

Company Number 11815073

REALHOUSINGCO LIMITED
Directors' Report and Unaudited Financial Statements
For the year ended 31 March 2022



REALHOUSINGCO LIMITED

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REALHOUSINGCO LIMITED

COMPANY INFORMATION

The Board of Directors

T M Hayne
O Ingram
B J Bauman

Company Secretary

Alter Domus (UK) Limited

Registered Office

338 Euston Road
Level 6
London
NW1 3BG

Company Number

11815073

REALHOUSINGCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report on the affairs of Realhousingco Limited (the "Company") together with the financial statements for the year ended 31 March 2022.

Principal activity

The principal activity of the Company is renting and operating of Housing Association real estate.

As at 31 March 2022, the Company owns a residential property located in Liverpool, comprised of seven units, which is fully let to private tenants.

On 1 July 2021 the Company became registered as a for-profit provider of social housing with the Regulator of Social Housing.

The Company has assessed its compliance with the Governance and Financial Viability Standard and is satisfied it is fully compliant as of the date of signing of these financial statements

Directors and their interests

The directors of the Company who were in office during the period and up to the date of signing the financial statements were:

T M Hayne
O Ingram
B J Bauman

None of the directors have any beneficial interest in the ordinary share capital of the Company. Directors' contracts and arrangements with the Company are disclosed in the related party notes to these Financial Statements.

Company secretary

The Company secretary during the period, and subsequently, was Alter Domus (UK) Limited.

Results and dividends

The results for the period are set out in the Statement of Comprehensive Income on page 7 of these financial statements. The directors do not recommend a dividend for the year ended 2022 (2021: nil).

Subsequent events

Subsequent events are disclosed in note 12 of the financial statements.

Going concern

The directors have undertaken a review, taking into account potential changes in the operating performance of the investment together with the factors likely to affect its future performance and concluded that the Company has adequate resources, through the support of its parent company to be able to continue in operational existence for the foreseeable future. Therefore the directors consider it appropriate for the financial statements to be prepared on a going concern basis.

Strategic report

The directors have availed of the small companies exemption and as a result do not include a strategic report in the financial statements.

Principle risks and uncertainties

The principal risks and uncertainties facing the Company can be outlined as follows:

- Rental income and the fair value of the investment property are affected, together with other factors, by general economic conditions and/or by the political and economic climate of the United Kingdom.
- The high inflation levels and increasing utilities costs will put increased pressure on our tenants. This could lead to an increase in bad debts and rental arrears. Management receives regular updates from the property manager. Increase costs will also have an impact on our repairs and maintenance costs, putting pressure on our finances.
- As a registered provider, we will undertake regular regulatory checks to ensure compliance with the Regulatory Standards.

For and on behalf of the board

Bradley Bauman

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B J Bauman
Director

Date: 26 September 2022

Company Number 11815073

REALHOUSINGCO LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable laws 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. These accounts have also been prepared to ensure compliance with the Accounting Direction for Social Housing in England 2019.

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:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in UK Accounting Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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.

For and on behalf of the board

Bradley Bauman

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B J Bauman
Director

Date: 26 September 2022

Company Number 11815073

REALHOUSINGCO LIMITED**VALUE FOR MONEY REPORT****Introduction**

Our approach to Value for Money (VfM) is to seek to achieve our corporate objectives in the most economical, efficient and effective way. We recognise that delivering VfM is not solely about reducing costs but being able to balance between cost, productivity, and outcomes.

Value for Money Performance**Peer Comparison**

As we have only one unit, we have not been able to find a suitable benchmark group. As we grow our stock in future, we will look to benchmark with a suitable group then.

Table 1: Outreach performance

RSH Metric	Realhousingco 20/21	Realhousingco 21/22
Metric 1 - Reinvestment (%)	0%	0%
Metric 2A - New Supply Delivered - Social (%)	0%	0%
Metric 2B - New Supply Delivered - Non-social (%)	0%	0%
Metric 3 - Gearing - RSH definition (%)	131.40%	141.10%
Metric 4 - EBITDA MRI - Interest cover (%)	N/A	N/A
Metric 5 - Headline social housing cost per unit (£)	£15,638	£13,256
Metric 6A - Operating margin - social housing lettings (%)	-194.04%	-144.88%
Metric 6B - Operating margin - overall (%)	-194.04%	-144.88%
Metric 7 - Return on capital employed (%)	N/A	N/A

Metric 1 - Reinvestment (%)

This metric looks at the investment in properties (existing stock as well as New Supply) as a percentage of the value of total properties held. As we did not undertake works to existing units, this metric is 0%.

Metric 2A - New Supply Delivered - Social (%)

This metric considers the number of new social housing units developed in the year as a proportion of the total units owned at period end. Realhousingco did not acquire or develop any new social housing units in this accounting period, therefore, this metric is 0%.

Metric 2B - New Supply Delivered - Non-social (%)

We have not acquired or developed any non-social housing units in this accounting period.

Metric 3 - Gearing - RSH definition (%)

Whilst Realhousingco does not have any loans, it has £886,592 owed to group undertakings. The gearing ratio is 141.1%.

