

**CITIZEN NEW HOMES LIMITED**

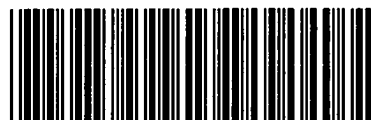
**Report and Financial Statements**

**For the year ended  
31 March 2023**

**Companies House Registered Number 07561213**

**Registered office: 4040 Lakeside  
Solihull Parkway  
Birmingham  
B37 7YN**

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## **CITIZEN NEW HOMES LIMITED**

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<b>CONTENTS</b>	<b>PAGE</b>
Company Information	1
Strategic Report	2 - 3
Report of the Directors	4 - 5
Independent Auditor's Report	6 - 9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Notes to the Financial Statements	14 - 21

**COMPANY INFORMATION**

**Directors**

The following are all members of the Board of Citizen New Homes Limited and who have served throughout 2022/23:

Ms S Brooksbank-Taylor	Chair/Citizen Board Member
Ms C Williams	Citizen Board Member
Mr P Green	Independent
Mr M Wright	Independent
Ms R Utuka	Independent
Mr D Robertson	Independent

**Secretary**

Gary Booth

**Auditor**

Beever and Struthers  
One Express  
1 George Leigh Street  
Manchester  
M4 5DL

# **CITIZEN NEW HOMES LIMITED**

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## **STRATEGIC REPORT**

The Directors present their reports and audited financial statements for Citizen New Homes Limited ("the Company") for the year ended 31 March 2023. The Company is a member of Citizen Housing Group Limited.

## **BUSINESS REVIEW**

Citizen New Homes Limited commenced trading in the summer of 2011, with the objective of building and developing properties for sale at a profit. Any profits made are intended to be invested by the Citizen Housing Group in developing social and affordable homes for rent/sale.

The turnover and results for the year were not as good as anticipated due to contractor delays and issues experienced on several of our construction sites (for both outright sale and affordable homes), causing handover of completed homes to slip into the next financial year. The directors consider that both the level of business and the year-end financial position were satisfactory in the circumstances.

Citizen New Homes Limited is a non-charitable subsidiary of Citizen Housing Group Limited, a Co-operative and Community Benefit Society, registered in England and Wales.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

Citizen New Homes Limited builds and develops properties for sale. Therefore, its principal risk is that it cannot sell the properties that it builds. This is mitigated by entering into schemes where demand is determined to be high and the Company's Board consider scheme appraisals before approving schemes.

The high inflation and increased interest rates that we are currently experiencing are a significant concern for both Citizen and its customers. The rent cap introduced for some tenures for 2023/24 rent increases have helped our customers, but introduced added pressures for our financial planning. We have also continued to monitor the implications of the ongoing conflict between Russia and Ukraine, particularly in respect of its implications for energy supply and prices.

As a Group, we will continue to analyse the local and immediate impacts of these major events, and the detailed implications will continue to be tested through our risk management and financial planning stress testing arrangements. We are confident that our financial plan and robust stress testing scenarios can withstand the likely range of pressures in both the short and medium term.

## **FINANCIAL PERFORMANCE**

The results of the Company for the year are set out in the financial statements.

During the year a gift aid payment of £829k was paid in respect of the year ended 31 March 2022. A gift aid payment of £2,000k is proposed in respect of the year ended 31 March 2023, and this will be paid within 9 months of the end of the financial year.

**STRATEGIC REPORT (Continued)**

**FUTURE DEVELOPMENT, PERFORMANCE AND POSITION**

The company intends to continue to expand its build for sale operations over the coming years, with the aim of generating profits of approximately £1m per annum to invest in the development of social and affordable homes within Citizen.

Loan facilities of £30m were available from Citizen Housing Group Limited to Citizen New Homes Limited throughout the financial year.

**OTHER INFORMATION**

The Company has 40 direct employees (35 full time equivalent employees) and at 31 March 2023 the Company had three male directors and three female directors.

