

NRAM Homes Limited
(formerly Northern Rock Homes Limited)
Directors' Report and Financial Statements
for the 15 months to 31 March 2014

Registered Number: 02306045



NRAM Homes Limited

Directors' Report and Financial Statements for the 15 months to 31 March 2014

Contents

Company Information	3
Directors' Report for the 15 months to 31 March 2014	4
Independent Auditors' Report to the members of NRAM Homes Limited	6
Statement of Comprehensive Income for the period to 31 March 2014	8
Balance sheet as at 31 March 2014.....	9
Statement of Changes in Equity for the 15 months to 31 March 2014	10
Cash Flow Statement for the period to 31 March 2014	11
Notes to the Financial Statements for the 15 months to 31 March 2014	12

NRAM Homes Limited

Company Information

Directors

Ian John Hares

John Gornall

Secretary

Claire Louise Craigie

Registered office

Croft Road

Crossflatts

Bingley

West Yorkshire

BD16 2UA

NRAM Homes Limited

Directors' Report for the 15 months to 31 March 2014

The Directors present their Report and Financial Statements for NRAM Homes Limited (formerly Northern Rock Homes Limited) ('The Company'), for the 15 months to 31 March 2014. The Company's accounting reference date has been changed from 31 December to 31 March to align to the year end of the Company's controlling party HM Treasury.

Principal activities and business review

The Company qualifies as a small company in accordance with sections 381-382 of the Companies Act 2006 (the 'Act'). The Directors' report has therefore been prepared taking into consideration the entitlement to small companies exemptions provided in section 414B and 415A of the Act.

The Company was incorporated in England and Wales and is a private limited company domiciled in England.

The principal activity of the company was the development of residential housing for sale. The main objectives of the company were to provide housing at low cost, mainly for first time buyers and to assist in the revitalisation of inner city housing stock. The Company has completed its activities in the development of residential projects, however it retains an interest in a small number of properties which it intends to dispose of in due course.

Risk management and control

Financial risk is managed at group level and is discussed in the NRAM plc (formerly Northern Rock (Asset Management) plc) group Financial Statements. Details of financial risk management within the Company are given in note 11.

Dividends

No dividend was paid in the 15 months ended 31 March 2014 (2012: £nil), and the Director does not recommend the payment of a final dividend for the 15 months to 31 March 2014 (2012: £nil).

Directors and their interests

The Directors who served during the period were as follows:

Paul Martin Hopkinson (resigned 30 June 2014)
Phillip Alexander Mclelland (resigned 25 November 2013)
John Gornall (appointed 30 June 2014)
Ian John Hares (appointed 25 November 2013)

The Directors did not hold any interest in the ordinary shares of the Company during the 15 months ended 31 March 2014 or the 12 months ended 31 December 2012. The Directors had no interest in the loan capital of B&B or any other interest in the share or loan capital of its subsidiaries.

Directors' indemnities

The Company has provided Mr Hares with a Deed of Indemnity, which constituted 'qualifying third party indemnity provision' in accordance with the provisions of the Companies Act 2006. The Deed was in force during the financial period ended 31 March 2014 and remains in force as at the date of approval of the Director's report. Qualifying indemnity provision was also in force for the benefit of Mr McLelland until 25 November 2013.

UKAR has also arranged Directors' and Officers' Insurance on behalf of the Director in accordance with the provisions of the Companies Act 2006.

NRAM Homes Limited

Directors' Report for the 15 months to 31 March 2014 (continued)

Statement of Directors' Responsibilities

The Directors are responsible for preparing 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 period. Under that law the Directors have prepared the Financial Statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union. 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 accounting estimates that are reasonable and prudent;
- State whether applicable IFRS as adopted by the European Union 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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

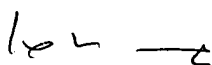
The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418(2) of the Companies Act 2006.

