

NRAM Homes Limited

**Annual Report and Financial Statements
for the 12 months to 31 March 2018**

Registered Number: 02306045



NRAM Homes Limited

Contents

| | |
|---|----|
| Company Information | 3 |
| Directors' Report..... | 4 |
| Independent Auditor's report to the Members of NRAM Homes Limited | 6 |
| Statement of Comprehensive Income | 9 |
| Balance Sheet | 10 |
| Statement of Changes in Equity | 11 |
| Cash Flow Statement..... | 12 |
| Notes to the Financial Statements..... | 13 |

NRAM Homes Limited

Company Information

Directors

Ian Hares

John Gornall

Secretary

Claire Craigie

Registered office

Croft Road

Crossflatts

Bingley

West Yorkshire

BD16 2UA

NRAM Homes Limited

Directors' Report for the 12 months to 31 March 2018

The Directors present their report together with the audited Financial Statements of NRAM Homes Limited ('the Company') for the 12 months to 31 March 2018. The Company is a private limited liability company incorporated and domiciled in the United Kingdom.

Principal activities and business review

The Company is excluded from the small companies reporting regime due to being a member of an ineligible group as defined in section 384 of the Companies Act 2006 ('the Act'). However, as permitted by section 414B of the Act the Company has not presented a Strategic Report as it would otherwise meet the small company criteria in section 382 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 (the Sharebuy properties) which it intends to dispose of in due course.

Future outlook

At the present time the Directors do not foresee any changes in the Company's activities.

Results

The results for the year are shown in the Statement of Comprehensive Income on page 9. The profit after taxation was £677 (2017: £24,650 profit). As detailed in note 2 the comparative financial information for 2017 and 2016 has been restated.

Dividends

No dividends were paid in the year (2017: £nil). The Directors do not recommend the payment of a final dividend for the year (2017: £nil).

Financial risk management objectives and policies

Financial risk is managed at group level and is discussed on pages 8 to 10 of the NRAM Limited ('NRAM') group financial statements for the year ended 31 March 2018. Information regarding the Company's financial risk management objectives and policies is given in note 14 to the Financial Statements.

Directors and their interests

The Directors who served during the year and up to the date of signing the Financial Statements were as follows:

John Gornall

Ian Hares

Ian Hares is also a director of NRAM.

The Directors did not hold any interest in the ordinary shares of the Company during the current or previous year.

NRAM Homes Limited

Directors' Report for the 12 months to 31 March 2018 (continued)

Directors' indemnities

The Company has provided both Ian Hares and John Gornall with a Deed of Indemnity, which constituted 'qualifying third party indemnity provision' in accordance with the provisions of the Companies Act 2006. The Deeds were in force during the financial year ended 31 March 2018 and remain in force as at the date of approval of the Director's Report. UK Asset Resolution Limited ('UKAR') has also arranged Directors' and Officers' Insurance on behalf of the Directors in accordance with the provisions of the Companies Act 2006.

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;
- 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.

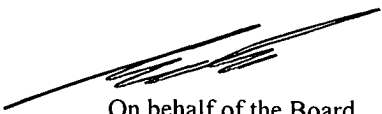
Disclosure of information to auditors

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 National Audit Office have indicated their willingness to continue in office. A resolution that they be reappointed will be proposed at the forthcoming Annual General Meeting.



On behalf of the Board
Ian Hares
Director
14 December 2018

NRAM Homes Limited

Independent auditor's report to the members of NRAM Homes Limited

Opinion on financial statements

I have audited the financial statements of NRAM Homes Limited for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the International Financial Reporting Standards as adopted by the European Union.

In my opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of the profit for the year then ended; and
- have been properly prepared in accordance with the international Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the Companies Act 2006.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of NRAM Homes Limited in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for:

- the preparation of the financial statements and for being satisfied that they give a true and fair view.
- such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- assessing the company's ability to continue as a going concern, disclosing, if applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

NRAM Homes Limited

Independent auditor's report to the members of NRAM Homes Limited

(continued)

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (ISAs) (UK).