**BY ORDER OF THE BOARD**

**Approved by the board on 13 July 2023  
and signed on its behalf by**



**Susan Brooksbank-Taylor  
Director**

# **CITIZEN NEW HOMES LIMITED**

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## **REPORT OF THE DIRECTORS**

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

## **CHARITABLE DONATIONS**

In the year ended 31 March 2022, the company made a payment of gift aid of £1,000k in respect of the year ended 31 March 2021.

In the year ended 31 March 2023, the company made a payment of gift aid of £829k in respect of the year ended 31 March 2022.

A gift aid payment of £2,000k is proposed in respect of the year ended 31 March 2023, and this will be paid within 9 months of the end of the financial year.

## **RESULTS AND DIVIDENDS**

The directors do not recommend payment of a dividend on the share capital (2022: £Nil).

## **FIXED ASSET INVESTMENTS**

On 31 March 2017, the company invested in a 50% share in a joint venture with Wates Construction Limited, called Signature Wates Residential LLP at a cost of £1. On 31 January 2021, the company invested in a 50% share with Vistry Linden Limited called Lea Castle JV LLP at a cost of £1.

## **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 year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**REPORT OF THE DIRECTORS (Continued)**

**STATEMENTS AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

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

**AUDITORS**

Beever and Struthers are auditors to the Company and the immediate and ultimate parent, Citizen Housing Group Limited.

**BY ORDER OF THE BOARD**

**Approved by the board on 13 July 2023  
and signed on its behalf by**



**Gary Booth  
Secretary**

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITIZEN NEW HOMES LIMITED

### Opinion

We have audited the financial statements of Citizen New Homes Limited (the 'Company') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. 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 Company's affairs as at 31 March 2023 and of its income and expenditure 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 Companies Act 2006.

### 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 Company 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 Board's 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 Company'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 Board 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 Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITIZEN NEW HOMES LIMITED  
(Continued)**

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the Board is 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 Board determines 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 Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

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

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITIZEN NEW HOMES LIMITED (Continued)

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Company's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

## **CITIZEN NEW HOMES LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITIZEN NEW HOMES LIMITED (Continued)**

#### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Beever and Struthers*

**Lee Cartwright LLB ACA (Senior Statutory Auditor)**

**For and on behalf of**

**BEEVER AND STRUTHERS**

**Statutory Auditor**

One Express

1 George Leigh Street

Manchester

M4 5DL

Date: 31 August 2023

## CITIZEN NEW HOMES LIMITED

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Turnover		60,683	59,458
Cost of Sales		<u>(56,226)</u>	<u>(55,067)</u>
<b>Operating Profit</b>		<b>4,457</b>	<b>4,391</b>
Operating Costs		(3,007)	(2,775)
Share of Surplus in Joint Venture		-	-
Interest receivable and similar income		491	328
Interest payable and similar charges		<u>(1,272)</u>	<u>(1,026)</u>
<b>Profit on ordinary activities before taxation</b>	3	<b>669</b>	<b>918</b>
Tax on profit on ordinary activities	6	<u>(38)</u>	<u>(32)</u>
<b>Total comprehensive income for the year</b>		<b>631</b>	<b>886</b>

All activities from the Company are from continuing operations.

The notes on pages 14 - 21 form part of these financial statements.

## CITIZEN NEW HOMES LIMITED

### STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2023

	Notes	2023 £'000	2022 £'000
<b>Fixed Assets</b>			
Investments:			
Investments in Joint Ventures	7	-	-
<b>Current Assets</b>			
Stock	8	13,605	18,513
Debtors	9	9,626	13,005
Cash		4,296	6,368
		<b>27,527</b>	<b>37,886</b>
<b>Creditors: Amounts falling due within one year</b>	10	(6,422)	(10,584)
<b>Net Current Assets</b>		<b>21,105</b>	<b>27,302</b>
Creditors: Amounts falling due after more than one year	11	(20,000)	(26,000)
<b>Net assets</b>		<b>1,105</b>	<b>1,302</b>
<b>Share Capital and Reserves</b>			
Called up share capital	13	5	5
Profit and loss account		1,100	1,297
		<b>1,105</b>	<b>1,302</b>

The notes on pages 14 - 21 form part of these financial statements.

