

# Blyth Cottages Charity

Financial statements for the year ended 31 March 2021



# Contents

Trustee, Advisors and Bankers	04
Report of the Trustee	05
Report of the Independent Auditor to the Trustee	11
Statement of Financial Activities	17
Statement of Financial Position	19
Statement of Changes in Reserves	21
Notes to the Financial Statements	23

# Trustee, Advisors and Bankers

## Trustee:

Nottingham Community Housing Association Appointed in 1992 as the Sole Corporate Trustee

Naomi Dobraszczyc  
Clerk to the Trustee

## The directors of the Sole Corporate Trustee are:

Ms Claire Winfield BA (Hons) (NCHA Chair)

Ms Carri Swann BA (retired 2 June 2021)

Mr Paul Casey BA MCIH (retired 28 July 2021)

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

Mr David Harrison BA MCIH

Mr Christopher Blackburn

Ms Donna Edwards BA, CPFA

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

Mr Mike Finister-Smith (Audit and Risk Committee)

Ms Lorelei Jarvis BSc (Hons)

Mr Pradeep Khuti

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

## Registered Office:

12/14 Pelham Road  
Sherwood Rise  
Nottingham  
NG5 1AP

**Telephone**  
0800 013 8555

**Facsimile**  
0115 910 4445

**Email**  
info@ncha.org.uk

## External Auditors:

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

## Solicitors:

Freeths LLP  
Cumberland Court  
80 Mount Street  
Nottingham  
NG1 6HH

## Bankers:

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

The Blyth Cottages Charity is a registered Charity No. 1015943, being an unincorporated charity governed by a Trust Deed, the Constitution adopted in 1992. The Charity is registered with the Regulator of Social Housing (RSH) as a Registered Provider, Registered Number A4196.

# Report of the Trustee

## Objectives and activities

The objective of this Almshouse Charity is the provision of rented accommodation to aged persons in the Parish of Denton and adjoining parishes in Lincolnshire and comprises 12 cottages. 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 aged persons in the parish of Denton and adjoining parishes in Lincolnshire.

## Achievements and performance

The Charity successfully carried out its activities in 2020-2021 in support of its objective.

## Financial review and reserves

The 12 properties provided gross maintenance contributions receivable of £46,563 (2020 - £46,212) at an average weekly contribution of £74.62 (2020 - £72.66) per property.

There was a surplus for the year of £3,732 (2020 - £11,318).

The Statement of Financial Position of the Charity is strong. 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 £121,911 (2020 - £112,597).

## Statement of compliance

The trustee confirms this Report of the Trustee has been prepared in accordance with the principles set out in the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

## Plans for future periods

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

## Investments

Investments held by the Trust are managed by M & G Securities Limited (see accounting policy h) by their Charity Department at PO Box 9038, Chelmsford, CM99 2XF, United Kingdom.

## Value for money self-assessment

The Blyth Cottages Charity is part of the Nottingham Community Housing Association Group. A value for money self-assessment is included each year in the statutory Annual Accounts document for the Group.

## 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 Trust Deed.

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

## Statement of compliance

The Trustee undertook a self-assessment of compliance with the Regulator of Social Housing Regulatory Framework and in particular the Governance and Viability Standard and satisfied itself that the Charity was fully compliant.

## Regulator of Social Housing Metrics: The Blyth Cottages Charity

Where practicable the Group captures the equivalent of the Regulator of Social Housing Metrics for the Blyth Cottages Charity and shows them in the Group Annual Accounts. The Blyth Cottages Charity results for both 2019/2020 and 2020/2021 are shown in the table below along with commentary:

