	The potential for poor Board decisions that are not fully understood and the potential impacts on the property portfolio or tenants not properly managed.	Regular review of board structure and composition and overall skillset to comply with best practice. An appraisal, induction and training programme in place. Annual assessment of Board effectiveness. Service agreement to be in place with NCC



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be supported post transition to NCC		
<b>Finance</b>		
There is a clear financial plan which demonstrates viability, sustainability and consideration to risks	Risks are not identified which may impact financial performance	Three-year corporate plan in place for NCH. Annual budget produced for 23/24 and monitored with regular reforecasting of financial performance and cash control. Regular updates to the budget and business model. Annual stress testing. Focus on plans to recover irrecoverable VAT arising from services to tenants provided by NCC.
There are mechanisms in place to monitor and assess funding, new business and development opportunities	Poor cashflow, inability to finance new opportunities, missed development opportunities	Modelling for new opportunities, robust approval process for significant new projects, oversight of project performance, clear and accurate cash projections, formal funding agreements in place with NCC
<b>Legal and Regulation</b>		
Board is aware of its legal and regulatory obligations and can demonstrate compliance with them, including GDPR and cyber security	Breaches in Board and Director legal and regulatory requirements leading to possible company and/or director fines or punishment.	Annual report produced outlining compliance with relevant regulations and legislation. All reports carry legal and regulatory requirements. Group solicitor and legal advisory framework is available. Annual self-assessment
Changes in NCC, Government or Government Policy	Impact on operating environment and business model and potential funding	Changes to Govt Policy and updates on legislative changes are provided across NCH and the NCHRP Board. There is a dedicated policy and planning manager to advise on all current and impending policy changes
<b>Property</b>		
Robust management of key compliance areas (asbestos, gas, fire, electric, water) with strong reporting and analysis	Lack of control leading to significant risk of injury, health and safety of tenants and potential risk of loss of life	Compliance control regime in place including quarterly reports and ARCC oversight. Gas and Electric testing regime in place. Risk assessments undertaken by competent fire safety professional. Regular staff training. Employment of NCH Building Safety Manager

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		and oversight and assurance provided by Building Safety Group.
Health and Safety and wellbeing for tenants / properties / service delivery is effectively monitored and managed	Risks to health, safety issues for tenants and service contractors from the property and its conditions	Risk assessment processes in place for both tenants and property related activity. CDM and H&S processes in place, accident monitoring and reporting in place. Escalation process through EMT and H&S Committee. Covid task force in place. Eyes wide open initiative in place encouraging reporting of issues.
Tenants are satisfied with the management of the property and have a voice	Property issues and property management issues lead to H&S risks, potential payment disruption and reputational damage	Tenants charter in place within strategic plan to ensure tenants have a voice. Regular in-house survey outcomes provided to board, complaints procedure in place
Risks to funding of building new homes	Failure to identify and deliver housing requirements in line with business plan projections	Dedicated professional staff are in place to identify and assess opportunities and apply for funding. Regular reports on potential opportunities are provided to Board.

**FINANCIAL REVIEW**

The Company's Income Statement shows a reported surplus of £631k for the 2022/23 financial year (2021/22 – surplus of £264k). The 2023/24 budget is a surplus of £204k and it is fully anticipated that NCH RP will continue to deliver an annual and cumulative surplus position.

**GOING CONCERN**

NCH Registered Provider Limited is a not-for-profit provider of social housing, registered with the Regulator of Social Housing. NCH Registered Provider's business interests are concentrated on delivering general needs homes for social and Affordable rent let to families and citizens in Nottingham, the provision of specialist supported housing for homeless families and citizens in housing crisis including move on from women's aid refuges and exploring opportunities to meet the housing needs of Nottingham in accordance with the aims and objectives of the NCH Registered Provider business plan.

The company has generated a surplus and positive cash returns in each of the previous two years. The company has produced forecasts that predict the company will continue to generate sufficient returns to enable the company to continue to meet all liabilities as they fall due for a period of at least 12 months following the approval of the financial

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statements. The Board has therefore, concluded that it is appropriate to prepare these financial statements on a going concern basis.

The majority of the properties used by the business are leased from its parent company Nottingham City Homes Limited. On 1 April 2023, all of Nottingham City Home's housing activities and staff were transferred back to Nottingham City Council. A longer term plan is being developed with the Council to address the activities being completed by other group companies including the services provided by NCH Registered Provider. At this stage it is uncertain whether these operations will remain in NCH Registered Provider or be transferred to another entity or potentially ceased.