Independent auditors

The independent auditors, PricewaterhouseCoopers LLP, have expressed their willingness to continue in office until the next annual general meeting. Pursuant to section 489 of the Companies Act 2006, a resolution for the re-appointment of PricewaterhouseCoopers LLP will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board



John Gornall
Director
10 December 2014

NRAM Homes Limited

Independent Auditors' Report to the members of NRAM Homes Limited

Report on the Financial Statements

Our Opinion

In our opinion the Financial Statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 31 March 2014 and of its results and cash flows for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The Financial Statements, which are prepared by NRAM Homes Limited, comprise:

- the Balance Sheet as at 31 March 2014;
- the Statement of Comprehensive Income for the period then ended;
- the Cash Flow Statement for the period then ended;
- the Statement of Changes in Equity for the period then ended; and
- the notes to the Financial Statements, which include a summary of principal accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRS as adopted by the European Union.

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of Financial Statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ('ISAs (UK & Ireland)'). An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the Financial Statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

NRAM Homes Limited

Independent Auditors' Report to the members of NRAM Homes Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the Financial Statements are prepared is consistent with the Financial Statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

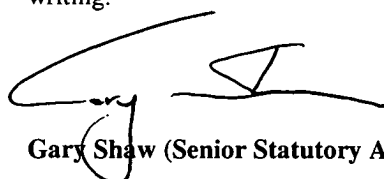
Responsibilities for the Financial Statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Gary Shaw (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
10 December 2014

NRAM Homes Limited

Statement of Comprehensive Income for the period to 31 March 2014

	Note	At 31 March 2014 £	At 31 December 2012 £
Other income		-	17,750
Result/profit before income tax		-	17,750
Taxation	5	3,556	(3,556)
Result/Profit and total comprehensive income for the financial period/year attributable to owners of the parent company		3,556	14,194

NRAM Homes Limited

Balance Sheet as at 31 March 2014

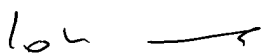
Registered Number: 02306045

	Note	At 31 March 2014 £	At 31 December 2012 £
Assets			
Current assets			
Sharebuy properties	6	160,930	160,930
Other assets	7	2,190,774	2,190,774
Total assets		2,351,704	2,351,704
Liabilities			
Current liabilities			
Corporation tax payable		-	3,556
Total liabilities		-	3,556
Equity			
Ordinary shares	8	6	6
Retained earnings		2,351,698	2,348,142
Total equity		2,351,704	2,348,148

The notes on pages 12 to 17 form an integral part of these Financial Statements.

The Company has not traded throughout the 15 months ended 31 March 2014.

The Financial Statements on pages 8 to 17 were approved by the Board of Directors and authorised for issue on 10 December 2014 and signed on its behalf by:



John Gornall
Director

NRAM Homes Limited

Statement of Changes in Equity for the 15 months to 31 March 2014

	Ordinary shares £	Retained earnings £	Total equity £
Balance at 1 January 2013	6	2,348,142	2,348,148
Profit and total comprehensive income for the financial period	-	3,556	3,556
Balance at 31 March 2014	6	2,351,698	2,351,704

	Ordinary shares £	Retained earnings £	Total equity £
Balance at 1 January 2012	6	2,333,948	2,333,954
Profit and total comprehensive income for the financial year	-	14,194	14,194
Balance at 31 December 2012	6	2,348,142	2,348,148

NRAM Homes Limited

Cash Flow Statement for the period to 31 March 2014

	At 31 March 2014 £	At 31 December 2012 £
Net cash flows from operating activities		
Profit before taxation	-	17,750
Adjusted for:		
Income taxes paid	-	(476)
Net cash flows from operating activities before changes in operating assets and liabilities	-	17,274
Changes in operating assets and liabilities		
Net decrease in sharebuy properties	-	17,500
Net increase in other assets	-	(34,774)
Net movement in cash and cash equivalents	-	-
Opening cash and cash equivalents	-	-
Closing cash and cash equivalents	-	-

NRAM Homes Limited

Notes to the Financial Statements for the 15 months to 31 March 2014

1. Principal accounting policies

The Company is a limited liability company incorporated and domiciled in the United Kingdom. The Company's accounting reference date has been changed from 31 December to 31 March to align to the year end of the Company's controlling party, HM Treasury. The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Statement of compliance

The Company's Financial Statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ('adopted IFRS').