**Approved by the board on 13 July 2023  
and signed on its behalf by**



**Susan Brooksbank-Taylor**  
Director

**Companies House Registered Number: 07561213**

## CITIZEN NEW HOMES LIMITED

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### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £'000	Profit & Loss account £'000	Total £'000
<b>At 1 April 2021</b>	<b>5</b>	<b>1,411</b>	<b>1,416</b>
Profit for the year	-	886	886
Gift Aid Distribution	-	(1,000)	(1,000)
<b>At 31 March 2022</b>	<b>5</b>	<b>1,297</b>	<b>1,302</b>
Profit for the year	-	631	631
Gift Aid Distribution	-	(828)	(828)
<b>At 31 March 2023</b>	<b>5</b>	<b>1,100</b>	<b>1,105</b>

The notes on pages 14 - 21 form part of these financial statements.

## CITIZEN NEW HOMES LIMITED

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	2023 £'000	2022 £'000
<b>Net cash generated from Operating Activities (see below)</b>	<b>2,050</b>	<b>4,844</b>
<b>Cash flow from investing activities:</b>		
Loan repaid by/(advanced to) JV	2,659	(3,128)
Interest received	491	328
	<u>3,150</u>	<u>(2,800)</u>
<b>Cash flow from financing activities:</b>		
Interest paid	(1,272)	(1,026)
New intra-group loans	(6,000)	(1,000)
	<u>(7,272)</u>	<u>(2,026)</u>
<b>Net change in cash and cash equivalents</b>	<b>(2,072)</b>	<b>18</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>6,368</b>	<b>6,350</b>
<b>Cash and cash equivalents at end of the year</b>	<b>4,296</b>	<b>6,368</b>
<b>Cash flow from Operating Activities:</b>		
Surplus for the year after taxation	631	886
Gift Aid distribution paid in year	(828)	(1,000)
	<u>(197)</u>	<u>(114)</u>
<b>Adjustments for non-cash items:</b>		
Decrease in properties for resale	4,908	8,945
Decrease/(Increase) in trade and other debtors	720	(815)
(Decrease) in trade and other creditors	(4,170)	(3,870)
<b>Adjustments for investing or financing activities:</b>		
Interest payable	1,272	1,026
Interest received	(491)	(328)
Taxation expense	38	32
<b>Cash from Operations</b>	<b>2,080</b>	<b>4,876</b>
Taxation paid	<u>(30)</u>	<u>(32)</u>
<b>Net cash generated from Operating Activities</b>	<b>2,050</b>	<b>4,844</b>

The notes on pages 14 - 21 form part of these financial statements.

# CITIZEN NEW HOMES LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### LEGAL STATUS

Citizen New Homes Limited is incorporated in England under the Companies Act 2006 as a private limited company with a share capital. The registered office is: -

4040 Lakeside  
Solihull Parkway  
Birmingham  
B37 7YN

### 1 STATEMENT OF COMPLIANCE

The financial statements have been prepared in compliance with FRS102 (January 2022).

### 2 ACCOUNTING POLICIES

At the date of these financial statements the Directors have carried out a detailed and comprehensive review of the business and its future prospects. In the opinion of the Directors, the Company is expected to be able to continue trading within the current arrangements and consequently the financial statements are presented on the going concern basis.

#### (a) Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the company.

#### (b) Revenue recognition

Turnover, pre-tax results and net assets are attributable to the principal activity and represent amounts invoiced and accrued in respect of work completed. All turnover arose on activities undertaken in the UK.