There are ongoing discussions between Nottingham City Homes and Nottingham City Council around a settlement payment to be made to the Council for previous surpluses generated by Nottingham City Homes from the delivery of services for the Council that were reinvested into housing activities by Nottingham City Homes. It is likely that an amount of over £18m will need to be repaid to the Council. Nottingham City Homes does not have sufficient current assets to make such a repayment and some of the surpluses would be tied up in the housing properties acquired that are leased to NCH Registered Provider.

NCH Registered Provider is reliant upon Nottingham City Homes being willing and able to continue to lease their properties to NCH Registered Provider at a similar rate to the existing arrangement to ensure it remains sustainable. NCC remains reliant upon NCH Registered Provider as a significant provider of temporary accommodation and discussions are ongoing around both protecting and increasing these services moving forward.

In addition, NCH Registered Provider Limited employs no staff and has previously incurred an intercompany recharge from Nottingham City Homes for the services provided by their staff. This is now being provided under a service level agreement with the Council. The ongoing cost of these services to NCH Registered Provider is not certain.

The company is ultimately reliant upon Nottingham City Homes and Nottingham City Council to ensure continuation of the lease and provision of services at an appropriate charge. The lack of an approved plan that sets out how and in which entity these services will continue to be delivered, along with ongoing discussions between the parent company Nottingham City Homes and the Council around how a final settlement could be returned to the Council, casts significant doubt over the ability to deliver in accordance with future forecasts and hence creates a material uncertainty over the company's ability to continue as a going concern. Further clarity around this will emerge over the next 12 months.

## **TAXATION**

The Company is a wholly owned subsidiary of NCH and all of NCH RP's income is derived from letting property. This income is offset in the main by respective eligible expenditure

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**FINANCIAL INSTRUMENTS**

The Company's business is entirely based in the UK and all activities are conducted with UK based counterparties in sterling. The Company does not use or trade in any derivative financial instruments. Surplus cash balances are held with NCC as bank deposits. Credit risk is managed by NCC Treasury in line with its approved policies.

**POST BALANCE SHEET EVENTS**

All NCH staff delivering services to NCHRP were TUPE Transferred into NCC on 1<sup>st</sup> April 2023. Services are now bought in from NCC under a service level agreement.

## **DIRECTORS' REPORT**

### **CONSTITUTION**

The Company is incorporated as a private company limited by guarantee under the Companies Act 2006. As such it has no share capital. The Company's sole member is Nottingham City Homes Limited ('NCH').

### **PRINCIPAL ACTIVITIES**

The principal activities of the Company are to act as a landlord to provide social and affordable housing to tenants and temporary accommodation for families in housing need.

### **RISK MANAGEMENT**

Our Risk Management Framework sets out the Group's approach to risk management and how the organisation's key risks are identified, monitored and reported through the Risk Management Group, Executive Management Team and ARC Committee. It is held under review by the NCH Full Board and supported by a Risk Management Group comprising senior officers. . A full review of the risk management process was completed last year. New risk registers have been created for both our subsidiaries and the Group Board in line with the Regulator of Social Housing (RoSH) Sector Risk Profile, the Group Corporate Plan 2021-24 and a revised Group Risk Management Framework.

NCH RP's Corporate Risk Register outlines the existing counter measures in place to mitigate each corporate risk as well as the additional controls identified and developed to manage risk to an acceptable level. The risk register is regularly reviewed as are the NCH Group business continuity and emergency planning plans, policies and procedures.

The NCH Group is certified to BS OHSAS 45001:, the national standard for occupational health and safety management systems, and is independently audited by an external certification body annually in order to ensure compliance with the standard. Maintenance of this certification provides independent assurance that health and safety is effectively managed throughout the Group and can be advantageous when seeking new business, especially within the construction sector. NCH also hold external Safe Contractor certification which is part of the National Safety Schemes in Procurement aimed at the construction and supply chain sectors.

The NCH Group holds monthly building and corporate health and safety meetings, which is attended by Nottinghamshire Fire & Rescue Service and helps promote NCH as a proactive local partner for NFRS.

### **EQUALITY AND DIVERSITY**

NCH RP and the NCH Group have a high level of commitment to equality of opportunity. NCH RP is committed to promoting equality and embracing and celebrating the diversity of our customers and services. NCH RP will ensure that no resident or service user, is discriminated against unfairly or receives less favourable treatment on the grounds of a protected characteristic defined by the Equality Act 2010.

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NCH RP and the NCH Group are fully compliant with the Public Sector Equality Duty and uses the Equality Framework for Local Government (EFLG) as a tool of self-appraisal, and action planning.