For these Financial Statements the Company has not adopted the following statements; the Company is assessing the impacts of these statements on its Financial Statements:

- IFRS 9 'Financial Instruments'; this statement has not yet been adopted for use in the EU. The Company continues to monitor developments.
- The Annual Improvements to IFRSs 2010-2012 Cycle, issued in December 2013. These changes are mandatory for the Company's Financial Statements for the year to 31 March 2016.
- The Annual Improvements to IFRSs 2011-2013 Cycle, issued in December 2013. These changes are mandatory for the Company's Financial Statements for the year to 31 March 2016.

All other new standards, amendments to standards and interpretations are not considered relevant to, and have no impact upon, the Financial Statements of the Company.

(b) Basis of preparation

The Financial Statements are prepared on the historical cost basis. The Financial Statements are presented in pounds sterling, which is the currency of the Company's primary operating environment, and on a going concern basis.

The Directors consider that the accounting policies set out in this note are the most appropriate to the Company's circumstances, have been consistently applied by the Company in dealing with items which are considered material, and are supported by reasonable and prudent estimates and judgements.

The Financial Statements have been prepared in accordance with EU adopted IFRS, IFRIC interpretations issued by the IFRS Interpretations Committee and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. A summary of accounting policies is set out below. The preparation of the Financial Statements in conformity with these accounting policies and generally accepted accounting principles requires the use of estimates and assumptions that affect the reported values of assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amounts, event or actions, actual results ultimately may differ from those estimates (see note 2).

(c) Sharebuy properties

The Company's equity share of sharebuy properties represents freehold land and buildings and is included in the Balance Sheet at the lower of cost and net realisable value. Cost includes expenditure that is directly attributable to the acquisition of the items. No depreciation is charged in respect of sharebuy properties.

NRAM Homes Limited

Notes to the Financial Statements for the 15 months to 31 March 2014 (continued)

1. Principal accounting policies (continued)

(d) Taxation

(i) Current tax

The charge for taxation is based on the result for the period and takes into account taxation deferred or accelerated arising from temporary differences between the carrying amounts of certain items for taxation and for accounting purposes.

(ii) Deferred tax

Deferred tax is calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

(e) Financial instruments

In accordance with IAS 39 each financial asset is classified at initial recognition into one of the following categories:

(i) Financial assets at fair value through profit or loss; or

(ii) Loans and receivables;

and each financial liability into one of two categories:

(iii) Financial liabilities at fair value through profit or loss; or

(iv) Other liabilities.

Measurement of financial instruments is either at amortised cost (categories (ii) and (iv) above) or at fair value (categories (i) and (iii) above), depending on the category of financial instrument. The Company does not carry any financial instruments at fair value.

2. Critical accounting judgements and estimates

In preparation of the Company's Financial Statements judgements and estimates may be made which may affect the reported amounts of assets and liabilities; judgements and estimates are kept under continuous evaluation. Judgements and estimates are based on historical experience, expectations of future events and other factors. The Directors are of the opinion that the intangible fixed assets are not impaired. At 31 March 2014 there were no other critical accounting judgements and estimates.

NRAM Homes Limited

Notes to the Financial Statements for the 15 months to 31 March 2014 (continued)

3. Auditors' remuneration

The audit fee of £468 (period ended 31 December 2012: £468) has been included in the overall audit fee for the NRAM group, which has been paid by NRAM. Details of the overall fee can be found in the NRAM Financial Statements.

4. Employees' and Directors' emoluments

There were no employees during the 15 months ended 31 March 2014 and the 12 months ended 31 December 2012 and the Directors did not receive emoluments in respect of their services to the Company during the 15 months ended 31 March 2014 or the 12 months ended 31 December 2012.

