

NUPLACE LIMITED

Company registration number 09522014 (England and Wales)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

NUPLACE LIMITED

COMPANY INFORMATION

| | |
|--------------------------|-----------------------------------------------------------------------------------------------|
| Directors | Mrs K I Callis Mr J A Dunn Mrs K E Kynaston |
| Company number | 09522014 |
| Registered office | Legal Services Darby House Lawn Central Telford Shropshire TF3 4JA |
| Auditor | Dyke Yaxley Limited 1 Brassey Road Old Potts Way Shrewsbury Shropshire SY3 7FA |

NUPLACE LIMITED

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NUPLACE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The directors present the strategic report for the year ended 31 March 2025.

Fair review of the business

Nuplace Limited was incorporated on 1 April 2015. Nuplace is a wholly owned subsidiary of Telford and Wrekin Council, limited by shares.

The principal activity of the company is the procurement of the construction and management of private and affordable residential property for rent, responding to the Borough's housing needs including the availability of accessible and adaptable housing. In addition, the company aims to:

- Raise the standard of rental provision, both in terms of the quality of the rental homes and the landlord service.
- Deliver added value and stimulate local economic growth through supply chain engagement, offering skills and employment opportunities and working with the community.
- Develop brownfield and stalled sites in order to deliver widespread regeneration benefits.

Telford & Wrekin homes, a sub brand of Nuplace, focusses on refurbishment and aims to

- Invest in and protect existing housing stock through high quality renovations, which help to address issues of poor housing in communities.
- Raise standards in the private rented sector across the Borough of Telford and Wrekin through demonstrating high quality property and tenancy management on a broader geographic scale.
- Provide a "home for life" for tenants with a focus on providing housing options for a range of priority client groups.

The company is financed by Telford and Wrekin Council, through a combination of equity in the form of share capital and debt finance.

Nuplace's housing portfolio now comprises of 608 homes of which 60 are available to let at affordable rents, and 37 are built to accessible standards. Low carbon design is a key focus on the company with all new properties benefitting from a fabric first approach, PVs, and EV charging provision. In addition, Nuplace have completed their first 18 homes built to Future Homes Standards.

Upon completion of the 177 further dwellings currently under construction, the programme will have resulted in the regeneration of over 47.94 acres of brownfield land and refurbished or converted 4,656 sqm of redundant floor space, addressing stalled sites and bringing back into use redundant and underused premises. The programme is also delivering added value in terms of local employment, training and apprenticeships, supply chain development and the delivery of a range of community projects supported directly by Nuplace and delivery partners.

Nuplace's growing portfolio now provides a range of homes across the Borough with houses available within North and South of Telford, including properties in Newport, with circa 1,500 people living in properties across the thirteen sites and the Telford and Wrekin homes portfolio.

During the year, works were completed at Wild Walk, Donnington and the former New College site in Wellington, with all 86 houses tenanted by the year end. The Telford and Wrekin Homes portfolio has increased by 32 over the year, with houses acquired across the borough.

Work has commenced on site to build 28 homes on the former Abacus Nursery site in Ketley Bank, including 7 converted dwellings alongside 21 new build, to help safeguard a building of historical significance on a prominent site within the locality

NUPLACE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Development and performance

Work has continued on the schemes being jointly delivered with Telford & Wrekin Council, including;

- The Gower, St Georges, with the construction of 10 new build properties alongside the creation of 3 converted dwellings within the Grade 2 listed building.
- Limes Walk, Oakengates involving the conversion and creation of 10, one and two bedroom apartments, as part of a wider regeneration scheme. Completed properties are due to transfer from Telford & Wrekin Council to Nuplace in 2025/26.
- Walker Street, Wellington, where work is ongoing to convert a redundant space within a historic building into 9, one and two bedroom dwellings, as part of a wider regeneration project.
- Work has commenced on the mixed use scheme within the Station Quarter area of Telford Town Centre which will see the delivery of 117 town houses and apartments for Nuplace, kick-starting the creation of a “city living” offer within Nuplace’s predominantly suburban portfolio. This scheme is being delivered in conjunction with Telford & Wrekin Council as part of the wider Station Quarter regeneration project with the homes being transferred to Nuplace upon practical completion. The first 84 furnished apartments are due to be completed in March 2026, followed by a further 33 townhouses in early 2027.