#### (c) Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Financial instruments are measured at fair value with any changes recognised in profit and loss.

#### (d) Joint Ventures

An entity is treated as a joint venture where the company holds an interest and shares control under a contractual agreement with one or more parties external to the company.

In the company's financial statements, joint ventures are accounted for using the equity method. Under this method, where the venturer itself is not a parent, the fair value model is adopted and an equity investment is initially recognised at the transaction price (including transaction costs). Changes in fair value are recognised where it is practicable to do so. Where it is impracticable to measure fair value reliably or without undue cost or effort, the cost model will be used in accordance with the provisions of FRS102. Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the jointly controlled entity arising before or after the date of acquisition.



## CITIZEN NEW HOMES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

#### 2 ACCOUNTING POLICIES (Continued)

(e) **Segmental information**

All income, expenditure and net assets are derived from UK operations.

(f) **Taxation**

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

(g) **Pensions**

The Company does not operate its own pension scheme.

(h) **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements: -

- **Abortive development expenditure.** The company accounts for development expenditure on the statement of financial position based on management's judgement that development scheme is confirmed, usually when Board approval has taken place. In determining whether a project is likely to cease, management monitor the development and consider if changes have occurred that could result in impairment of a scheme or a scheme being aborted.
- **Impairment.** The company reviews the potential saleability of properties held on the statement of financial position for resale on a scheme-by-scheme basis, using their knowledge of the housing market in the areas in which the properties have been developed. Any anticipated loss on sale would be accounted for as an impairment during the year. The impact of the Covid-19 pandemic has been considered, and the company considers that the profit margins experienced in the last year and anticipated on future property sales are such that a loss on sale in the future is unlikely.

#### 3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging:

	2023 £'000	2022 £'000
Auditor's Remuneration (excluding VAT)	3	4

#### 4 EMPLOYEE INFORMATION

	2023 £'000	2022 £'000
Staff costs (including directors):		
Wages and salaries	1,926	1,787
Social security costs	220	193
Other pension costs	219	187
	<b>2,365</b>	<b>2,167</b>

## CITIZEN NEW HOMES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

#### 4. EMPLOYEE INFORMATION (Continued)

The Company had 35 full time equivalent members of staff during 2023 (2022: 35 full time equivalent employees).

In addition to the staff costs shown above, costs totalling £20k (2022: £27k) in respect of key management personnel of the Company were paid for by the ultimate parent company, Citizen Housing Group Limited and £172k (2022: £156k) by Citizen New Homes Limited.

The number of full-time equivalents has been calculated on a 37 hour per week basis.

	2023	2022
<b>Full Time Equivalents split by remuneration bands of: -</b>		
£60,000 - £69,999	4	2
£70,000 - £79,999	7	4
£80,000 - £89,999	1	1
£90,000 - £99,999	1	2
£100,000 - £109,999	3	1

#### 5. DIRECTORS' AND EXECUTIVE OFFICERS' EMOLUMENTS

The Directors of the Association are defined as the Board of Management and Executive Officers as set out on page 1. Aggregate emoluments paid to or received by Directors who are not executive staff members including salaries, honoraria or other benefits:

	2023 £'000	2022 £'000
Philip Green	6	5
Mark Wright	6	5
Becky Utuka	6	5
David Robertson	6	5
	<b>24</b>	<b>20</b>

Expenses paid during the year to Board members amounted to £Nil (2022: £Nil). All executive directors fulfil Group roles and are employed directly by Citizen Housing Group Limited, with appropriate disclosures made in the Citizen Housing Group Limited financial statements.