5. Taxation

	At 31 March 2014 £	At 31 December 2012 £
The income tax (credit)/expense for the period/year comprises:		
UK corporation tax on profits for the period/year	-	3,556
Adjustments in respect of prior years	(3,556)	-
Income tax (credit)/expense	(3,556)	3,556

Factors affecting the tax expense in the period/year

The tax on the Company's profit before income tax differs to (2012: differs) the theoretical amount that would arise using the weighted average tax rate applicable to profits of the company as follows:

	At 31 March 2014 £	At 31 December 2012 £
Profit before income tax	-	17,750
Tax thereon at 23.2% (2012: 24.5%)	-	4,349
Less marginal relief	-	(793)
Adjustments in respect of prior years	(3,556)	-
Income tax (credit)/expense	(3,556)	3,556

NRAM Homes Limited

Notes to the Financial Statements for the 15 months to 31 March 2014 (continued)

6. Sharebuy properties

	At 31 March 2014 £	At 31 December 2012 £
Freehold land and buildings		
Cost		
At beginning of period/year	160,930	178,430
Disposals	-	(17,500)
At end of period/year	160,930	160,930

Under the terms of the contracts with residents, the Company's interests in sharebuy properties can only be realised when residents decide to sell the properties, or when residents exercise their option to increase their own equity share.

7. Other assets

	At 31 March 2014 £	At 31 December 2012 £
Amounts owed by parent undertaking	2,190,774	2,190,774

Amounts owed by the parent undertaking are unsecured, do not carry any interest and are payable on demand.

8. Ordinary shares

	At 31 March 2014 £	At 31 December 2012 £
Authorised		
1,000 (2012: 1,000) ordinary shares of £1 each	1,000	1,000
Allotted and fully paid		
6 (2012: 6) ordinary shares of £1 each	6	6

There is only one class of ordinary share which carries no right to fixed income.

NRAM Homes Limited

Notes to the Financial Statements for the 15 months to 31 March 2014
(continued)

9. Related party transactions

	At 31 March 2014 £
Amounts owed by NRAM:	
Loans outstanding at 1 January 2013	2,190,774
Net amounts advanced	-
Loans outstanding at 31 March 2014	2,190,774
	At 31 December 2012 £
Amounts owed by NRAM:	
Loans outstanding at 1 January 2012	2,156,000
Net amounts repaid	34,774
Loans outstanding at 31 December 2012	2,190,774

10. Financial instruments

(a) Categories of financial assets and financial liabilities: carrying value compared to fair value

	Loans and receivables	Total carrying value	Fair value
31 March 2014	£	£	£
Other receivables	2,190,774	2,190,774	2,190,774

	Loans and receivables	Total carrying value	Fair value
31 December 2012	£	£	£
Other receivables	2,190,774	2,190,774	2,190,774

The carrying value of each financial asset and liability is considered to be a reasonable approximation of the fair value due to the short term maturity dates of these items.

NRAM Homes Limited

Notes to the Financial Statements for the 15 months to 31 March 2014 (continued)

11. Financial risk management

The Company's exposure to credit risk, ie the risk that a counterparty of the Company will be unable or unwilling to meet a commitment that it has entered into with the Company, is the carrying value of the Company's other assets.

The Directors consider that the Company has no other material exposures to market risks.

12. Capital management

Capital is managed at group level. See NRAM Annual Report and Accounts for full details.

13. Ultimate parent undertaking

NRAM is the parent company of the smallest group to consolidate the Company's Financial statements and UK Asset Resolution Limited is the parent company of the largest group to consolidate the Company's Financial Statements. Copies of the group Financial Statements can be obtained from NRAM plc, Croft Road, Crossflatts, Bingley, BD16 2UA.

All shares in NRAM were transferred to the Treasury Solicitor as nominee for HM Treasury on 22 February 2008 as a result of The Northern Rock Transfer Order 2008. On 1 October 2010 all shares in NRAM were acquired via a share-for-share exchange by UK Asset Resolution Limited ('UKAR'), a private limited company incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales, which is wholly owned by the Treasury Solicitor as nominee for HM Treasury. As such the company considers Her Majesty's Government to be the ultimate controlling party.

14. Events after the balance sheet date

The Directors are of the opinion that there have been no significant events which have occurred since 31 March 2014 to the date of this report that are likely to have a material effect on the Company's financial position as disclosed in the Financial Statements.