

Nottingham Annuity Charity

Financial statements for the year ended 31 March 2021

Charity No. 510023



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Trustee, Advisors and Bankers

Trustee:

Nottingham Community Housing Association Limited was appointed on 9 June 2008 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)
Ms Lorelei Jarvis BSc (Hons)
Mr Mike Finister-Smith (Audit & Risk Committee)
Mr Pradeep Khuti
Mr Paul Parkinson BA (Hons) Dip. RSA FCIH (Appointed 16 September 2020)

Registered Office:

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NG5 1AP

Telephone
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Facsimile
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Email
info@ncha.org.uk

Auditors:

Beever and Struthers
Registered 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 Nottingham Annuity Charity is a registered Charity No. 510023 being an unincorporated Charity governed by a scheme dated 9 June 2008.

Report of the Trustee



Objectives and activities

The objective of the Charity is that of providing income by way of annuity to those aged people in need. 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 income by way of annuity to those aged people in need.

Structure, governance and management

The Charity is governed by a Charity Commission scheme.

Nottingham Community Housing Association is the sole corporate trustee of the Charity. Naomi Dobraszczyc 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.

The Charity is part of the Nottingham Community Housing Association group. Nottingham Community Housing Association Limited was appointed sole corporate trustee of the Charity on 9 June 2008. It provides management and financial services for the Charity. These services include the handling and settling of the majority of Nottingham Annuity Charity invoices on behalf of the Charity, and Nottingham Community Housing Association recharges the Charity for the invoiced amount.

Achievements and performance

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

Financial review and reserves

The total number of annuitants at the end of the year was 23, each receiving £260 or £520 per annum. (2020–26 Annuitants).

The Charity is not permitted to realise its investments and consequently it will always have reserves at least equivalent to the value of investments. The policy of the sole corporate trustee is to distribute investment income to the annuitants without over-committing itself.

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 £484,844 (2020 - £400,131).

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).

Post balance sheet events

We consider that there have been no events since the financial year end which have had a material effect on the financial position of the Charity.

Plans For Future Periods

As a going concern the Charity intends to continue providing its principal activity for the foreseeable future.

Investments

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

Value for money self assessment

The 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 that covers the whole of the Group including this Charity.

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 the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

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. For this reason, the Trustee continues to adopt the going concern basis in preparing the financial statements.

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



Naomi Dobraszczyc
Clerk to the Trustee

Report of the Independent Auditor to the Trustee



Opinion

We have audited the financial statements of Nottingham Annuity Charity “the charity” for the 31 March 2021, which comprise Statement of Financial Activities and the Statement of Financial Position. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102, “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Beever and Struthers, Statutory Auditor

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

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

Date: 27th August 2021

Statement of Financial Activities



Statement of Financial Activities (Including Income and Expenditure Account)

For the year ended 31 March 2021		Unrestricted General Fund	
		2021	2020
	Note	£	£
Income from:			
Investment income	4	16,955	16,856
Bank interest received		27	124
Unrealised gain/(loss) on revaluation of investments	4	82,498	(55,109)
Total income		99,480	(38,129)
Expenditure on:			
Costs of charitable activities:			
Quarterly annuities	2	(11,310)	(12,415)
Christmas gifts		(660)	(780)
Management fees		(1,637)	(1,610)
Audit fee	3	(1,080)	(762)
Bank charges		(80)	(74)
Total expenditure		(14,767)	(15,641)
Net income for the year	8	84,713	(53,770)
Net movement in funds	8	84,713	(53,770)
Reconciliation of funds:			
Total funds brought forward		400,131	453,901
Total funds carried forward	8	484,844	400,131

This statement of financial activities includes all gains and losses during the year. All incoming resources and resources expended derive from continuing activities.