In addition, a further 32 properties have been acquired and refurbished in year as part of the Telford & Wrekin Homes Programme bringing to total properties held within the Telford & Wrekin programme to 56 against a target of 100, with further acquisitions planned in 2025/26.

A strong pipeline of future schemes has also been developed including:

- 2 Walker Street, Wellington: Planning consent has recently been granted for a scheme to be delivered alongside Telford & Wrekin Council involving the demolition and rebuild of a historic building at 2 Walker Street in Wellington to create 4 apartments for Nuplace.
- Phoenix, Dawley: A planning application was submitted in April 2025 for a 212 dwelling mixed tenure scheme on this former school site with 51 of the homes to be delivered for Nuplace.

Alongside the above a number of schemes are at feasibility stage which have the potential to deliver a further circa 160 homes for Nuplace.

Rental income for the year totalled £5.0m (£4.1m; 2023/24), the increase representing the rental incomes from the growing Telford and Wrekin Homes portfolio and the completion of the construction projects at Donnington Wood Way and New College in the year. Rent levels were increased across the portfolio in February 2025. Void levels reduced to 0.84%, (1.42%; 2023/24). Consistently high levels of customer satisfaction were demonstrated in the Nuplace tenancy survey completed in January 2025, with 86% of respondents confirming they would recommend Nuplace to friends and family.

The Company has continued to work with its tenants to offer support where there may be difficulties in making rent payments, and has closely monitored overdue debt and ensured appropriate payment plans are in place. Despite this debt primarily from tenant damage has risen within the year with legal action now being taken in order to secure recovery wherever possible. The cost of managing the growing portfolio has increased in the year due to inflationary pressures in the economy and the acknowledgement that the Telford & Wrekin Homes portfolio requires more bespoke management.

NUPLACE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

The Directors acknowledge that ongoing asset maintenance will be required to the investment properties, however, a provision in the financial statements has not been possible due to accounting standards requirements. The cost of asset and site maintenance in the year increased to £632,000 (£527,000; 2023/24) which is included in the cost of sales in the financial statements. A large proportion of this increase was attributed to the continued one-off planned maintenance required to remediate gardens to rectify issues associated with drainage, works to remove damaged trees and those affected by ash dieback as well as other identified planned maintenance including door painting, carpet replacement, redecoration and statutory gas and electrical inspections. Planned maintenance inspections were undertaken on properties within Nuplace's oldest estates during 2024/25 with these being found in the most part to be in very good condition. Surveys will support the development of the planned maintenance programmes moving forward. The Directors will continue to ensure suitable reserves are held in order to meet asset maintenance obligations.

In accordance with the company's accounting policy, the housing portfolio was revalued at the year end, with a net increase in value of £5.6m or 6.3% across completed units. The company has reported an operating profit before interest and taxation for the year ended 31 March 2025 of £3,203,429 (2023/24: £2,717,168). The company capitalises interest on loan finance during the site's construction period, following which, interest is charged to the profit and loss account upon practical completion. In line with this policy, the company has incurred interest charges on the year's profit of £2,613,176 (2023/24: £2,371,394). The company reported an operating profit after interest and taxation of £448,346 for the year (2023/24: £256,487). During the year the directors declared a final dividend of £0.012p per ordinary share registered on 5th February 2025 totalling £302,400.

The investment outlined in this report will require additional funding to be drawn down from the shareholder in the form of further loans and equity. Nuplace continues to explore opportunities for further expansion with a number of pipeline sites currently under review.