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. 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.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NRAM Homes Limited's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on NRAM Homes Limited's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

NRAM Homes Limited

Independent auditor's report to the members of NRAM Homes Limited

(continued)

Other Information

Directors are responsible for the other information. The other information comprises information included in the Directors' Report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In my opinion:

- in light of the knowledge and understanding of the group and the company and its environment obtained in the course of the audit, I have not identified any material misstatements in the Directors' Report; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements.

Matters on which I report by exception

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept by NRAM Homes Limited, or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit.



Hilary Lower (Senior Statutory Auditor)

14 December 2018

For and on behalf of the

Comptroller and Auditor General (Statutory Auditor)

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

NRAM Homes Limited

Statement of Comprehensive Income for the 12 months to 31 March 2018

| | | 12 months to 31 Mar 2018 | Restated* 12 months to 31 Mar 2017 |
|---|-------------|-------------------------------------|---|
| | Note | £ | £ |
| Property income | 8 | 117,739 | - |
| Profit on disposal of Sharebuy properties | | - | 26,420 |
| Rental income | 9 | 990 | 990 |
| Property costs | 8 | (117,739) | (2,934) |
| Interest expense | | (136) | (131) |
| Profit before tax | | 854 | 24,345 |
| Taxation | 6 | (177) | 305 |
| Total comprehensive income for the financial year attributable to owners of the parent company | | 677 | 24,650 |

* The Statement of Comprehensive Income for the 12 months to 31 March 2017 has been restated as detailed in note 2.

The notes on pages 13 to 22 form an integral part of these Financial Statements.

The results above arise from continuing activities.

NRAM Homes Limited

Balance Sheet as at 31 March 2018


Registered Number: 02306045

| | Note | At 31 March 2018 £ | Restated* At 31 March 2017 £ | Restated* At 1 April 2016 £ |
|-------------------------------------|------|--------------------------|---------------------------------------|--------------------------------------|
| Assets | | | | |
| Current assets | | | | |
| Sharebuy properties | 7 | 58,700 | 58,700 | 75,200 |
| Accrued income | 8 | 117,739 | - | - |
| Other receivables | 9 | 19,800 | 18,810 | 17,820 |
| Deferred tax | | 128 | 305 | - |
| Other assets | 10 | 48,837 | 166,576 | 126,590 |
| Total assets | | 245,204 | 244,391 | 219,610 |
| Equity and liabilities | | | | |
| Current liabilities | | | | |
| Deferred income | 9 | 248 | 248 | 248 |
| Corporation tax | | 9,629 | 9,493 | 9,362 |
| Total liabilities | | 9,877 | 9,741 | 9,610 |
| Equity | | | | |
| Ordinary shares | 11 | 6 | 6 | 6 |
| Retained earnings | | 235,321 | 234,644 | 209,994 |
| Total equity | | 235,327 | 234,650 | 210,000 |
| Total equity and liabilities | | 245,204 | 244,391 | 219,610 |

* The Balance Sheets as at 31 March 2017 and 1 April 2016 have been restated as detailed in note 2.

The notes on pages 13 to 22 form an integral part of these Financial Statements.

The Financial Statements on pages 9 to 22 were approved by the Board of Directors and authorised for issue on 14 December 2018 and signed on its behalf by:


Ian Hares
Director

NRAM Homes Limited

Statement of Changes in Equity for the 12 months to 31 March 2018

| | Ordinary shares £ | Retained earnings £ | Total equity £ |
|---|-------------------------|---------------------------|----------------------|
| Balance at 1 April 2017 as previously reported | 6 | 279,076 | 279,082 |
| Restatement adjustment | - | (44,432) | (44,432) |
| Balance at 1 April 2017 (restated*) | 6 | 234,644 | 234,650 |
| Total comprehensive income for the year | - | 677 | 677 |
| Balance at 31 March 2018 | 6 | 235,321 | 235,327 |

Restated for the 12 months to 31 March 2017

| | Ordinary shares £ | Retained earnings £ | Total equity £ |
|---|-------------------------|---------------------------|----------------------|
| Balance at 1 April 2016 as previously reported | 6 | 257,940 | 257,946 |
| Restatement adjustment | - | (47,946) | (47,946) |
| Balance at 1 April 2016 (restated*) | 6 | 209,994 | 210,000 |
| Restated total comprehensive income for the year | - | 24,650 | 24,650 |
| Balance at 31 March 2017 (restated*) | 6 | 234,644 | 234,650 |

* Retained earnings as at 1 April 2016 and 31 March 2017 have been restated as detailed in note 2.