Metric 4 - EBITDA MRI - Interest cover (%)

N/A – due to the loans being non-interest bearing.

Metric 5 - Headline social housing cost per unit (£)

At the end of our accounting period, we had 7 social housing units and incurred total costs of £92,793. This indicates a headline social housing cost per unit of £13,256. Due to the low stock numbers, we are unable to benefit from economies of scale and therefore our cost per unit is high. However, as we increase our stock, our cost per unit will decrease.

Metric 6A - Operating margin - social housing lettings (%)

At the end of our accounting period, we reported an operating loss of £51,942 compared to total turnover of £35,851. Our operating

Metric 6B - Operating margin - overall (%)

As the entirety of our business is concerned with social lettings, the social housing lettings operating margin is reflective of our overall operating margin.

Metric 7 - Return on capital employed (%)

As the total assets less current liabilities on our balance sheet is negative, this metric cannot be calculated.

REALHOUSINGCO LIMITED

ACCOUNTANT'S REPORT TO THE MEMBERS OF REALHOUSINGCO LIMITED FOR THE YEAR ENDED 31 MARCH 2022

We report on the accounts of Realhousingco Limited for the year ended 31 March 2022 as set out on pages 7 to 13.

Respective responsibilities of the Members and Reporting Accountants

The Board of the Registered Social Housing provider is responsible for the preparation of the accounts, and they consider that the Registered Social Housing Provider is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

In carrying out our examination we have followed the procedures laid down in section 130 of the Housing and Regeneration Act 2008.

Basis of Opinion

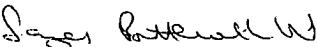
Our procedures included a review of the accounting records kept by the company and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the Members concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below

Opinion

In our opinion:

- The accounts for the year ended 31 March 2022 are in accordance with the accounting records kept by the Registered Social Housing Provider under section 386 of the Companies Act 2006;
- The accounts comply with Part 15 of the Companies Act 2006;
- The Registered Social Housing Provider has satisfied the conditions for exemption from an audit of the accounts for the year ended 31 March 2022 specified in section 447 of the Companies Act 2006 and section 129 of the Housing and Regeneration Act 2008; and
- The accounts comply with the methods and principles of the Statement of recommended Practice for accounting and reporting (SORP) for Registered Social Housing Providers 2018, applicable to entities preparing their accounts in accordance with the Finance Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Members, as a body, in accordance with the terms of our engagement letter. Our review has been undertaken so that we might state to the Members those matters we are required to state to them in this Accountants' 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 work, for this report or the conclusions we have formed.



Sayers Butterworth LLP
Chartered Accountants & Statutory Auditor
12 Gough Square
London

Date: 26 September 2022

REALHOUSINGCO LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

		For the year ended 31 March 2022	For the year ended 31 March 2021
	Note	£	£
Turnover		35,851	33,944
Operating expenditure		(92,793)	(109,463)
Valuation gains on investment properties	6	5,000	9,655
Operating loss		(51,942)	(65,864)
Taxation	5	-	-
Total comprehensive loss for the year		(51,942)	(65,864)

All income and expenses relate to social housing.

There were no items of other comprehensive income or loss other than those included in the Statement of Comprehensive Income.

The notes on pages 10 to 13 are an integral part of these financial statements.

REALHOUSINGCO LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
Fixed assets			
Investment properties	6	625,000	620,000
		<u>625,000</u>	<u>620,000</u>
Current assets			
Debtors	7	11,653	5,485
Cash and cash equivalents		<u>4,405</u>	<u>1,462</u>
Total current assets		<u>16,058</u>	<u>6,947</u>
Creditors: amounts falling due within one year	8	<u>902,847</u>	<u>836,794</u>
Net current liabilities		<u>(886,789)</u>	<u>(829,847)</u>
Net liabilities		<u>(261,789)</u>	<u>(209,847)</u>
Capital and reserves			
Share capital	9	1	1
Revaluation reserve		14,655	9,655
Profit and loss account		<u>(276,445)</u>	<u>(219,503)</u>
Shareholders' deficit		<u>(261,789)</u>	<u>(209,847)</u>

For the financial year ended 31 March 2022, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006. No members have required the Company to obtain an audit of its financial statements for the period in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities. The financial statements are approved and authorised for issue by the board of directors on and signed on its behalf by:

Bradley Bauman

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B J Bauman
Director
26 September 2022

Company Number 11815073

The notes on pages 10 to 13 are an integral part of these financial statements.

REALHOUSINGCO LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
Balance as at 1 April 2020	1	-	(143,984)	(143,983)
Revaluation reserve	-	9,655	-	9,655
Loss for the year	-	-	(75,519)	(75,519)
Balance as at 31 March 2021	1	9,655	(219,503)	(209,847)
Balance as at 1 April 2021	1	9,655	(219,503)	(209,847)
Revaluation reserve	-	5,000	-	5,000
Loss for the year	-	-	(56,942)	(56,942)
Balance as at 31 March 2022	1	14,655	(276,445)	(261,789)

The notes on pages 10 to 13 are an integral part of these financial statements.

REALHOUSINGCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. General information

The Company is a private company, limited by shares and incorporated in England and Wales. Its registered office is at 338 Euston Road, Level 6 London, NW1 3BG.

The Company is a private registered provider of social housing (Registration No.: 5136).

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Housing SORP 2018 – Statement of Recommended Practice for Registered Social Housing Providers' ("the SORP") and the Accounting Direction for Registered Providers of Social Housing – 2019 ("the Direction"). The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

2.2 Going concern

The financial statements have been prepared on a going concern basis.

The directors have undertaken a review, taking into account potential changes in the operating performance of the investment together with the factors likely to affect its future performance and concluded that the Company has adequate resources, through the support of its parent company to be able to continue in operational existence for the foreseeable future. Therefore the directors consider it appropriate for the financial statements to be prepared on a going concern basis.

2.3 Turnover

Turnover comprises rental income receivable in the period. Rental income is recognised from the point when properties become available for letting, net of any voids.

2.4 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable surplus for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

Current and deferred tax assets and liabilities are not discounted.

2.5 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are initially measured at cost, including transaction costs. Subsequently investment properties whose fair value can be measured reliably without undue cost or effort on an on-going basis are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

REALHOUSINGCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Summary of significant accounting policies (continued)

2.7 Cash and cash equivalents

Cash is represented by deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Financial instruments

The Company only enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.10 Foreign currency translation

The Company's functional and presentational currency is GBP. Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

2.11 Share capital

Ordinary shares are classified as equity as per the Company's Articles of Association.

2.10 Judgments in applying accounting policies and key sources of estimation uncertainty

The directors acknowledge that there are no applicable accounting estimates used within the financial statements.

2.12 Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates.

The directors have made key assumptions in the determination of the fair value of the investment property in respect of the state of the property market in the location where the property is situated and in respect of the range of reasonable fair value estimates of the asset. The valuation gain has been presented in the statement of comprehensive income.

3. Employees

During the year, the Company had 2 employees (2021: 3 employees) who are all directors of the Company. Their remuneration is disclosed below.

4. Key management personnel

The aggregate remuneration paid during the year to the non-executive directors, T M Hayne and O Ingram, in respect of services rendered to the Company were:

	2022	2021
	£	£
Salary	15,160	15,059

The remuneration of the highest paid director was £10,000 (2021: £7,055).

During the year, the Company paid the directors consultancy fees of £15,000 (2021: £26,500).

B J Bauman, executive Director, received no remuneration during the year.

REALHOUSINGCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****5. Taxation****a. Tax expense included in profit or loss**

	2022 £	2021 £
Current tax:		
UK corporation tax on loss for the year	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Total tax charge	-	-

b. Reconciliation of the tax charge

Reconciliation between the tax charge and the product of accounting loss multiplied by UK's domestic corporation tax rate is as follows:

	2022 £	2021 £
Loss before tax	(51,942)	(65,864)
Tax calculated at domestic rates applicable to profits at 19%	(9,869)	(12,514)
Effects of:		
Deferred tax not recognised	9,869	12,514
Tax charge for the year	-	-

c. Deferred tax assets

The deferred tax asset is not recognised due to uncertainty regarding the recoverability of the asset as the Company has not generated any profit since inception.

6. Investment properties

	2022 £	2021 £
Balance at 1 April	620,000	610,345
Fair value gain	5,000	9,655
Valuation at 31 March	625,000	620,000
Cost at 31 March	610,345	610,345

The investment property was acquired in November 2019. The fair value of the property was valued as at the year end, using an external valuation undertaken by Ashall Surveyors Limited.

7. Debtors

	2022 £	2021 £
Accrued income	10,560	2,245
Other debtors	1,093	3,240
	11,653	5,485

8. Creditors: amounts falling due within one year

	2022 £	2021 £
Deferred income	648	304
Other creditors	440	1,455
Amounts owed to group undertaking	886,592	815,842
Accruals	12,657	17,043
Trade creditors	2,510	2,150
	902,847	836,794

Amounts owed to group undertaking are unsecured, interest free and repayable on demand.

REALHOUSINGCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. Share capital

Called up, allotted and fully paid

	2022	2021
	£	£
1 ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

10. Related parties

Parties are deemed related when one has an ability to control the other or make significant influence while making financial and operational decisions.

During the year, the Company received non-interest bearing loans of £70,750 (2021: £71,750) from Alpha Real Trust Limited ('ART'), the Company's ultimate controlling party. At 31 March 2022, non-interest bearing loans of £886,592 (2021: £815,842) were due to ART.

During the year, the Company paid the directors consultancy fees of £15,000 (2021: £26,500), the amount outstanding at the year end was £1,250 (2021: £1,250).

11. Ultimate controlling party

The Company's immediate parent company is RHC No 2 Limited, a company incorporated in England & Wales and whose registered office is at 338 Euston Road, London, England, NW1 3BG, United Kingdom.

The Company's ultimate controlling party is Alpha Real Trust Limited, a company incorporated in Guernsey and whose registered office is at PO Box 286, Floor 2, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 4LY.

12. Subsequent events

There were no transactions after the reporting date requiring disclosure or adjustments to these financial statements.