

REGISTERED COMPANY NUMBER: 02328684 (England and Wales)
REGISTERED CHARITY NUMBER: 1076383
REGISTERED WITH THE REGULATOR OF SOCIAL HOUSING NUMBER 4707

REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
FOR
HAWES STREET HOUSING LTD.

HAWES STREET HOUSING LTD.

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for the Year Ended 31 March 2024

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HAWES STREET HOUSING LTD.

REPORT OF THE TRUSTEES for the Year Ended 31 March 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives, structure and activities

The Charity's Objects are to carry on for the benefit of the community of Staffordshire the business of:

- a. providing housing and any associated amenities, services or assistance for people in necessitous circumstances on terms appropriate to their means;
- b. providing specially designed or adapted housing and associated amenities, services or assistance for people who need it or them because of chronic sickness, age or mental or physical disabilities;
- c. providing housing and any other associated amenities, services or assistance for any others for whom it is charitable to do so;
- d. to promote any other charitable purpose for the benefit of the community in Staffordshire.

Significant activities and Public Benefit

We constantly monitor our activities and progress and review our strategic objectives on an annual basis. We continue to make progress in the achievement of our objectives, which are further detailed in the Review of Activities.

The Trustees have carefully considered the requirement for public benefit reporting in accordance with guidance issued by the Charity Commission. As a result, the Trustees have satisfied themselves that the public benefit of the activities undertaken by Saltbox, have continued and are likely to do so in the future. The activities of Hawes Street Housing (HSH) which have contributed to the public benefit are summarised as follows:

- The purchase and renovation of vacant houses within the area surrounding Hawes Street in the Tunstall area of Stoke-on-Trent for letting at affordable rents to local people who are homeless or in housing need.

HAWES STREET HOUSING LTD.

REPORT OF THE TRUSTEES for the Year Ended 31 March 2024

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Review of Activities 2023/24

On 1st April 2023, after a period of extensive due diligence, the Board agreed to the acquisition of HSH by a local charity, Saltbox. In agreement with the HSH Board, Saltbox has provided extensive operational and management support during the year to enable the Board to meet its obligations.

HSH commenced the year with 28 letting units (mainly refurbished terrace houses, plus three flats) and acquired a further property in the year which is currently undergoing renovation, to take the housing stock to 29 units. Of these properties, 23 are wholly owned by HSH with 6 properties on a leasehold agreement with Stoke-on-Trent City Council (currently under renewal). All 28 properties were fully let during the year with 1 tenant moving to Council property after the year end.

New tenants undergo a thorough application and vetting process and HSH is able to offer wider support to tenants, particularly through the projects that Saltbox runs including support for older people and money/debt advice services.

A Stock Condition Survey was commissioned during the year which has evidenced that our houses comply with the Decent Homes Standard. We have also developed a 5 year maintenance programme for the renovation and refurbishment of houses which will enable us to undertake significant improvements (e.g. replacement bathrooms and kitchens) in a planned and controlled manner.

A considerable amount of work has taken place during the year to ensure that HSH is compliant with the Economic Standards set out by the Regulator of Social Housing, as well as preparation for the new Consumer Standards that registered providers must comply with from 1st April 2024. There is further work to be undertaken by staff and Trustees to ensure full compliance with the Governance & Financial Viability Standard which will be completed in the next 12 months.

Value for Money

In the current economic environment, it is important to ensure that HSH maximises the value for money from any expenditure undertaken. The Board considers value for money as part of its strategic approach when allocating resources, but not at the expenses of providing a quality service. New financial procedures have been introduced following the acquisition by Saltbox, ensuring that major items of expenditure are scrutinized and approved prior to being incurred, with quotations obtained as required, to ensure that the best prices are secured.

FINANCIAL REVIEW

Financial position

Overall Performance

The financial activity of the Charity is detailed in the Financial Statements attached. The comparative results for 2023 are for a 15 month period to 31/03/2023.

We are pleased to report that our results for the year ended 31st March 2024 show a surplus of £26,207 (2023: surplus of £45,593). The surplus has been achieved through continued monitoring of rental income along with careful management of expenditure on repairs and renovations to properties.

The Board is confident that during 2024/25 HSH will continue to make good financial progress, despite the ongoing challenges around the economic environment and that it has sufficient reserves to enable the organisation to continue to deliver its activities.

HAWES STREET HOUSING LTD.

REPORT OF THE TRUSTEES for the Year Ended 31 March 2024

FINANCIAL REVIEW

Principal funding sources

Income:

HSH is financed through the rents received from its tenants and from housing benefit for those tenants in receipt of this. Total Incoming resources during the year was £93,273 compared with £109,748 in the previous 15 months.

Expenditure:

Total resources expended for the year was £67,492 compared with £64,155 in the previous financial period.

Balance Sheet:

Total funds at 31st March 2024 were £2,373,008 (2023: £1,156,144) of which Restricted funds were: £nil (2022: £250,000). Un-restricted funds were: £2,373,008 (2023: £906,144).