NRAM Homes Limited

Cash Flow Statement for the 12 months to 31 March 2018

During the current and previous year the Company had no cash flows. Cash transactions made by NRAM on the Company's behalf are reflected in the intercompany balance. Consequently no Cash Flow Statement has been presented for either year.

NRAM Homes Limited

Notes to the Financial Statements for the 12 months to 31 March 2018

NRAM Homes Limited is a private limited company incorporated and domiciled in the United Kingdom.

1 Principal accounting policies

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 periods 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'). IFRS comprises accounting standards prefixed IFRS issued by the International Accounting Standards Board ('IASB') and those prefixed IAS which were issued by the IASB's predecessor body, along with interpretations issued by the IFRS Interpretations Committee ('IFRIC') prefixed IFRIC and those prefixed SIC which were issued by the IFRIC's predecessor body.

- There have been no significant changes to the Company's accounting policies since 31 March 2017.

For these 2018 Financial Statements the Company has not adopted the following statements:

- With effect from 1 April 2018, the Company will be applying IFRS 9 'Financial Instruments'. No material impacts are expected for the Company.
- IFRS 15 'Revenue from Contracts with Customers', issued May 2014, effective for periods beginning on or after 1 January 2018. No material impacts are expected for the Company. All of the Company's revenues are recognised as services are provided.

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. At the date of approval of these Financial Statements the Company is reliant on the financing facilities provided to its parent company, NRAM, by HM Treasury. Withdrawal of the financing facilities would have a significant impact on NRAM's operations and its ability to continue as a going concern, in which case adjustments may have to be made to reduce the carrying value of assets to recoverable amounts and to provide for further liabilities that might arise. At the date of approval of these Financial Statements, HM Treasury has confirmed its intentions to continue to provide funding to NRAM until at least 1 January 2020 subject to NRAM continuing to be a subsidiary company of UKAR. The Directors of UKAR have indicated that they would only enter in to a sale of NRAM if the plans to do so were viable. In such a circumstance any potential buyer of NRAM would not be subject to state aid restrictions and could arrange appropriate funding if required. NRAM has confirmed its intentions to honour all intragroup balances in this timeframe subject to HM Treasury continuing to make available funding and guarantees to NRAM during this time. The Directors are of the opinion that the amount owed to the Company by NRAM would continue to be fully recoverable following a sale of NRAM by UKAR and that therefore the Company would continue to be a going concern.

NRAM Homes Limited

Notes to the Financial Statements for the 12 months to 31 March 2018 (continued)

1 Principal accounting policies (continued)

(b) Basis of preparation (continued)

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 3).

(c) Sharebuy properties

The Company's equity share of Sharebuy properties represents freehold land and buildings. These are recognised as investment properties in accordance with IAS 40 'Investment Property' and included in the Balance Sheet at the lower of cost and net realisable value in accordance with IAS 16 'Property, Plant and Equipment'. Cost includes expenditure that is directly attributable to the acquisition of the items. No depreciation is currently being charged in respect of Sharebuy properties as the residual value of the properties is expected to exceed the current carrying values.

All Sharebuy properties are reviewed at each published Balance Sheet date for any indication of impairment. If there is indication of impairment, the carrying value is reviewed. If any impairment is identified, the asset is written down to the impaired value, being the higher of value in use and estimated net proceeds of sale, with the impairment being charged immediately to the Statement of Comprehensive Income.

(d) Taxation

(i) Current tax

The charge for taxation is based on the result for the year 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 the Company's financial assets were classified at initial recognition as 'loans and receivables' and its financial liabilities as 'other liabilities'.

Measurement of financial instruments is at amortised cost. The Company does not carry any financial instruments at fair value.

Allowances for impairment are made if, and only if, there is objective evidence that a loss event has occurred by the Balance Sheet date.

(f) Property income

Property income represents amounts due from the tenants in relation to window repairs at the Company's freehold property interest.