On behalf of the board



Mrs K I Callis

Director

Date: 13.08.25

NUPLACE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The directors present their annual report and financial statements for the year ended 31 March 2025.

Principal activities

The principal activity of the company continued to be that of the procurement of the construction and management of private and affordable residential property for rent. During the previous year the company added a sub brand which includes the activity of procurement and refurbishment of existing homes, which are then added to the rental pool.

Results and dividends

Interim dividends were paid amounting to £302,400. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mrs K I Callis
Mr J A Dunn
Mrs K E Kynaston

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

The auditor, Dyke Yaxley Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Disclosure in the Strategic Report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information to be contained in the directors' report. It has done so in respect of review of business, principal risks and uncertainties and future developments.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Mrs K I Callis

Director

Date: 13.08.25

NUPLACE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

The directors are responsible for preparing the annual 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 judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NUPLACE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NUPLACE LIMITED

Opinion

We have audited the financial statements of Nuplace Limited (the 'company') for the year ended 31 March 2025 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2025 and of its profit 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 directors' 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 directors 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 directors are 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.

Opinions on other matters prescribed by the Companies Act 2006

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

NUPLACE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NUPLACE LIMITED (CONTINUED)

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 and 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are 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 directors either intend to liquidate the company or to cease operations, or have 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.

NUPLACE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NUPLACE LIMITED (CONTINUED)

Irregularities, including fraud, and instances of non-compliance with laws and regulations

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to:

- Financial Regulations imposed by the Telford and Wrekin Council
- Building Regulations 2010
- Homes (Fitness for Human Habitation) Act 2018
- Gas Safety (Installation and Use) Regulations 1998
- Fire Safety (England) Regulations 2022
- The Housing Act 2004
- Landlord and Tenant Act 1985
- Tenant Fees Act 2019
- Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020
- Tenancy Deposit Scheme requirements

Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management, as well as review of key points discussed at Board meetings held during and after the year under audit.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

We did not identify any matters relating to irregularities, including fraud.

As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

NUPLACE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NUPLACE 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.

Dyke Yaxley Limited

Stacey Lea FCA (Senior Statutory Auditor)

For and on behalf of Dyke Yaxley Limited, Statutory Auditor

Chartered Accountants

1 Brassey Road

Old Potts Way

Shrewsbury

Shropshire

SY3 7FA

Date: 13/08/2025

NUPLACE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

| | Notes | 2025 £ | 2024 £ |
|----------------------------------------|----------|-------------|-------------|
| Turnover | 3 | 5,045,962 | 4,148,842 |
| Cost of sales | | (1,480,787) | (1,151,515) |
| Gross profit | | 3,565,175 | 2,997,327 |
| Administrative expenses | | (434,293) | (362,532) |
| Other operating income | | 72,547 | 82,374 |
| Operating profit | | 3,203,429 | 2,717,169 |
| Interest receivable and similar income | | 96,951 | 84,658 |
| Interest payable and similar expenses | 5 | (2,613,176) | (2,371,394) |
| Profit before taxation | | 687,204 | 430,433 |
| Tax on profit | | (238,858) | (173,946) |
| Profit for the financial year | | 448,346 | 256,487 |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