## CITIZEN NEW HOMES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

#### 6. TAXATION

	2023 £	2022 £
<b>UK Corporation Tax</b>		
UK Corporation Tax on surplus for the period	40	32
Adjustment in respect of previous periods	(2)	-
	<u>38</u>	<u>32</u>
The tax assessed on the surplus on ordinary activities for the period is lower than the rate of Corporation Tax in the UK of 19% (2022: 19%): -		
Profit on ordinary activities before tax	<u>669</u>	<u>918</u>
Corporation Tax calculated as surplus on activities before tax, multiplied by 19% (2022: 19%)	127	174
Effect of:		
Losses brought forward	-	(83)
Qualifying charitable donations	(380)	(157)
Distribution from JV	-	-
Share of profit/(loss) of JV	<u>293</u>	<u>98</u>
	<u>40</u>	<u>32</u>

#### 7. FIXED ASSET INVESTMENT IN JOINT VENTURE UNDERTAKINGS

On 31 March 2017, Citizen New Homes Limited entered into a 50:50 Joint Venture LLP with Wates Construction Limited, called Signature Wates Residential LLP, to develop residential accommodation. The capital contribution paid by each party to the Joint Venture on commencement of the agreement was £1. The principal activity of Signature Wates Residential LLP is the development of new build properties for outright sale.

On 31 January 2021, Citizen New Homes Limited entered into a 50:50 Joint Venture LLP with Vistry Linden Limited, called Lea Castle JV LLP, to develop residential accommodation. The capital contribution paid by each party to the Joint Venture on commencement of the agreement was £1. The principal activity of Lea Castle JV LLP is the development of new build properties for outright sale.

As Citizen New Homes Limited is not itself a parent entity and does not hold a controlling interest in either Signature Wates Residential LLP or Lea Castle JV LLP, the fair value model is adopted and an equity investment is initially recognised at the transaction price (including transaction costs). It is considered impracticable to measure fair value reliably or without undue cost or effort, and therefore the cost model is used in accordance with the provisions of FRS102. Dividends and other distributions received from the investment are recognised as income.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**7. FIXED ASSET INVESTMENT IN JOINT VENTURE UNDERTAKINGS (Continued)**

For the year ended 31 March 2023, Citizen New Homes Limited was a subsidiary organisation of Citizen Housing Group Limited. In the consolidated Group accounts, joint ventures are accounted for using the equity method of accounting under which the equity investment is initially recognised at the transaction price and is subsequently adjusted to reflect the Group's share of the profit or loss.

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>COST OF INVESTMENT</b>	<u>2</u>	<u>2</u>

**8. PROPERTIES FOR RESALE**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Build for sale properties (work in progress)	10,252	16,049
Build for sale properties (completed)	<u>3,353</u>	<u>2,464</u>
	<u><b>13,605</b></u>	<u><b>18,513</b></u>

**9. DEBTORS**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Due within one year:		
Other debtors	<u>1,790</u>	<u>2,510</u>
	<u><b>1,790</b></u>	<u><b>2,510</b></u>
<b>Amounts falling due after one year</b>		
Loans to JVs	<u>7,836</u>	<u>10,495</u>
	<u><b>9,626</b></u>	<u><b>13,005</b></u>

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Trade Creditors	2,354	2,605
Amounts due to Parent Undertaking	3,073	7,001
Tax and social security	58	35
Accruals and Deferred Income	<u>937</u>	<u>943</u>
	<u><b>6,422</b></u>	<u><b>10,584</b></u>

## CITIZEN NEW HOMES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

#### 11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023 £'000	2022 £'000
<b>Intra-group Loans</b>	<b>20,000</b>	<b>26,000</b>

The outstanding loan balance comprises borrowings made under a £30m facility arranged with Citizen Housing Group Limited. The facilities have been made available on a commercial basis and interest is charged on any outstanding loan principal at the prevailing SONIA rate plus a margin.