(g) Property costs

Property costs represent expenses incurred in relation to the Company's freehold property interest.

NRAM Homes Limited

Notes to the Financial Statements for the 12 months to 31 March 2018 (continued)

2 Restatement of comparatives

| | Previously presented 31 March 2017 £ | Adjustment £ | Restated 31 March 2017 £ |
|----------------------|---|-----------------|--------------------------------|
| Balance Sheet | | | |
| Sharebuy properties | 114,450 | (55,750) | 58,700 |
| Other receivables | - | 18,810 | 18,810 |
| Deferred tax asset | - | 305 | 305 |
| Other assets | 171,670 | (5,094) | 166,576 |
| Deferred income | - | (248) | (248) |
| Corporation tax | (7,038) | (2,455) | (9,493) |
| Retained earnings | (279,076) | 44,432 | (234,644) |

| | Previously presented 1 April 2016 £ | Adjustment £ | Restated 1 April 2016 £ |
|----------------------|--|-----------------|-------------------------------|
| Balance Sheet | | | |
| Sharebuy properties | 130,950 | (55,750) | 75,200 |
| Other receivables | - | 17,820 | 17,820 |
| Other assets | 128,750 | (2,160) | 126,590 |
| Deferred income | - | (248) | (248) |
| Corporation tax | (1,754) | (7,608) | (9,362) |
| Retained earnings | (257,940) | 47,946 | (209,994) |

| | Previously presented 31 March 2017 £ | Adjustment £ | Restated 31 March 2017 £ |
|---|---|-----------------|--------------------------------|
| Statement of Comprehensive Income | | | |
| Profit on disposal of Sharebuy properties | 26,420 | - | 26,420 |
| Rental income | - | 990 | 990 |
| Property costs | - | (2,934) | (2,934) |
| Interest expense | - | (131) | (131) |
| Tax charge | (5,284) | 5,589 | 305 |
| Profit after tax | 21,136 | 3,514 | 24,650 |

The Directors have identified errors in the previously reported Financial Statements of the Company for 31 March 2017 and 31 March 2016. As these errors are considered material, the comparative figures in these 2018 Financial Statements have been restated to present the corrected amounts in accordance with the approach for correction of prior period errors set out in IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

NRAM Homes Limited

Notes to the Financial Statements for the 12 months to 31 March 2018 (continued)

2 Restatement of comparatives (continued)

The composition of the stock of Sharebuy properties held at 31 March 2016 had been incorrectly recorded. The total carrying amount of Sharebuy properties was overstated by £55,750. Previously unrecorded ground rental receipts totalling £17,820, including £248 received in advance, and property costs of £2,160 incurred by NRAM and recharged to the Company have also been recognised.

Correcting these errors, along with the associated tax impact, has decreased retained earnings at 31 March 2016 by a total of £47,946.

For 2017, previously unrecorded ground rental income has been recognised. Also, costs incurred by NRAM in relation to properties held have been recharged to the Company. Correcting these errors along with the associated tax impact has decreased retained earnings at 31 March 2017 by a total of £44,432.

The reported Income Statement for the year ended 31 March 2017 omitted costs and rental income relating to freehold properties held by the Company and interest on late corporation tax payments relating to the ground rental income. Correction of these errors resulted in an increase in retained earnings of £3,514.

3 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 and are based on historical experience, expectations of future events and other factors.

Judgements

At 31 March 2018 the Directors consider that the carrying amount of the Sharebuy properties is not impaired and that their residual values will exceed their current carrying values.

Estimates

At 31 March 2018 the Directors have estimated that the accrued income is impaired by £nil.

4 Auditor's remuneration

The audit fee of £10,000 (2017: £20,000) has been included in the overall audit fee for the NRAM group, and has been paid and borne by NRAM. Details of the overall fee can be found in NRAM's 2018 Annual Report and Accounts.

5 Employees' and Directors' emoluments

There were no employees during the year (2017: none) and the Directors did not receive emoluments in respect of their services to the Company during the year (2017: £nil).