	<b>Regulatory VFM Standard Metric</b>	<b>2019/2020</b>	<b>2020/2021</b>
1	<b>Reinvestment %</b>	<b>1.5%</b>	<b>1.1%</b>
	This metric looks at the financial investment in properties (acquiring and developing new properties, works to existing properties, capitalised interest and schemes completed) as a percentage of the financial value of properties held (Net book value of housing properties) The Blyth Cottages Charity does not currently have a development programme.		
2A	<b>New supply delivered: Social Housing units (%)</b>	<b>0%</b>	<b>0%</b>
	The number of new social housing that have been acquired or developed in the year as a proportion of total social housing units owned at period end. The Blyth Cottages Charity does not currently have a development programme.		
2B	<b>New supply delivered: Non-Social Housing units (%)</b>	<b>0%</b>	<b>0%</b>
	The number of new non-social housing that have been acquired or developed in the year as a proportion of total non-social housing units owned at period end. The Blyth Cottages Charity does not currently have a development programme.		
3	<b>Gearing (%)</b>	<b>-17.9%</b>	<b>-18.8%</b>
	Assesses how much adjusted assets are made up of debt and the degree of dependence on debt finance. It is deemed to be a key indicator of an RP's appetite for growth. The Blyth Cottages Charity does not currently have any external borrowing.		
4	<b>EBITDA (MRI) interest cover (%)</b>	<b>0.0%</b>	<b>0.0%</b>
	An interest cover test, this metric acts as an indicator for liquidity and investment capacity. This measure takes financial operating surplus/loss and adjusts for non-cash items and major repairs and is divided by gross interest payable before capitalisation of interest for development purposes. The Blyth Cottages Charity does not currently have any external borrowing.		
5	<b>Headline Social Housing cost per unit (£)</b>	<b>£2,434</b>	<b>£3,676</b>
	The measure adds together the data generally disclosed in the Annual Report and Accounts for costs such as management, service charges, routine and planned maintenance, major repairs, capitalised major repairs, other social housing letting costs, development services, community neighbourhood services, and charges for support services and then divides by the number of social housing units owned and/or managed at the period end. As with the other surplus based measures relatively minor movements in individual costs such as maintenance make major differences in this measure.		
6A	<b>Operating margin: Social Housing lettings (%)</b>	<b>23.62%</b>	<b>4.54%</b>
	The metric attempts to define how efficient an organisation is. The Regulator asks for the metric to be calculated for social housing letting and also for the group i.e. with all activities included. It is calculated by taking financial operating profit over relevant financial turnover to create a %. The above figure is on the basis of social housing lettings activity. As with the other surplus based measures relatively minor movements in individual costs such as maintenance make major differences in this measure.		
6B	<b>Operating margin: overall (%)</b>	<b>23.62%</b>	<b>4.54%</b>
	As Blyth Cottages Charity is wholly Social Housing lettings this is identical to 6A.		
7	<b>Return on capital employed (%)</b>	<b>1.53%</b>	<b>0.38%</b>
	The metric attempts to assess the efficient investment of capital resources. It should be noted that Blyth Cottages Charity has no capital development programme.		

## Sector Scorecard: The Blyth Cottages Charity

Where practicable the Group captures the equivalent of the Sector Scorecard for the Blyth Cottages Charity and shows them in the Group Annual Accounts. The Blyth Cottages Charity results for both 2019/2020 and 2020/2021 are shown in the table below along with commentary:

Sector Scorecard	2019/2020 Blyth	2019/2020 National median	2020/2021 Blyth
1 <b>Operating margin (overall) (%)</b>	23.6%	21.5%	4.5%
Surplus generated from turnover on provider's day-to-day activities. A measure of overall operational efficiency. The margin has moved closer to the national median.			
2 <b>Operating margin (Social Housing lettings) (%)</b>	23.6%	23.6%	4.5%
Surplus generated from turnover on the part of business that manages social housing. All units social housing.			
3 <b>EBITDA MRI (as % of interest) (5)</b>	0.0%	196.1%	0.0%
An interest cover test, it acts as an indicator for liquidity and investment capacity. This measure takes financial operating surplus/loss and adjusts for non-cash items and major repairs and is divided by gross interest payable before capitalisation of interest for development purposes. The Blyth Cottages Charity does not currently have any external borrowing.			
4 <b>Units developed - new supply (absolute)</b>	0	N/A	0
New properties completed by the Provider during the year. The Blyth Cottages Charity does not currently have a development programme.			
5 <b>Units developed - new supply (% of units owned)</b>	0.0%	1.3%	0.0%
Comparable measure to assess development programme in relation to properties already managed. The Blyth Cottages Charity does not currently have a development programme.			
6 <b>Gearing (%)</b>	-17.9%	33.8%	-18.8%
Assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is deemed to be a key indicator of an RP's appetite for growth. The Blyth Cottages Charity does not currently have any external borrowing.			
7 <b>Customer satisfied with service provided (%)</b>	91.0%	86.9%	88.0%
The measure of outcomes delivered for customers. The group figure is shown as the Blyth Cottages Charity figure is not currently captured separately.			
8 <b>Reinvestment %</b>	2.5%	6.1%	4.7%
Measures the extent to which Providers are investing own money in new supply. The Blyth Cottages Charity does not currently have a development programme.			
9 <b>£ invested for every £ generated from operations in communities</b>	£0k	N/A	£0k
Measures the extent to which Providers are investing own money in communities. This is not a Blyth Cottages Charity function.			

Sector Scorecard	2019/2020 Blyth	2019/2020 National median	2020/2021 Blyth
10 <b>Return on capital employed (%)</b>	1.5%	2.8%	0.4%
The metric attempts to assess the efficient investment of capital resources. It should be noted that the Blyth Cottages Charity has no capital development programme.			
11 <b>Occupancy (%)</b>	98.8%	99.3%	99.7%
Demonstrates how efficient providers are at turning around void properties. There has been only a minor void during the period.			
12 <b>Ratio of responsive repairs to planned maintenance spend</b>	0.35:1	0.64:1	0.09:1
There is an assumption that planned work is the most cost effective way of maintaining properties. This measure looks at the ratio of expenditure on routine maintenance to spend on planned maintenance, major repairs and capitalised major repairs. There is a 30 year planned maintenance programme.			
13 <b>Headline Social Housing cost per unit (£)</b>	£2,434	£4,023	£3,676
Measure calculates the total costs of providing social housing by the number of social housing units. As with the other surplus based measures relatively minor movements in individual costs such as maintenance make major differences in this measure.			
14 <b>Rent collected (%)</b>	104.00%	99.84%	100.00%
Effectiveness of income management function in collecting rent due and managing arrears. Blyth Cottages Charity continues to perform well on income collection.			
15 <b>Overheads as a percentage of adjusted turnover (%)</b>	5.79%	13.90%	3.10%
The proportion of turnover spent on overheads. The national figure calculated on the HouseMark return is not completed until September. HouseMark data continually shows NCHA Group as having exceptionally low overheads compared to turnover. The local figures are on the basis of our internal calculation. The movement in 2020/2021 reflects LEAN gains.			

## Statement of trustee's responsibilities in respect of the accounts

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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 Housing and Regeneration Act 2008, 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 audit information of which the auditor is 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 auditor is aware of that information.

## 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. We consider it appropriate to continue to prepare the financial statements on a going concern basis.

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



**Naomi Dobraszczyc**  
Clerk to the Trustee

# Report of the Independent Auditor to the Trustee



## Opinion

We have audited the financial statements of Blyth Cottages Charity “the charity” for the 31 March 2021 which comprise the Statement of Financial Activities, Statement of Financial Position and the Statement of Changes in Reserves. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- **Give a true and fair view of the state of the charity’s affairs as at 31 March 2021 and of its incoming resources and application of resources (profit/loss), for the year then ended;**
- **Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and**
- **Have been prepared in accordance with the requirements of the Charities Act 2011.**

## Basis for opinion

We conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor’s report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## Matters on which we are required to report by exception

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

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

## Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

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

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

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

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

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

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

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

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



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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](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 Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Beever and Struthers*