We recognise that an organisation that reflects and values the diversity of its community will deliver better services. We provide inclusive, accessible services, increasingly tailored to individual need. We are committed to continually improving our approach to equality and diversity issues in partnership with our tenants, partners and Board. The NCH Group Equality, Diversity & Inclusion Strategy ensures that we take an inclusive and empathetic approach to managing people and delivering services.

NCH RP and the NCH Group recognises the responsibility that we share with our suppliers, to buy materials and deliver our services in a transparent and ethical manner. As part of this commitment Group Modern Day Slavery Statement is produced each year in line with the Ethical Trading Initiative (ETI) framework and Modern Slavery Act 2015.

### **EMPLOYEES**

The Company has no employees, with services provided by NCH through an Inter Group Agreement.

### **GOVERNANCE**

A full review of the Company's governance arrangements has been undertaken in response to:

- The publication of the White Paper on Social Housing,
- Nottingham City Council's Together Nottingham
- The NHF Code of Governance published in December 2020 and
- A review of risk management processes.

NCH RP and the NCH Group have previously adopted the National Housing Federation's Excellence in Governance Code launched in 2010 to encourage the highest standards of governance, accountability and probity while responding to change and increased risk. The Governance and Selection Committee assessed its compliance against the Code of Governance during 2020, and was satisfied that overall it meets the standards of the Code.

NCH RP complies with the requirements of the General Data Protection Regulation 2018 and the Data Protection Act 2018.

### **DIRECTORS**

Under the Memorandum and Articles of Association the directors, all of whom are non-executive, represent the local community.

The non-executive directors who served during the year are shown on page 2. The non-executive directors have no interests in the shares of the Company and no contribution is paid towards their retirement arrangements.

### **THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS**

Insurance cover has been established for all directors to provide cover against their reasonable actions as officers of the Company.

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

### **COMPLIANCE WITH THE GOVERNANCE AND FINANCIAL VIABILITY STANDARD**

The NCH RP undertook a review of the Governance & Financial Viability Standard in February 2022 and identified 4 areas which required remedial action. These have subsequently been addressed to ensure compliance in those areas.

### **CHARITABLE DONATIONS**

The Company did not make any charitable donations in the year (2021/22: £0).

### **STATEMENT OF DISCLOSURE TO THE AUDITORS**

So far as the directors are aware, there is no relevant audit information of which NCH's Group auditors are not aware. Additionally the directors have taken all the necessary steps

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they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that NCH Group auditors are aware of that information.

**AUDITORS**

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The Strategic and Directors' reports approved by order of the board.

Michael Khouri-Bent (Board Chair)

12<sup>th</sup> September 2023



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOTTINGHAM CITY**  
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## **VALUE FOR MONEY STATEMENT**

The Regulator of Social Housing (RSH) has implemented a new set of requirements with regard to VfM reporting, commencing from 1<sup>st</sup> April 2018. This means that as a Registered Provider (RP) we are required to include seven key financial metrics in this report. These are set out below.

### **Metric 1 – Reinvestment %**

Good = higher %

Development of New Properties = £0.000m

Works to existing properties = £0.000m

Capitalised Interest = £ 0m

Total = £0.000m

Divided by

Tangible Fixed Assets (note 7) = £4.730m

**Result = 0%**

**(2021/22 0.4%)**

This is a measure of spending on new homes compared to previous spending.

Direction of travel – this has fallen since 2021/22 and would normally be expected to fall each year as NCHRP's asset base increases. At the start of 21/22 there were no further property acquisition schemes agreed or approved by the Board

### **Metric 2 – New supply delivered %**

Good = higher %

**A Social housing (includes affordable housing)**

New supply 57

Divided by

Total at period end 434

**Result = 13%**

**(2021/22 13%)**

Figures include those Homes leased by the Company from NCH, NCC and private sector landlords.

Direction of travel – this has stabilised during 22/23 and would normally be expected to fall each year as NCHRP's asset base increases.

### **Metric 3 – Gearing 52.9%**

**(2021/22 58.0%)**

Good = lower %

This is a measure of the ratio between the net value of borrowing (less cash and cash equivalents) and the fixed assets owned by the RP. At the end of 2022/23, 39 homes belong

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to NCH RP with all others leased and the balance between the value of fixed assets and borrowing met mostly by grants.

Direction of travel – fallen since 2021/22 with no further acquisitions or borrowing

**Metric 4 – Earnings before interest, tax, depreciation, amortisation, major repairs (EBITDA) Interest Cover %**

Good = higher

Operating Profit £0.922m

Add back:

- amortised grants £0.010m

- depreciation charge £0.070m

**Total** £1.002m

Divided by

Interest payable and financing costs £0.129m

**Total** £0.129m

**Result = 776%**  
**(2021/22 425%)**

This is a measure of the ratio between earnings and interest costs.