NRAM Homes Limited

Notes to the Financial Statements for the 12 months to 31 March 2018 **(continued)**

6 Taxation

| | 12 months to 31 March 2018 £ | Restated* 12 months to 31 March 2017 £ |
|--|---------------------------------------|--|
| The income tax charge comprises: | | |
| UK corporation tax on profits for the year | 177 | (305) |
| Income tax charge/(credit) | 177 | (305) |

The tax charge represents 19% (2017: 20%) of the Company's profit before tax, 19% being the weighted average tax rate applicable to profits of the Company.

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard weighted average rate of UK corporation tax of 19% (2017: 20%) as follows:

| | 12 months to 31 March 2018 £ | Restated* 12 months to 31 March 2017 £ |
|--|---------------------------------------|--|
| Profit before taxation | 854 | 24,345 |
| Tax calculated at rate of 19% (2017: 20%) | (162) | (4,869) |
| Effects of: | | |
| - capital gains adjustment | - | 5,174 |
| - effect of changes in tax rate | (15) | - |
| Total taxation (charge)/credit for the year | (177) | 305 |

Taxation appropriately reflects changes in tax rates which have been substantively enacted by 31 March 2018.

The effective tax rate for the year ended 31 March 2017 was impacted by an adjustment for capital gains on the profit on the disposal of Sharebuy properties.

* The charge in respect of the 12 months to 31 March 2017 has been restated as detailed in note 2.

NRAM Homes Limited

Notes to the Financial Statements for the 12 months to 31 March 2018 (continued)

7 Sharebuy properties

| | 12 months to 31 March 2018 | Restated* 12 months to 31 March 2017 |
|--|-------------------------------|--|
| | £ | £ |
| Freehold land and buildings | | |
| Cost | | |
| At beginning of year (restated*) | 58,700 | 75,200 |
| Disposal | - | (16,500) |
| At end of year (31 March 2017 restated*) | 58,700 | 58,700 |

* The Sharebuy properties balance as at 31 March 2017 and 1 April 2016 have been restated as detailed in note 2.

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.

During the prior year properties carried at £16,500 were sold for £42,920 generating a profit of £26,420.

The Directors have estimated the fair value of the Sharebuy properties at 31 March 2018 to be £130,000 (2017: £130,000). This estimate is based on recent sale prices of similar properties. No independent valuation has been obtained.

During the year ended 31 March 2016 legal costs of £2,160 were incurred in respect of the Company's Sharebuy properties.

In addition to the Sharebuy properties above the Company has certain further property interests. The Directors have started to obtain open market valuations for these, and believe the total value to be £13,600. The Directors expect that the aggregate costs of sale of these property interests would significantly reduce any profit on sale.

8 Accrued income

During the year the Company undertook work to replace the windows at one of its freehold properties, Cleet Court. As at 31 March 2018 these works had been completed. Under the terms of their leases, the majority of these costs are to be reimbursed by the tenants.

The accrued income of £117,739 represents the amounts due from the tenants in relation to these works. The Directors expect that the amount will be recovered in full.

NRAM Homes Limited

Notes to the Financial Statements for the 12 months to 31 March 2018 (continued)

9 Other receivables

| | At 31 March 2018 £ | Restated* At 31 March 2017 £ |
|----------------------------------|--------------------------|---------------------------------------|
| Amount due from property manager | 19,800 | 18,810 |

* The amount due from the property manager has not previously been recognised in the accounts of the Company as detailed in note 2.

Ground rental income of £990 per year due to the Company for Cleet Court is held in a client account managed by the property manager. £248 (2017: £248) was received in advance.

10 Other assets

| | At 31 March 2018 £ | Restated* At 31 March 2017 £ |
|------------------------------------|--------------------------|---------------------------------------|
| Amounts owed by parent undertaking | 48,837 | 166,576 |

* The balance at 31 March 2017 has been restated as detailed in note 2.