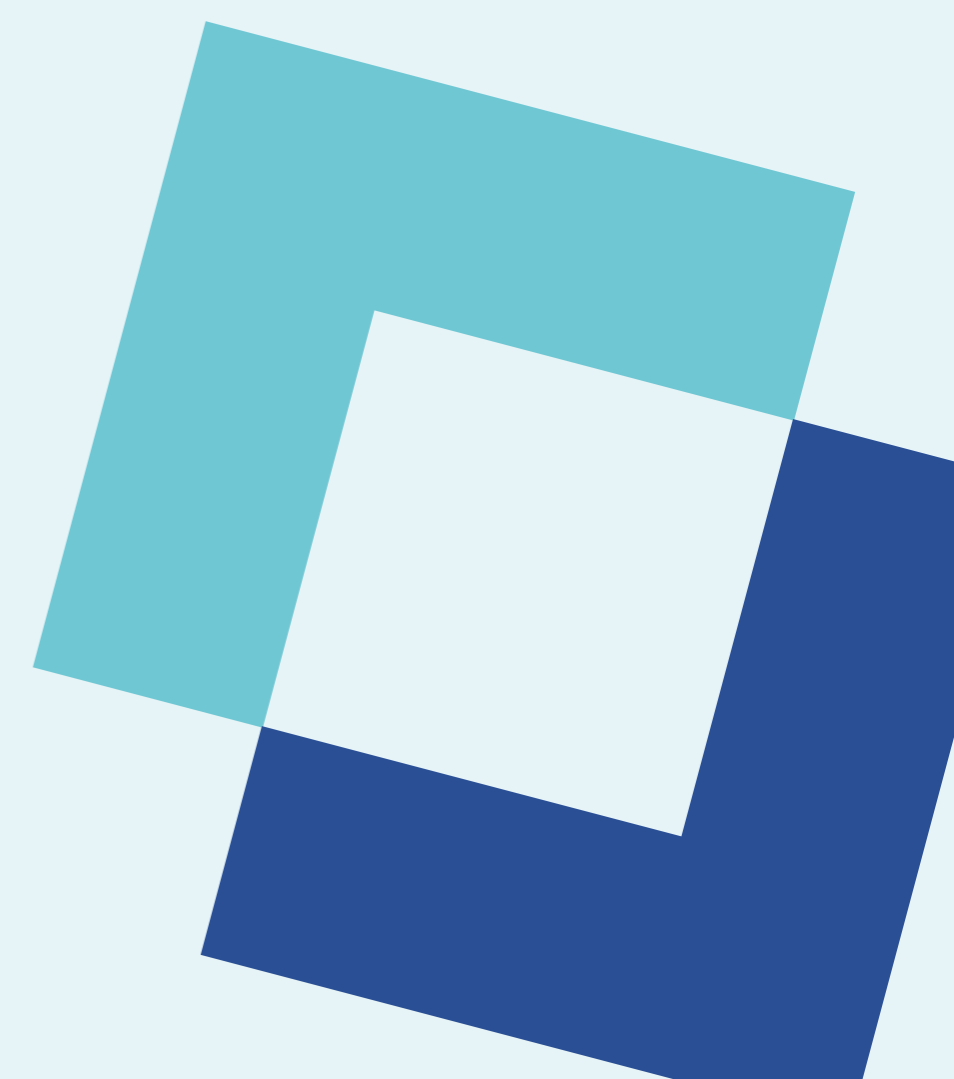
The notes on pages 19 to 26 form an integral part of these financial statements.



Naomi Dobraszczyc
Clerk to the Trustee

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

Statement of Financial Position



Statement of Financial Position

As at 31 March 2021		2021	2020
	Note	£	£
Fixed assets			
Investments	4	464,819	382,321
Current assets			
Cash at bank and in hand		23,965	21,758
Total current assets		23,965	21,758
Current liabilities			
Creditors	5	(3,940)	(3,947)
Net current assets		20,025	17,811
Net assets		484,844	400,131
Funds of The Charity			
Unrestricted General Reserve	8	484,844	400,131

The financial statements on pages 15 to 26 were approved by the Trustee and authorised for issue on 28 July 2021.

The notes on pages 19 to 26 form an integral part of these financial statements.



Naomi Dobraszczyc
Clerk to the Trustee

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

Notes to the Financial Statements

Legal status

The Charity is incorporated as an unincorporated Charity registered in England and Wales with the Charities Commission. The registered office is 12-14 Pelham Road, Nottingham NG5 1AP.