This result is one that will look rather strange as operating profit includes significant income from leased properties, which incur no loan interest charges.

Direction of travel – this has increased since 2021/22 and would be expected to where increased turnover from activities is driven by leases rather than owned properties supported by loans.

**Metric 5 – Headline social housing cost per unit**

Good = lower

For NCH RP, this is represented by the cost of premises and services less depreciation and lease charges = £2,728k.

Divided by

Total social housing units owned or managed = 434

**Result = £6,285 per unit.**  
**(2021/22 (£6,161 per unit))**

This may be higher than a number of other RPs due to the majority of NCH RP's properties being let to Homeless families and hence costs include the intensive support for families during those tenancies.

Direction of travel – Increasing costs compared with the prior year representing a 2% increase overall, lower than the average inflationary increases during 22/23

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**Metric 6 & 6b – Operating margin %**

Good = higher

Operating profit £0.922m

Divided by

Turnover £7.753m

**Result = 11.9%**

**(2021/22 7.8%)**

This measure shows whether and to what degree an operational surplus is generated on the RP's turnover.

Direction of travel – this increased in 22/23 due to increased covid impact still being experienced in 21/22

**Metric 7 – Return on capital employed (ROCE)**

Operating profit £0.922m

Divided by

Total assets less current liabilities £5.830m

**Result 15.8%**

**(2021/22 9.3%)**

This measure shows whether and to what degree an operational surplus is generated on the RP's capital.

Direction of travel – this increased in 22/23 due to increased covid impact still being experienced in 21/22

**OPINION**

We have audited the financial statements of Nottingham City Homes Registered Provider (the 'company') for the year ended 31 March 2023, which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Cashflow Statement and the related notes, 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 company's affairs as at 31 March 2023 and of the company's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

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- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022.

**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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

**MATERIAL UNCERTAINTY IN RELATION TO GOING CONCERN**

We draw attention to the going concern accounting policy in the financial statements, which indicates that housing services and staff within the company's parent company Nottingham City Homes Limited were transferred back into Nottingham City Council on 1 April 2023. The properties used in the business are mainly leased from Nottingham City Homes Limited. There is no plan in place that sets out how the services delivered by the company will continue to be delivered, whether this will be through this entity, or even whether Nottingham City Homes Limited will be able to continue to own these assets.

As stated in the going concern accounting policy, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**OTHER INFORMATION**

The other information comprises the information included in the Report and Financial Statements other than the financial statements and our Auditors' Report thereon. The directors 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. 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

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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.

**OPINION 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**AUDITORS' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of

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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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- we have considered the nature of the sector, control environment, business performance and performance targets;
- we have considered the results of enquiries with management in relation to their own identification and assessment of the risk of irregularities within the entity;
- we have reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluation and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- we have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, FRS 102, the Accounting Direction for private registered providers of social housing in England, the Housing Statement of Recommended Practice and UK tax legislation. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or avoid a material penalty, including landlord health and safety laws and regulations covering fire risks, gas safety, water hygiene, electrical safety and asbestos.

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Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing board meeting minutes;
- enquiring of management in relation to actual and potential claims or litigations or areas of non-compliance with laws and regulations;
- performing detailed testing in relation to the recognition of revenue, with a particular focus around year-end cut off;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

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

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

### **USE OF OUR REPORT**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

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Nathan Coughlin FCA (Senior statutory auditor)  
for and on behalf of  
Bishop Fleming LLP  
Chartered Accountants  
Statutory Auditors  
Salt Quay House, 4 North East Quay, Sutton Harbour  
Plymouth,  
PL4 0BN



**Nottingham City Homes Registered Provider Limited**  
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**INCOME STATEMENT**  
**For the year ended 31<sup>st</sup> March 2023**

	<i>Notes</i>	Year to 31 March 2023	Year to 31 March 2022
		£'000	£'000
TURNOVER	2	7,753	6,051
Operating expenses	3	<u>(6,871)</u>	<u>(5,641)</u>
Other operating income		40	64
OPERATING PROFIT		<u>922</u>	<u>474</u>
Interest payable	4	(129)	(130)
		-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>793</u>	<u>344</u>
Taxation	6	(162)	(80)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND PROFIT FOR THE FINANCIAL YEAR		<u>631</u>	<u>264</u>

The accounts are prepared on the historical cost basis and relate to continuing activities.

The accounting policies and notes on pages 28 to 39 form part of the accounts.