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

11 Ordinary shares

| | At 31 March 2018 £ | At 31 March 2017 £ |
|--|--------------------------|--------------------------|
| Authorised | | |
| 1,000 (2017: 1,000) ordinary shares of £1 each | 1,000 | 1,000 |
| Allotted and fully paid | | |
| 6 (2017: 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 12 months to 31 March 2018 (continued)

12 Related party transactions

| | £ |
|--|-----------|
| Amounts owed by NRAM (see note 10): | |
| Loan outstanding at 1 April 2016 (restated*) | 126,590 |
| Proceeds from Sharebuy property sales (see note 7) | 42,920 |
| Property costs recharged (see note 2) | (2,934) |
| Loan outstanding at 1 April 2017 (restated*) | 166,576 |
| Property costs recharged (see note 8) | (117,739) |
| Loan outstanding at 31 March 2018 | 48,837 |

* The balance at 31 March 2017 has been restated as detailed in note 2.

13 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 2018 | | | |
| Accrued income | 117,739 | 117,739 | 117,739 |
| Other receivables | 19,800 | 19,800 | 19,800 |
| Other assets | 48,837 | 48,837 | 48,837 |
| Total financial assets | 186,376 | 186,376 | 186,376 |

| | Loans and receivables £ | Total carrying value £ | Fair value £ |
|-------------------------------|-------------------------------|------------------------------|-----------------|
| 31 March 2017 | | | |
| Other receivables (restated*) | 18,810 | 18,810 | 18,810 |
| Other assets (restated*) | 166,576 | 166,576 | 166,576 |
| Total financial assets | 185,386 | 185,386 | 185,386 |

* The balance at 31 March 2017 has been restated as detailed in note 2.

As at 31 March 2018, none (2017: none) of the financial assets were past due and none were deemed to be impaired.

NRAM Homes Limited

Notes to the Financial Statements for the 12 months to 31 March 2018 (continued)

13 Financial instruments (continued)

(b) Fair value measurement

For financial assets and liabilities which are not carried at fair value, the fair values disclosed in note 13(a) are calculated on the following bases:

| At 31 March 2018 | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------|----------------|----------|----------|----------------|
| | £ | £ | £ | £ |
| Financial assets | | | | |
| Accrued income | 117,739 | - | - | 117,739 |
| Other receivables | 19,800 | - | - | 19,800 |
| Other assets | 48,837 | - | - | 48,837 |
| Total financial assets | 186,376 | - | - | 186,376 |

| At 31 March 2017 | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------|----------|----------------|
| | £ | £ | £ | £ |
| Financial assets | | | | |
| Other receivables (restated*) | 18,810 | - | - | 18,810 |
| Other assets (restated*) | 166,576 | - | - | 166,576 |
| Total financial assets (restated*) | 185,386 | - | - | 185,386 |

* The balance at 31 March 2017 has been restated as detailed in note 2.

Valuation methods for calculations of fair values in the table above are as follows:

Accrued income

The accrued income balance is short term in nature, therefore the carrying value approximates to fair value.

Other receivables

The other receivables balance, being cash held by the property manager, is repayable on demand, therefore the carrying value approximates to fair value.

Other assets

Other assets, being amounts due from Group undertakings, are repayable on demand. Therefore the carrying value of these approximates to fair value.

14 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 accrued income and other assets.

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

NRAM Homes Limited

Notes to the Financial Statements for the 12 months to 31 March 2018 (continued)

15 Capital management

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

16 Ultimate parent undertaking

NRAM, a private limited company incorporated and domiciled in the United Kingdom, is the Company's immediate parent undertaking. The Company's Financial Statements are consolidated into the Financial Statements of the NRAM Group. NRAM's immediate parent undertaking is UKAR, a private limited company incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. NRAM's Financial Statements are consolidated into the Financial Statements of the UKAR Group. UKAR is wholly owned by the Treasury Solicitor as nominee for HM Treasury and is the Company's ultimate parent undertaking. The Company considers the UK Government to be its ultimate controlling party. Copies of the Financial Statements of NRAM and UKAR may be obtained from the Company Secretary, P.O. Box 88, Croft Road, Crossflatts, Bingley BD16 2UA. The results of the UKAR Group are consolidated into the Annual Report and Accounts of HM Treasury which are available at www.gov.uk/government/publications.

17 Events after the reporting period

The Directors are of the opinion that there have been no significant events which have occurred since 31 March 2018 to the date of this report that are likely to have a material effect on the Company's financial position as disclosed in these Financial Statements.