#### 12. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument is as follows:

	Note	2023 £'000	2022 £'000
<b>Financial assets</b>			
(a) Financial assets measured at fair value through profit and loss			
- Investment at valuation		-	-
(b) Financial assets that are debt instruments measured at amortised cost			
- Cash and cash equivalents		4,296	6,368
- Other debtors	9	1,790	2,510
- Loans to Joint Ventures	9	7,836	10,495
		<u>13,922</u>	<u>19,373</u>
(c) Financial assets that are equity instruments measured at cost less impairment		-	-
<b>Financial liabilities</b>			
(a) Financial liabilities measured at amortised cost			
- Trade creditors	10	(2,354)	(2,605)
- Accruals	10	(937)	(943)
- Loans	11	(20,000)	(26,000)
		<u>(23,291)</u>	<u>(29,548)</u>
(b) Derivative financial instruments designated as hedges of variable interest rate risk		-	-
(c) Financial liabilities measured at fair value through profit or loss		-	-
(d) Loan commitments measured at cost less impairment		-	-

## CITIZEN NEW HOMES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

#### 13. ORDINARY SHARE CAPITAL

	2023 £	2022 £
<b>Authorised:</b>		
Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
<b>Allotted, called up and issued:</b>		
Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

#### 14. FINANCIAL COMMITMENTS

	2023 £'000	2022 £'000
Capital Expenditure, which has been contracted for but has not been provided for in the financial statements	<u>19,908</u>	<u>36,300</u>
Capital Expenditure, which has been authorised under authority from the Board but has yet to be contracted for	<u>-</u>	<u>-</u>
The Company expects these commitments to be contracted within the next year and financed with: Proceeds from the sale of properties	<u>-</u>	<u>-</u>

The contracted amounts above relate to expenditure contracted in respect of build-for-sale schemes in Coventry and Hereford.

Financial commitments incurred by Citizen New Homes Limited on behalf of Citizen Housing Group Limited are disclosed in the financial statements of Citizen Housing Group Limited.

#### 15. ANALYSIS OF CHANGES IN NET DEBT

	At Beginning of the Year £'000	Cash Flows £'000	Non-Cash Movements £'000	At End of the Year £'000
Cash and Cash Equivalents	6,368	(2,072)	-	4,296
Intra-group Loans	(26,000)	6,000	-	(20,000)
	<u>(19,632)</u>	<u>3,928</u>	<u>-</u>	<u>(15,704)</u>

## CITIZEN NEW HOMES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

#### 16. RELATED PARTY DISCLOSURES

##### Relationships between registered and non-registered elements of the Citizen Housing Group

The table below shows where relationships exist between Citizen Housing Group members.

	CHG	CNH	CT	CT2	CTV	CBS	AGES
CHG		X	X	X	X	X	X
CNH	X						
CT	X						
CT2	X						
CTV	X						
CBS	X						
AGES	X						

Entities in the table are abbreviated as follows and [R] denotes where the entity is a Registered Provider:

Citizen Housing Group Limited [R]	CHG	Citizen Treasury plc	CT
Citizen New Homes Limited	CNH	Citizen Treasury 2 plc	CT2
Citizen Business Services Limited	CBS	Citizen Treasury Vehicle Limited	CTV
Attwood Green Estate Services Limited	AGES		

##### Transactions with registered elements of the business

Citizen New Homes Limited receives services from and has loan facilities with the immediate parent, Citizen Housing Group Limited.

	CHG
	£'000
2023	71,558
2022	64,820

##### Transactions with non-registered entities

During the year ended 31 March 2023, the company entered into transactions of a value of £Nil with Signature Wates Residential LLP (2022: £Nil) and £2,659k with Lea Castle JV LLP (2022: £3,128k).

#### 17. CONTROLLING PARTY

The immediate and ultimate parent of Citizen New Homes Limited is Citizen Housing Group Limited, a Co-operative and Community Benefit Society, registered in England and Wales.

Citizen Housing Group Limited accounts, being the immediate Group accounts in which Citizen New Homes Limited is consolidated, are available from its registered office; 4040 Lakeside, Solihull Parkway, Birmingham, B37 7YN.