NUPLACE LIMITED

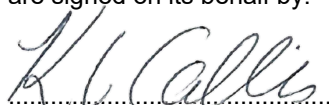
BALANCE SHEET

AS AT 31 MARCH 2025

| | Notes | 2025 £ | £ | 2024 £ | £ |
|----------------------------------------------------------------|-------|--------------------|--------------------|--------------------|--------------------|
| Fixed assets | | | | | |
| Tangible assets | 6 | 4,200,909 | | 8,565,407 | |
| Investment property | 7 | 118,638,851 | | 92,473,302 | |
| | | <u>122,839,760</u> | | <u>101,038,709</u> | |
| Current assets | | | | | |
| Debtors | 8 | 34,929 | | 46,771 | |
| Cash at bank and in hand | | 2,246,915 | | 750,100 | |
| | | <u>2,281,844</u> | | <u>796,871</u> | |
| Creditors: amounts falling due within one year | 9 | <u>(1,667,345)</u> | | <u>(1,606,842)</u> | |
| Net current assets/(liabilities) | | | 614,499 | | (809,971) |
| Total assets less current liabilities | | | <u>123,454,259</u> | | <u>100,228,738</u> |
| Creditors: amounts falling due after more than one year | 10 | | (62,256,761) | | (50,175,742) |
| Provisions for liabilities | | | (530,230) | | (427,318) |
| Government grants | | | <u>(1,453,869)</u> | | <u>(1,281,880)</u> |
| Net assets | | | <u>59,213,399</u> | | <u>48,343,798</u> |
| Capital and reserves | | | | | |
| Called up share capital | | | 27,300,000 | | 22,200,000 |
| Revaluation reserve | | | 29,756,861 | | 24,133,206 |
| Profit and loss reserves | | | <u>2,156,538</u> | | <u>2,010,592</u> |
| Total equity | | | <u>59,213,399</u> | | <u>48,343,798</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 13.08.25..... and are signed on its behalf by:



Mrs K I Callis

Director

Company registration number 09522014 (England and Wales)

NUPLACE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2025

| | Notes | Share capital £ | Revaluation reserve £ | Profit and loss reserves £ | Total £ |
|-----------------------------------------|-------|--------------------|--------------------------|-------------------------------|------------|
| Balance at 1 April 2023 | | 18,800,000 | 19,386,886 | 2,007,405 | 40,194,291 |
| Year ended 31 March 2024: | | | | | |
| Profit for the year | | - | - | 256,487 | 256,487 |
| Other comprehensive income: | | | | | |
| Revaluation of investment properties | | - | 4,746,320 | - | 4,746,320 |
| Total comprehensive income for the year | | - | 4,746,320 | 256,487 | 5,002,807 |
| Issue of share capital | | 3,400,000 | - | - | 3,400,000 |
| Dividends | | - | - | (253,300) | (253,300) |
| Balance at 31 March 2024 | | 22,200,000 | 24,133,206 | 2,010,592 | 48,343,798 |
| Year ended 31 March 2025: | | | | | |
| Profit for the year | | - | - | 448,346 | 448,346 |
| Other comprehensive income: | | | | | |
| Revaluation of investment properties | | - | 5,623,655 | - | 5,623,655 |
| Total comprehensive income for the year | | - | 5,623,655 | 448,346 | 6,072,001 |
| Issue of share capital | | 5,100,000 | - | - | 5,100,000 |
| Dividends | | - | - | (302,400) | (302,400) |
| Balance at 31 March 2025 | | 27,300,000 | 29,756,861 | 2,156,538 | 59,213,399 |

NUPLACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Company information

Nuplace Limited is a private company limited by shares incorporated in England and Wales. The registered office is Legal Services, Darby House, Lawn Central, Telford, Shropshire, TF3 4JA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. 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 are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

The company's parent undertaking, Telford and Wrekin Council, includes the company in its Consolidated Financial Statements. The consolidated financial statements of Telford and Wrekin Council are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public as may be obtained from Legal Services, Darby House, Lawn Central, Telford, TF3 4JA. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS102 in respect of the following disclosures; related party transactions, cash flow statement, key management personnel and financial instruments.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The company is funded by Telford and Wrekin Council which has confirmed financial support to fund the future activities of the company for the 30 year period of the loan. The day to day running of the company is supported by rental income, which is sufficient to meet liabilities as they fall due.

1.3 Turnover

Turnover is the rent receivable in the year, for properties let to tenants.

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost. Tangible fixed assets include assets under construction and capitalised interest. Land is considered to be an appreciating asset and is thus not depreciated. Interest incurred during the construction period of investment properties is added to the capital value of the property.