**Nottingham City Homes Registered Provider Limited**  
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**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31<sup>st</sup> March 2023**

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		Year to 31 March 2023	Year to 31 March 2022
	<i>Notes</i>	£'000	£'000
PROFIT FOR THE FINANCIAL YEAR		631	264
PENSION SCHEME GAINS AND (LOSSES)		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>631</u>	<u>264</u>

The notes on pages 28 to 39 form part of the accounts.

**Nottingham City Homes Registered Provider Limited**  
**(Company limited by guarantee)**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31<sup>st</sup> March 2023**

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	<i>Notes</i>	Profit & loss account £'000
BALANCE AT 31 <sup>st</sup> MARCH 2021	15	42
Profit for the year	15	264
Other comprehensive income		-
		<hr/>
BALANCE AT 31 <sup>st</sup> MARCH 2022	15	306
		<hr/> <hr/>
Profit for the year	15	631
Other comprehensive income		-
		<hr/>
BALANCE AT 31 <sup>st</sup> MARCH 2023	15	937
		<hr/> <hr/>

The notes on pages 28 to 39 form part of the accounts.

**Nottingham City Homes Registered Provider Limited**  
**(Company limited by guarantee)**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 31<sup>st</sup> March 2023**

**Company Registration**  
**Number: 9810057**

	<i>Notes</i>	2023 £'000	2022 £'000
FIXED ASSETS			
Tangible Assets	7	4,730	4,800
CURRENT ASSETS			
Debtors due within one year	8	139	77
Cash at bank and in hand	9	1,468	1,219
		<u>1,607</u>	<u>1,296</u>
CREDITORS:			
amounts falling due within one year	11	(670)	(1,013)
NET CURRENT ASSETS		<u>937</u>	<u>284</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,668	5,083
Creditors: Amounts falling due after more than one year	12	(4,731)	(4,777)
NET ASSETS		<u>937</u>	<u>306</u>
CAPITAL AND RESERVES			
Profit and loss account	15	937	306
TOTAL EQUITY		<u>937</u>	<u>306</u>

As disclosed in note 14, members derive no financial interest from their shareholding and accordingly all capital and reserves are classed as non-equity.

The financial statements were approved and authorised for issue by the Board on 12<sup>th</sup> September 2023 and signed on its behalf by:

Michael Khouri-Bent (Board Chair)

**Nottingham City Homes Registered Provider Limited**  
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**ACCOUNTING POLICIES**  
**For the year ended 31<sup>st</sup> March 2023**

	<i>Notes</i>	2023 £'000	2022 £'000
<b>OPERATING ACTIVITIES</b>			
Cash inflow generated from operations	16	285	206
<b>NET CASH FROM OPERATING ACTIVITIES</b>		285	206
<b>INVESTING ACTIVITIES</b>			
Purchase of tangible fixed assets	7	-	(21)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		-	(21)
<b>FINANCING ACTIVITIES</b>			
Proceeds of new borrowing	13	-	734
Repayment of borrowing		(36)	(29)
<b>NET CASH (OUT)/ IN FROM FINANCING ACTIVITIES</b>		(36)	705
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		249	890
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		1,219	329
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		1,468	1,219
Relating to:-			
Bank balances and short term deposits included in cash at bank and in hand and overdrafts		1,468	1,219

NCC holds funds on behalf of the Company and the above includes the cashflows paid by NCC on behalf of the Company, as set out in Note 9.

The notes on pages 28 to 39 form part of the accounts.

**Nottingham City Homes Registered Provider Limited**  
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**ACCOUNTING POLICIES**  
**For the year ended 31<sup>st</sup> March 2023**

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**GENERAL INFORMATION**

Nottingham City Homes Registered Provider Limited (“the Company”) is a limited company domiciled and incorporated in England. The address of the Company’s registered office and principle place of business is disclosed on page 2. The Company’s principal activities and the nature of the Company’s operations are set out in the Director’s report on page 12.

**BASIS OF ACCOUNTING**

These financial statements are prepared in accordance with Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (FRS 102) and in accordance with the Housing Statement of Recommended Practice (SORP) and Accounting Direction for Private Register Providers of Social Housing 2022.

The financial statements have been prepared in accordance with the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

**TURNOVER**

Turnover includes rental income due to the Company from tenants in relation to the letting of its social housing to Homeless Families on behalf of the City Council.

**TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are included in the balance sheet at historical cost less depreciation, where appropriate. Depreciation is calculated to write off the cost of tangible fixed assets’ less the estimated residual value, on a straight line basis over their estimated useful lives. Cost for housing properties includes the cost of acquiring land and building, construction costs including internal equipment and fittings, directly attributable development administration costs, cost of capital employed during the development period and expenditure incurred in respect of improvements and extension of existing properties to the extent that it enhances the economic benefit derived from the assets.