### **Beever and Struthers, Statutory Auditor**

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

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

Date: 27th August 2021

# Statement of Financial Activities



## Statement of Financial Activities (Including Income and Expenditure Account)

For the year ended 31 March 2021		Unrestricted General Fund 2021	Unrestricted General Fund 2020
	Note	£	£
<b>Income from:</b>			
Maintenance contributions		46,563	46,212
Less: voids		(128)	(540)
Interest receivable and other income	3	1,368	1,797
Unrealised surplus/(deficit) on revaluation of investments		5,628	(5,359)
<b>Total income</b>		<b>53,431</b>	<b>42,110</b>
<b>Expenditure on:</b>			
Management		(10,184)	(9,459)
Service charge costs		(1,432)	(2,022)
Repairs and maintenance		(27,157)	(10,112)
Depreciation of housing properties		(10,926)	(9,199)
<b>Total expenditure</b>		<b>(49,699)</b>	<b>(30,792)</b>
<b>Net income</b>	<b>4</b>	<b>3,732</b>	<b>11,318</b>
<b>Net movement in funds</b>		<b>3,732</b>	<b>11,318</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward		623,745	612,427
<b>Total funds carried forward</b>		<b>627,477</b>	<b>623,745</b>

The results relate wholly to continuing activities and the notes on pages 23 to 34 form an integral part of these accounts.

The financial statements on pages 17 to 34 were approved and authorised for issue by the Trustee on 28 July 2021 and were signed on its behalf by:



**Naomi Dobraszczyc**  
Clerk to the Trustee

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

# Statement of Financial Position



## Statement of Financial Position

As at 31 March 2021		2021	2020
	Note	£	£
<b>Fixed assets</b>			
Tangible fixed assets (housing properties)	6	505,566	511,148
Investments	7	30,383	24,755
<b>Total fixed assets</b>		<b>535,949</b>	<b>535,903</b>
<b>Current assets</b>			
Debtors	8	394	706
Cash at bank and in hand		94,885	91,432
<b>Total current assets</b>		<b>95,279</b>	<b>92,138</b>
<b>Creditors</b>			
Amounts falling due within one year	9	(3,751)	(4,296)
<b>Net current assets</b>		<b>91,528</b>	<b>87,842</b>
<b>Net assets</b>		<b>627,477</b>	<b>623,745</b>
<b>Funds of The Charity</b>			
Social Housing Grant	10	457,870	457,870
Unrestricted General Reserve	11	169,607	165,875
<b>Total funds of the Charity</b>		<b>627,477</b>	<b>623,745</b>

The notes on pages 23 to 34 form an integral part of these accounts.

The financial statements on pages 17 to 34 were approved and authorised for issue by the Trustee on 28 July 2021 and were signed on its behalf by:



**Naomi Dobraszczyc**  
Clerk to the Trustee

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

# Statement of Changes in Reserves



## Statement of Changes in Reserves

<b>For the year ended 31 March 2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>
	<b>Social Housing Grant</b>	<b>Unrestricted General Reserve</b>	<b>Total</b>
	£	£	£
<b>Balance at 1 April 2019</b>	<b>457,780</b>	<b>154,557</b>	<b>612,427</b>
Surplus from Statement of Financial Activities	-	11,318	11,318
<b>Balance at 1 April 2020</b>	<b>457,870</b>	<b>165,875</b>	<b>623,745</b>
Surplus from Statement of Financial Activities	-	3,732	3,732
<b>Balance at 31 March 2021</b>	<b>457,870</b>	<b>169,607</b>	<b>627,477</b>

The notes on pages 23 to 34 form an integral part of these accounts.

# Notes to the Financial Statements

## Legal status

The Blyth Cottages Charity is a registered Charity No. 1015943, being an unincorporated Charity governed by a Trust Deed, the Constitution adopted in 1992. The Charity is registered with the Regulator of Social Housing as a Registered Provider, Registered Number A4196. The registered office is 12-14 Pelham Road, Nottingham NG5 1AP.



## Notes

### 1. Principal accounting policies

The Charity is a charitable trust and is registered with the Regulator of Social Housing as a Registered Provider as defined by the Housing Act 1996.