Notes

1. Principal accounting policies (continued)

The Charity is incorporated as a charitable trust in accordance with the Charities Act 2011.

(a) Basis of accounting

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

(b) Income

All income is included in the Statement of Financial Activities when the Charity is entitled to the income. Income represents investment income and bank interest.

(c) Expenditure

Expenditure is recognised on an accruals basis as liabilities are incurred and includes any VAT which cannot be fully recovered. Costs of charitable activities comprise those costs directly attributed to activities and services for its beneficiaries. Governance costs comprise all other running costs of the Charity.

(d) Financial instruments

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

(e) Fixed assets investments

Investments are measured at market value as at the end of the financial year. Any gains and losses on remeasurement are disclosed in the Statement of Financial Activities for the period.

Notes

1. Principal accounting policies (continued)

(f) Current asset investments

Current asset investments include cash and cash equivalents invested for periods of more than thirty days. They are initially recognised at cost and subsequently at fair value at the reporting date. Any change in valuation between the reporting dates is recognised in the Statement of Financial Activities.

(g) 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.

(h) Cash flow statement

The Charity is similar to a small company and a cash flow statement has not been prepared, as permitted by FRS102.

(i) Going concern

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

Notes

2. Annuitants

	2021	2020
	No.	No.
The total number of annuitants at the end of the accounting period	23	26
	£	£
The cost of annuities in force at the end of the accounting period	11,310	12,415

3. Amount payable to Auditor

	2021	2020
	£	£
Auditor remuneration in the capacity as Auditors (excluding VAT)	1080	762

4. Fixed assets investments

Investments held for direct charitable purposes:	2021	2020
	£	£
Market value at start of year	382,321	437,430
Net unrealised investment gain/(loss) on revaluation in the year	82,498	(55,109)
Market value at end of year	464,819	382,321

Notes

4. Fixed assets investments (continued)

	Number of shares held	Cost at 31/03/21	Cost at 31/03/20	Market value at 31/03/21	Market value at 31/03/20
	£	£	£	£	£
M&G Charity Multi Fund Income units	340,853	115,360	115,360	292,793	238,563
COIF Charities Investment Fund	9,596	12,010	12,010	172,026	143,758
Total		127,370	127,370	464,819	382,321

Income from investments:	2021	2020
	£	£
Income from investments:		
M&G Charity Multi Fund Income units	11,930	11,930
COIF Charities Investment Fund	5,025	4,926
	16,955	16,856

5. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Annuities due on 1 April 2021 and 1 April 2020	2,860	3,185
Accruals	1,080	762
Total	3,940	3,947

Notes

6. Capital commitments

At 31st March 2021 and 31st March 2020 there was no capital expenditure that had been contracted for but had not been provided for in the financial statements, and there was no capital expenditure that was authorised by the Trustee but not yet contracted for.

7. Contingent liabilities

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

8. Unrestricted general reserve

	2021
	£
As at 1 April 2019	453,901
Movement in year	(53,770)
As at 1 April 2020	400,131
Movement in year	84,713
As at 31 March 2021	484,844

9. Ultimate controlling party, staff costs and directors' emoluments

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

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

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

Notes

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

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



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

- 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





The directors of the Sole Corporate Trustee receive no payment for their role in the Charity.

The charity purchases management and financial services from NCHA. These services include the handling and settling of the majority of Nottingham Annuity Charity invoices on behalf of the Charity, and Nottingham Community Housing Association recharges the Charity for the invoiced amount. The Charity paid £1,637 for these services in 2020-2021 (2019-2020 - £1,610). At the end of the accounting year there is a creditor balance of nil payable to Nottingham Community Housing Association Limited (2019-2020 – nil).

Notes

10. Financial instruments

	2021	2020
	£	£
Assets measured at fair value:		
Investments	464,819	382,321
Assets measured at amortised cost:		
Cash at bank and in hand	23,965	21,758
Total	488,784	404,079

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 @NottsCommHA

 /NottinghamCommunityHousingAssociation

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

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