The following depreciation rates have been used:

<u>Asset Type</u>	<u>Years</u>
Boilers	15
Heating Systems	30
Kitchens	20
Bathrooms	20
Doors	30
Windows	30
Re-wiring	40
Roofs	70
Structure	80

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**For the year ended 31<sup>st</sup> March 2023**

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Land and assets in the course of construction are not depreciated and going forward the useful life of components will be reassessed annually. The accounting policy for depreciation is that charges are applied in the year construction was completed or the year properties were purchased.

**IMPAIRMENT**

The company will undertake impairment reviews where there is an indication that impairment may have occurred. Fixed Assets that are considered to be permanently impaired shall be written down to their recoverable amounts.

**OPERATING LEASES**

Payments under operating leases shall be charged to the profit and loss account on a straight line basis over the period of the lease.

**CAPITAL GRANTS**

Grants due from Government organisations or received in advance are included as current assets or liabilities. All capital grants are amortised to the Consolidated Income Statement over 80 years and the remaining grant is split between Creditors less than and more than, one year. We adopt the accruals method of accounting for capital grants.

**TAXATION**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing difficulties that exist at the reporting date. Timing differences between taxable profit and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

**GOING CONCERN**

NCH Registered Provider Limited is a not-for-profit provider of social housing, registered with the Regulator of Social Housing. NCH Registered Provider's business interests are concentrated on delivering general needs homes for social and Affordable rent let to families and citizens in Nottingham, the provision of specialist supported housing for homeless families and citizens in housing crisis including move on from women's aid refuges and exploring opportunities to meet the housing needs of Nottingham in accordance with the aims and objectives of the NCH Registered Provider business plan.

The company has generated a surplus and positive cash returns in each of the previous two years. The company has produced forecasts that predict the company will continue to generate sufficient returns to enable the company to continue to meet all liabilities as they fall due for a period of at least 12 months following the approval of the financial statements. The Board has

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**ACCOUNTING POLICIES**  
**For the year ended 31<sup>st</sup> March 2023**

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therefore, concluded that it is appropriate to prepare these financial statements on a going concern basis.

The majority of the properties used by the business are leased from its parent company Nottingham City Homes Limited. On 1 April 2023, all of Nottingham City Home's housing activities and staff were transferred back to Nottingham City Council. A longer term plan is being developed with the Council to address the activities being completed by other group companies including the services provided by NCH Registered Provider. At this stage it is uncertain whether these operations will remain in NCH Registered Provider or be transferred to another entity or potentially ceased.

There are ongoing discussions between Nottingham City Homes and Nottingham City Council around a settlement payment to be made to the Council for previous surpluses generated by Nottingham City Homes from the delivery of services for the Council that were reinvested into housing activities by Nottingham City Homes. It is likely that an amount of over £18m will need to be repaid to the Council. Nottingham City Homes does not have sufficient current assets to make such a repayment and some of the surpluses would be tied up in the housing properties acquired that are leased to NCH Registered Provider.

NCH Registered Provider is reliant upon Nottingham City Homes being willing and able to continue to lease their properties to NCH Registered Provider at a similar rate to the existing arrangement to ensure it remains sustainable. NCC remains reliant upon NCH Registered Provider as a significant provider of temporary accommodation and discussions are ongoing around both protecting and increasing these services moving forward.

In addition, NCH Registered Provider Limited employs no staff and has previously incurred an intercompany recharge from Nottingham City Homes for the services provided by their staff. This is now being provided under a service level agreement with the Council. The ongoing cost of these services to NCH Registered Provider is not certain.

The company is ultimately reliant upon Nottingham City Homes and Nottingham City Council to ensure continuation of the lease and provision of services at an appropriate charge. The lack of an approved plan that sets out how and in which entity these services will continue to be delivered, along with ongoing discussions between the parent company Nottingham City Homes and the Council around how a final settlement could be returned to the Council, casts significant doubt over the ability to deliver in accordance with future forecasts and hence creates a material uncertainty over the company's ability to continue as a going concern. Further clarity around this will emerge over the next 12 months.

## **FINANCIAL INSTRUMENTS**

The Company has chosen to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all its financial instruments. Financial instruments and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and liability simultaneously.



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**ACCOUNTING POLICIES**  
**For the year ended 31<sup>st</sup> March 2023**

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**Financial assets**

**Trade debtors**

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

**Financial liabilities and equity**

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

**Trade creditors**

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

**1. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

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 in the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no 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.

<b>2. TURNOVER</b>	2023	2022
	£'000	£'000
Property rental income	7,753	6,051
	<u>7,753</u>	<u>6,051</u>

Turnover represents the value of goods and services provided to third parties.