#### (a) Basis of accounting

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

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

#### (b) Going concern

The financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. We consider it appropriate to continue to prepare the financial statements on a going concern basis.

#### (c) Turnover and revenue recognition

Turnover represents maintenance contributions from tenants (less loss of contributions due to voids) and is recognised in relation to the period when the goods and services have been supplied. 2020-21 is a 52 rent week year, 2019-20 was a 53 rent week year.

#### (d) Provision for bad debts

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

#### (e) Value Added Tax

The Charity is not registered for VAT. All amounts disclosed in these accounts are inclusive of VAT where applicable.

## Notes

### 1. Principal accounting policies (continued)

#### (f) Housing properties, depreciation and impairment

##### Social Housing

Blyth Cottages Charity's Almshouses were constructed in the late nineteenth century and there is no record of the original cost and no value is attributed thereto. The cost relates to improvements carried out since 1992 which were funded by a loan from the trustee which reflects its receipt of a Social Housing Grant. In addition, the Charity purchased a property on the open market in 2008/09. The full cost of that acquisition as included was £147,766. It subsequently built an additional property which is recorded at historic cost. It also capitalises major repairs work.

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.

Future estimated lives have been determined as follows:

<b>Rehabilitated houses</b>	<b>75 years</b>
-----------------------------	-----------------

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:

<b>Freehold land</b>	<b>Not depreciated</b>
<b>Structure: New build flats and rehabilitated houses</b>	<b>75 years</b>
<b>Roof</b>	<b>50 years</b>
<b>Windows and doors</b>	<b>40 years</b>
<b>Bathroom</b>	<b>25 years</b>
<b>Kitchen</b>	<b>20 years</b>
<b>Heating system</b>	<b>20 years</b>

Reviews for impairment of housing properties are carried out on an annual basis and any impairment in an income generating unit is recognised by a charge to the Statement of Comprehensive Income.

Impairment is recognised where the carrying value of an income generating unit exceeds the higher of its net realisable value or its value in use. An income generating unit could be a single property but is more normally a group of properties whose income and expenditure can be separately identified.

## Notes

### 1. Principal accounting policies (continued)

#### (g) Financial instruments

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

#### (h) Fixed asset investments

The Charity holds fixed asset investments in the National Association of Almshouse Investment Funds and the COIF Charities Deposit Fund. 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.

#### (i) 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.

#### (j) Social Housing Grants

In accordance with the Charities SORP (FRS102), grants received from government have been treated as income and added to reserves. The fund is held separately from unrestricted reserves reflecting the possibility in certain circumstances, such as a merger into another body outwith the regulated sector of a repayment demand from the social housing regulator.

#### (k) 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 period. 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.

## Notes

### 1. Principal Accounting Policies (continued)

#### (k) Judgements and key sources of estimation uncertainty

- iii. 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 Income. 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. 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 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 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 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.

#### (l) Corporation Taxation

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

#### (m) Statement of cash flows

The Charity is similar to a small company and the trustee has elected to take advantage under FRS102 not to prepare a statement of cash flows.

## Notes

**2. Ultimate controlling party, staff costs and directors' emoluments**

Nottingham Community Housing Association Limited is the sole Corporate Trustee of the Blyth Cottages 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.

Services are secured from the ultimate parent. The key employees of the ultimate parent are its Executive Team:



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

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



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

- Development
- Sales
- Asset Management
- Maintenance



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

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



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

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

## Notes

**2. Ultimate controlling party, staff costs and directors' emoluments (continued)**

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

The Charity procures management and financial services from NCHA. These services include the handling and settling of the majority of Blyth Cottages invoices on behalf of the Charity, and NCHA recharges the Charity for the invoiced amount. The Charity paid £8,448 for the management by the Trustee (2019-20 - £8,254) and £20,527 for the maintenance by the Trustee (2019-20 - £10,062). As of 31 March 2021, £62 is due to the Trustee (2019-20 - £70 was due to the Trustee).