1.5 Investment properties

Investment property is recognised as such once the entire development has been completed and revalued at open market value annually. Investment properties are not depreciated as they are anticipated to appreciate in value. In line with FRS 102 guidance on revaluation of investment property gains/losses on revaluation are recognised in other comprehensive income and accumulated in equity.

NUPLACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit. Therefore, deferred tax is not provided on the revaluation surpluses in connection with investment properties. The company is in the fairly unique position of being wholly owned by a Unitary Authority, any subsequent sale of revalued investment property would be done in collaboration with the Unitary Authority in such a way that corporation tax may not be payable by the company.

1.10 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

The grants received by the company relate to the Newport, Southwater Way and Ketley Bank developments. These grants are released to the profit and loss account over the useful lives of the completed developments.

NUPLACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Investment properties are valued by MRICS Registered Valuers and is an estimate of market value at 31 March 2025. Other estimates have been identified in the forms of accruals, prepayments and bad debt provisions. These are not classed as significant.

3 Turnover and other revenue

| | 2025 £ | 2024 £ |
|-----------------------------------------------|-----------|-----------|
| Turnover analysed by class of business | | |
| Investment Property Rentals | 5,045,962 | 4,148,842 |
| | | |
| | 2025 £ | 2024 £ |
| Other operating income includes; | | |
| Interest income | 96,951 | 84,658 |
| Grants received | 52,011 | 52,011 |

4 Directors' remuneration

Directors of the company received no remuneration or benefit over the year 2025 - £nil (2024 - £nil).

The Directors are employees of the parent organisation.

5 Interest payable and similar expenses

| | 2025 £ | 2024 £ |
|---------------------------------------------------------------|-----------|-----------|
| Interest payable and similar expenses includes the following: | | |
| Interest payable to group undertakings | 2,613,176 | 2,371,394 |

NUPLACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

6 Tangible fixed assets

| | Land and buildings £ |
|------------------------------------|----------------------------|
| Cost | |
| At 1 April 2024 | 8,565,407 |
| Additions | 3,829,510 |
| Transfers | (8,194,008) |
| | <hr/> |
| At 31 March 2025 | 4,200,909 |
| | <hr/> |
| Depreciation and impairment | |
| At 1 April 2024 and 31 March 2025 | - |
| | <hr/> |
| Carrying amount | |
| At 31 March 2025 | 4,200,909 |
| | <hr/> <hr/> |
| At 31 March 2024 | 8,565,407 |
| | <hr/> <hr/> |

Included in additions is capitalised interest of £408,768 (2024: £127,227) on the cost of construction. The total value of capitalised interest included within tangible fixed assets and investment properties at the year end is £2,374,863 (2024: £1,966,094).

7 Investment property

| | 2025 £ |
|-------------------|-------------|
| Fair value | |
| At 1 April 2024 | 92,473,300 |
| Additions | 20,541,896 |
| Revaluations | 5,623,655 |
| | <hr/> |
| At 31 March 2025 | 118,638,851 |
| | <hr/> <hr/> |

NUPLACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

7 Investment property

(Continued)

Nuplace Limited's property assets were valued on 31 March 2025 by internal valuers, Dawn Toy MRICS and David Scrimgeour MRICS, both Registered Valuers of Telford & Wrekin Council.

The valuations were carried out in accordance with the Standard terms of Engagement, detailed in Appendix 2, CIPFA and the RICS Valuation - Global Standards and RICS Global Standards - UK National Supplement (the Red Book) and the International Valuation Standards (IVS), applicable at the valuation date. The valuation of each property was on the bases of Fair Value, which equates to Market Value and assumes that they would be sold subject to the Special Assumptions listed below. The valuer's opinion of Market Value was primarily derived using the comparables method as there was good evidence of previous sales on arm's-length terms.