<b>3. OPERATING EXPENSES</b>	2023	2022
	£'000	£'000
Supplies and services	2,528	2,169
Premises	4,331	3,465
Legal and Professional	7	6
Administration	5	1
	<u>6,871</u>	<u>5,641</u>

**PARTICULARS OF TURNOVER & OPERATING COSTS**  
**2021/22**

Turnover & Op Income	Operating Costs	Operating Profit
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**ACCOUNTING POLICIES**  
**For the year ended 31<sup>st</sup> March 2023**

	£'000	£'000	£'000
Social and Affordable Housing	220	91	129
Other Housing	<u>5,895</u>	<u>5,550</u>	<u>345</u>
	<u>6,115</u>	<u>5,641</u>	<u>474</u>
2022/23	Turnover & Op Income £'000	Operating Costs £'000	Operating Profit £'000
Social and Affordable Housing	324	122	202
Other Housing	<u>7,469</u>	<u>6,749</u>	<u>720</u>
	<u>7,793</u>	<u>6,871</u>	<u>922</u>

**SOCIAL & AFFORDABLE HOUSING LETTINGS – GENERAL NEEDS**

	2023 £'000	2022 £'000
Rents (net of void loss)	316	214
Other income	-	-
	<u>316</u>	<u>214</u>
Amortised grant	8	6
Total Income	<u>324</u>	<u>220</u>
Housing management	9	10
Routine Maintenance	20	15
Property insurance	4	4
Other supplies & services	33	6
Depreciation	56	56
Operating expenditure	<u>122</u>	<u>91</u>
Operating surplus pre interest charges	202	129
Void losses	<u>0</u>	<u>0</u>

Interest paid on property loans in 2022/23 was £129k (2021/22 £130k).

4. INTEREST RECEIVABLE / (PAYABLE)	2023 £'000	2022 £'000
Interest on short term lending from parent undertaking	-	(23)
Interest on long term lending from Group parent	<u>(129)</u>	<u>(107)</u>

**Nottingham City Homes Registered Provider Limited**  
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**ACCOUNTING POLICIES**  
**For the year ended 31<sup>st</sup> March 2023**

	(129)	(130)
<b>5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Fees payable to Bishop Fleming and its associates In respect of audit and non-audit services are as follows:		
	5	5
- Statutory audit of company		
- Taxation Compliance Services	1	1
Operating rentals		
- land and buildings	963	2,924
<b>6. TAXATION</b>		
Analysis of charge in the year:	2023	2022
	£'000	£'000
<i>UK corporation tax</i>		
Current tax on income for the year	162	78
Adjustments in respect of prior years	-	2
Tax on profit on ordinary activities	162	80
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	793	344
Current tax at apportioned standard rate for the year – 19% (2020/21 19%)	151	65
Effected by:		
- Corporation tax exemption	11	15
Total current tax charge	162	80
<b>7. TANGIBLE FIXED ASSETS</b>		
	Freehold Land and Buildings	Total
	2023	2023
	£'000	£'000
<b>Cost</b>		
At 1 <sup>st</sup> April 2022	4,971	4,971
At 31 <sup>st</sup> March 2023	4,971	4,971
<b>Depreciation</b>		
At 1 <sup>st</sup> April 2022	(171)	(171)
Charge for the period	(70)	(70)

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At 31 <sup>st</sup> March 2023	(241)	(241)
<b>Net book value</b>		
At 31 <sup>st</sup> March 2022	4,800	4,800
At 31 <sup>st</sup> March 2023	4,730	4,730

The total accumulated amount of financial assistance and other government grant received or receivable at the date of the statement of financial position is £829k (2021/22 - £829k) based upon properties owned at that date.

At the balance sheet date £42k (2021/22 - £31k) has been recognised in the Statement of Comprehensive Income and £787k (2021/22 - £798k) held as deferred income.

8. DEBTORS: amounts falling due within one year

	2023 £'000	2022 £'000
Trade debtors	532	386
Bad debt provision	(433)	(306)
Amounts owed by Parent undertaking	28	-
Prepayments and accrued income	12	15
	<u>139</u>	<u>77</u>

9. CASH AT BANK AND IN HAND.

The figure disclosed on the balance sheet represents cash held in bank accounts of £1,468k (2021/22 - £1,219k).