**3. Interest receivable and other income**

	2021	2020
	£	£
COIF charities deposit interest	12	64
Bank interest	118	495
Investment income	1,238	1,238
<b>Total</b>	<b>1,368</b>	<b>1,797</b>

**4. Net income for the year**

<b>Net income for the year is stated after charging:</b>	2021	2020
	£	£
Property depreciation	10,926	9,199
Auditors remuneration (excluding VAT) in their capacity as auditors	870	615
Maintenance fee to Trustee (including VAT)	20,527	10,062
Management fee to Trustee (including VAT)	8,448	8,254

## Notes

**5. Taxation**

Blyth Cottages Charity is a registered Charity and is, therefore, exempt from any liability to taxation on its income and capital gains.

**6. Tangible fixed assets (housing properties)**

	Housing properties 2021
	£
<b>Cost</b>	
At 1 April 2020	678,846
Replacement of components	5,344
Disposals	(3,901)
<b>At 31 March 2021</b>	<b>680,289</b>
<b>Depreciation</b>	
At 1 April 2020	167,698
Charge for the year	10,926
Less disposal during the year	(3,901)
<b>At 31 March 2021</b>	<b>174,723</b>
<b>Net book value</b>	
31 March 2021	505,566
31 March 2020	511,148

The above figures are all in respect of freehold properties.

## Notes

**7. Investments**

	2021	2020
	£	£
Market value at 1 April	24,755	30,114
Revaluation adjustment	5,628	(5,359)
<b>Market value at 31 March</b>	<b>30,383</b>	<b>24,755</b>
<b>The investment at market value comprises:</b>		
Unlisted:		
NAACIF 35,370 (2020 - 35,370) Income shares	30,383	24,755
<b>Cost at 31 March</b>	<b>19,107</b>	<b>19,107</b>

**8. Debtors**

	2021	2020
	£	£
Maintenance contributions receivable	394	406
Prepayments	-	300
<b>Total</b>	<b>394</b>	<b>706</b>



## Notes

**9. Creditors: Amounts falling due within one year**

	2021	2020
	£	£
Maintenance contributions received in advance	2,457	2,399
Accruals	1,232	1,827
Amount due to Trustee	62	70
<b>Total</b>	<b>3,751</b>	<b>4,296</b>

**10. Social Housing Grant Reserve**

	2021	2020
	£	£
Social Housing Grant Reserve	457,870	457,870
<b>Total</b>	<b>457,870</b>	<b>457,870</b>

**11. Unrestricted General Reserve**

	2021	2020
	£	£
Balance at 1 April	165,875	154,557
Total Comprehensive Income for the year	3,732	11,318
<b>Balance at 31 March</b>	<b>169,607</b>	<b>165,875</b>

## Notes

**12. Capital commitments**

At 31 March 2021 and 2020 there was no capital expenditure that had been contracted for but had not been provided for in the financial statements and none was authorised by the Trustee but not yet contracted for.

**13. Contingent liabilities**

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

**14. Housing properties and units**

The number of properties managed as at 31 March 2021 was 12 (2020 - 12 properties).

## Notes

**15. Financial instruments**

	2021	2020
	£	£
<b>Assets measured at fair value:</b>		
Investment	30,383	24,755
<b>Assets measured at amortised cost:</b>		
Maintenance contributions receivable	394	406
Prepayments	-	300
Cash at bank and in hand	94,885	91,432
<b>Total</b>	<b>125,662</b>	<b>116,893</b>
<b>Liabilities measured at amortised cost:</b>		
Accruals	1,232	1,827
<b>Total</b>	<b>1,232</b>	<b>1,827</b>

0800 013 8555  
www.ncha.org.uk  
info@ncha.org.uk  
Nottingham Community Housing Association  
12/14 Pelham Road, Sherwood Rise  
Nottingham  
NG5 1AP

@NottsCommHA  
/NottinghamCommunityHousingAssociation

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

Published September 2021  
#539