Special Assumptions:

- There would be no bids from Special Purchasers.
- It is assumed that the interests being valued can be offered freely and openly in the market for non-specialist property, and based on existing use for specialist property.
- There are no past changes in the physical aspects of the property or asset where the valuer has to assume those changes have not taken place.
- All impending or proposed changes in the physical circumstances of the property, for example a new building to be constructed, were ignored.
- There were no anticipated change in the mode of occupation or trade at the property:
 - Planning consent has been, or will be, granted for development (including a change in use) at the property. The impact of any conditions which may be imposed have also been considered.
 - A building or other proposed development has been completed in accordance with a defined plan and specification.
 - The property has been changed in a defined way (e.g. removal of process equipment)
 - The property is vacant when, in reality, at date of valuation it is occupied.
 - That a specific contract was in existence on the valuation date which had not actually been completed.
 - It is let on defined terms when, in reality, at the date of valuation it is vacant.
 - The exchange takes place between parties where one or more has a special interest and that additional value, or synergistic value, is created as a result of the merger of the interests.
- Damaged property:
 - Treating the property as having been re-instated when it has not;
 - Valuing as a cleared site with development permission assumed for the existing use; or
 - Refurbishment or re-development for a different use reflecting the prospects of obtaining the necessary development permissions.
- It is assumed that there were no alterations and improvements to be carried out under the terms of a lease.
- Details of actual or anticipated market constraints were agreed and included in Standard Terms of Engagement.
- If a property cannot be freely or adequately presented to the market, the price is likely to be adversely affected.
- If an inherent constraint exists at the valuation date, it is normally possible to assess its impact on value.
- For inherent constraints that did not exist at valuation date, but is a foreseeable consequence of a specified event, will be treated as arising on valuation date.
- Any Special Assumption that specifies a time limit on disposal must state the reason for the time limit.
- A financial instrument is valued using a yield curve that is different from that which would be used by a market participant.
- Projected values rely wholly on Special Assumptions and may include assumptions such as the state of the market in the future, yields, rental growth, interest rates etc. The assumptions must be:
 - In accordance with any applicable national or jurisdictional standard;
 - Realistic and credible; and
 - Clearly and comprehensively set out in the report.

NUPLACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

7 Investment property

(Continued)

Lotting Assumptions:

- It is assumed that there are no physically separate properties that are occupied by the client where there is a functional dependence between the properties.
- No account made where ownership of a number separate properties would be of particular advantage to them as a single owner.
- Where physically adjoining properties that have been acquired separately by the entity for site assembly for future development/regeneration purposes, the proposed development scheme will be used as the basis of valuation for the assembled site(s).
- No account made where individual properties are used collectively or are an essential component of the entity's operation.
- No record of any groups of properties that should not be valued together.
- Properties valued as individual dwellings, with the assumption that any sales would not flood the market.
- No account taken of other facilities related to site, such as attenuation features.

8 Debtors

| | 2025 £ | 2024 £ |
|---------------------------------------------|---------------|---------------|
| Amounts falling due within one year: | | |
| Trade debtors | 24,264 | 38,269 |
| Other debtors | 10,665 | 8,502 |
| | <u>34,929</u> | <u>46,771</u> |

9 Creditors: amounts falling due within one year

| | 2025 £ | 2024 £ |
|------------------------------------|------------------|------------------|
| Trade creditors | 461,055 | 193,744 |
| Amounts owed to group undertakings | 646,196 | 1,098,859 |
| Taxation and social security | 134,888 | 142,080 |
| Other creditors | 425,206 | 172,159 |
| | <u>1,667,345</u> | <u>1,606,842</u> |

10 Creditors: amounts falling due after more than one year

| | 2025 £ | 2024 £ |
|-----------------|-------------------|-------------------|
| Other creditors | <u>62,256,761</u> | <u>50,175,742</u> |

Included in other creditors are secured loan facilities with Telford and Wrekin Council. These facilities are secured by the investment properties per note 5.

NUPLACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

11 Financial commitments, guarantees and contingent liabilities

A grant of £1,008,336 was received from Telford and Wrekin Council in 2017/18 for the construction of 33 affordable units for rent at Springfields, Newport. The terms of this require Nuplace to hold the units as affordable, subject to repayment should the units cease to be held as such. The grant is released to the profit and loss account over the useful life of the units.

An additional grant of £460,000 was received in 2022/23 from the West Midlands Combined Authority for the construction of 46 units including 11 affordable units at Southwater Way. The terms of this required completion of the units by 31 December 2022 and this condition was met. The grant is released to profit and loss over the useful life of the units.

A further grant of £448,000 from the West Midlands Combined Authority was secured in 2024/25 for the construction of 28 residential units of which £224,000 was received in year. The terms of this require the completion of the units by 31 January 2026. The grant is released to the profit and loss account over the useful life of the units.

12 Capital commitments

At 31 March 2025 the company entered into a number of contracts for the development and acquisition of fixed assets estimated to cost £7,983,388 (2024: £7,842,510).

13 Related party transactions

The company has entered into loan agreements for secured loan facilities of up to £71,000,000 with Telford and Wrekin Council. At the year end the Company had drawn down £62,256,761 (2024: £50,175,742). Interest of £3,021,944 (2024: £2,498,621) has been charged by Telford and Wrekin Council. The loans are interest only and repayable at the end of their term.

The company purchased £1,923,801 (2024: £1,078,994) of services from the Telford and Wrekin Council.

The total amount due to Telford and Wrekin Council at the balance sheet date is £62,902,957 (2024: £51,274,601).

14 Parent company

The ultimate controlling party and parent is Telford and Wrekin Council (registered office: Legal Services Darby House, Lawn Central, Telford, TF3 4JA) by virtue of it's 100% shareholding.

NUPLACE LIMITED

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2025

| | 2025 £ | 2025 £ | 2024 £ | 2024 £ |
|-----------------------------------------------|------------------|----------------|------------------|----------------|
| Turnover | | | | |
| Rental income | | 5,045,962 | | 4,148,842 |
| Cost of sales | | | | |
| <i>Purchases and other direct costs</i> | | | | |
| Direct costs | 1,457,733 | | 1,137,149 | |
| Bad and doubtful debts | 23,054 | | 14,366 | |
| | <u>1,480,787</u> | | <u>1,151,515</u> | |
| Total purchases and other direct costs | | | | |
| | | | | |
| Total cost of sales | | (1,480,787) | | (1,151,515) |
| Gross profit | 70.65% | 3,565,175 | 72.24% | 2,997,327 |
| Other operating income | | | | |
| Government grants receivable and released | 52,011 | | 52,011 | |
| Sundry income | 20,536 | | 30,363 | |
| | <u>72,547</u> | | <u>82,374</u> | |
| Administrative expenses | | (434,293) | | (362,532) |
| Operating profit | | 3,203,429 | | 2,717,169 |
| Interest receivable and similar income | | | | |
| Bank interest received | 96,951 | | 84,658 | |
| | <u>96,951</u> | | <u>84,658</u> | |
| Interest payable and similar expenses | | | | |
| Interest payable to group companies | | (2,613,176) | | (2,371,394) |
| Profit before taxation | 13.62% | <u>687,204</u> | 10.37% | <u>430,433</u> |

NUPLACE LIMITED

SCHEDULES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2025

| | 2025 £ | 2024 £ |
|--------------------------------|-------------|-------------|
| Administrative expenses | | |
| Insurances | 88,090 | 68,297 |
| Legal and professional fees | 40,635 | 31,860 |
| Consultancy fees | 91,034 | 90,998 |
| Accountancy | 187,747 | 146,005 |
| Audit fees | 10,200 | 8,500 |
| Bank charges | 2,187 | 1,272 |
| Advertising | 14,400 | 15,600 |
| | <hr/> | <hr/> |
| | 434,293 | 362,532 |
| | <hr/> <hr/> | <hr/> <hr/> |