	2023 £'000	2022 £'000
10. CREDITORS: amounts falling due within 1 year		
Amount due to Group Parent	-	2
Amounts due to Parent undertaking	326	765
Amounts due to Parent subsidiary	-	10
Other taxes and social security	24	91
Accruals & payments in advance	151	138
Other creditors	7	7
	<u>508</u>	<u>1,013</u>

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11. CREDITORS: amounts falling due after more than one year		
	2023	2022
	£'000	£'000
Intercompany loans (note 12)	3,950	3,986
Grants	781	791
	<u>4,731</u>	<u>4,777</u>
Included in creditors are :		
Amounts repayable in instalments falling due after more than five years	<u>3,791</u>	<u>3,834</u>
12. BORROWING	2023	2022
	£'000	£'000
Creditors: amounts falling due within one year		
- Intercompany Parent loans	18	18
Creditors: amounts falling due after more than 1 year		
- Intercompany Parent loans	3,950	3,986
	<u>3,968</u>	<u>4,004</u>

**13. FINANCIAL INSTRUMENTS**

The Company holds trade debtors, cash and accrued income financial assets and trade creditors, accruals and loan financial liabilities that are all measured at amortised cost. The balances are disclosed in the respective notes.

**14. SHARE CAPITAL AND RESERVES**

The Company is limited by guarantee and the liability of members to contribute to any deficiency of assets is £1 per member. The members have no rights to the income or assets of the Company.

15. RESERVES	Profit and	Total
	loss reserve	
	£'000	£'000
At 1 <sup>st</sup> April 2022	306	306
Total comprehensive income	631	631
	<u>937</u>	<u>937</u>
At 31 <sup>st</sup> March 2023		
16. RECONCILIATION OF PROFIT AFTER TAX TO NET CASH GENERATED FROM OPERATIONS	2023	2022
	£'000	£'000
Profit after tax	631	264
Tax	162	80

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Depreciation of tangible fixed assets	70	70
Interest payable	129	130
Amortisation of Grant	(10)	(10)
Operating cashflows before working capital	<u>982</u>	<u>534</u>
(Increase) / Decrease in debtors	(63)	454
Decrease in creditors	(634)	(782)
<b>CASH GENERATED FROM OPERATIONS</b>	<u>285</u>	<u>206</u>

**17. ACCOMMODATION**

At the end of the year accommodation in management for each class of accommodation was as follows:

	2023	2022
	£'000	£'000
General Needs Housing and buildings		
- Social rent	10	10
- Affordable rent	29	29
Total Owned	<u>39</u>	<u>39</u>
Accommodation leased from others		
- Social rent	390	338
Total accommodation	<u>429</u>	<u>377</u>

**18. COMMITMENTS UNDER OPERATING LEASE**

	2023	2022
	£'000	£'000
Land and buildings. Amounts due:		
- within one year	2,919	907
- between one and five years	1,767	56
	<u>4,686</u>	<u>963</u>

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**19. CAPITAL COMMITMENTS AND OTHER  
CONTRACTUAL OBLIGATIONS**

	2023 £'000	2022 £'000
Capital expenditure contracted for but not provided for in the financial statements	-	-

The Company has no capital commitments.

**20. ULTIMATE PARENT UNDERTAKING**

The Company is a wholly owned subsidiary of NCH.

**21. RELATED PARTY TRANSACTIONS**

The Company has related party transactions with NCH and the City Council (NCC). NCH provides a range of services to the Company and collects rental income on its behalf. During the year £3,579k (2021/22: £3,102k) was charged by NCH and £354k (2021/22: £376k) by NCC and £280k by NCH EL (2021/22 £310k) for services provided to the Company, the leasing of property assets & repayment of NCC loans. Individual balances as at 31 March 2023 are presented below.

	NCH 2023 £'000	NCH 2022 £000	NCC 2023 £'000	NCC 2022 £'000
Trade and other debtors	-	-	69	61
Trade and other creditors	(326)	(765)	(41)	(63)
Intercompany loans (due within 1 year)	-	-	(18)	(18)
	<u>(326)</u>	<u>(765)</u>	<u>(10)</u>	<u>(20)</u>
Intercompany loans (due after 1 year)	-	-	(3,950)	(3,986)
Grant (due after 1 year)	-	-	(114)	(116)
	<u>(326)</u>	<u>(765)</u>	<u>(4,074)</u>	<u>(4,122)</u>

There were no transactions between the Company and key NCH management personnel.

**22. EMPLOYEES**

NCH RP has no employees with all such services provided by NCH.

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**23. EXECUTIVE OFFICER'S EMOLUMENTS**

None of the Executive Management Team, including the Chief Executive Officer, receive any emoluments from NCH RP or have pension contributions paid by NCH RP on their behalf.

**24. POST BALANCE SHEET EVENTS**

All NCH staff delivering services to NCHRP were TUPE Transferred into NCC on 1st April 2023. Services are now bought in from NCC under a service level agreement.