Cash at Bank and in hand was £235,002 (2023: £301,976) which is considered adequate to meet the future cash needs of HSH.

An independent review of the valuation of the housing stock was undertaken at 31st March 2024 with the 28 properties (29 units) being revalued to £2,145,000. As such, a revaluation reserve has been created to ensure that the properties are valued at fair value.

Reserves policy

Future Proofing the Charity's Service Provision

The Trustees have determined that the charity's reserves are kept at a satisfactory level to provide continuation funding for future repairs and maintenance or for the acquisition of further properties as and when any suitable houses become available in the area.

Contingency Policy

To ensure that the charity remains sustainable in the event of any significant loss due to unforeseen circumstances, it is the Trustees' policy to hold reserves of approximately 3 months' expenditure. This equates to approximately £16,873 of which we currently hold £234,908 (2022 £301,672).

Investment Policy

In accordance with the Articles of Association, the Trustees' have the power to invest money in their absolute discretion as they think fit.

Principal risks and uncertainties

Principal risks that have been identified during the course of the year have included:

- The ongoing impact of cost inflation on the future financial position of the charity;
- The renewal of the leases for 6 properties currently leased from Stoke-on-Trent City Council

HAWES STREET HOUSING LTD.

REPORT OF THE TRUSTEES for the Year Ended 31 March 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

HSH is a charitable company limited by guarantee, registered in England and Wales, company number 02328684, registered charity 1076383, controlled by its governing document (its Articles of Association). It is also a Registered Provider number 4707 and regulated by the Regulator of Social Housing.

Company Structure

On 1st April 2023, following a period of extensive due diligence and legal advice, HSH became a wholly owned subsidiary of Saltbox Ltd, registered charity number 1121832 and company limited by guarantee number 06247360. HSH has retained its own Board, which meets every 2 months, and has been supported by the Board and staff of Saltbox to ensure that it continues to fulfil its responsibilities as a registered provider of social housing and as a charity.

Recruitment and appointment of new trustees

The election or appointment of Trustees is set out in the Articles of Association of HSH.

Organisational structure and decision making

The Board of Trustees meets bi-monthly and is responsible for the strategic direction and policy of the charity.

A management agreement has been put in place with the parent company, Saltbox, who assist HSH in providing the operational support for the running of the organization including overseeing the receipt of income from rents and managing the repairs and maintenance of properties. A scheme of delegation is in place and day to day responsibility for the provision of the services rests with the Saltbox Chief Executive Officer (CEO), Lloyd Cooke, who leads a Senior Management Team.

Declaration of interests

Trustees are required to declare interests that are relevant and material both at Board level and at subcommittee level and declarations are requested at each meeting. A record is maintained of all relevant and material interests by the Company Secretary and this record is available on request.

Induction and training of new trustees

New Trustees are identified through a trustee recruitment and selection process, based on a skills matrix of roles required for the governance of the charity. They are required to serve a probationary period during which time they are expected to attend an initial Board meeting as an observer, meet with the Saltbox CEO and HSH Chair of the Board, and undertake a Trustee induction programme to familiarise themselves with the charity and the context in which it operates.

Related parties

HSH operates as a subsidiary company of Saltbox and as such, has intercompany transactions with the parent.

HAWES STREET HOUSING LTD.

REPORT OF THE TRUSTEES for the Year Ended 31 March 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The risk management reporting framework adopted by the Trustees includes the following:

- Preparation, update and review of the Risk Register at each Board meeting, with key issues identified and pro-active plans established to mitigate those identified risks, including the accountable manager and timeframe for monitoring of those risks;
- Preparation and presentation of the monthly management accounts and cash flow position to Trustees at each Board meeting, to ensure that the charity has sufficient funds for a period of 12 months or more;
- Health and safety monitoring - this is carried out by the Saltbox team on a regular basis to ensure that any risks are identified, reported and mitigated. Health and Safety checks for properties are undertaken on a monthly basis, or more frequently, as risks are identified. Reporting of gas and electrical certifications is undertaken to the Trustees at each Board meeting;

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
02328684 (England and Wales)

Registered Charity number
1076383

Registered office
3 Goodfellow Street
Tunstall
Stoke On Trent
Staffordshire
ST6 5AX

Trustees
J Gerrard
P Harley
M W Holland (appointed 1.4.23)
P J Madden
C D McMain
G D Bond (appointed 1.4.23)

Company Secretary
L Cooke

Auditors
Sumer Auditco Ltd
Chartered accountants & statutory auditors
Stone House
Stone Road Business Park
Stoke-On-Trent
ST4 6SR

HAWES STREET HOUSING LTD.

REPORT OF THE TRUSTEES
for the Year Ended 31 March 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Hawes Street Housing Ltd. for the purposes of company law) are responsible for preparing the Report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

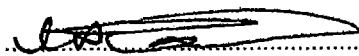
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware;
and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Approved by order of the board of trustees on 7/8/2024 and signed on its behalf by:



C D McMain - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAWES STREET HOUSING LTD.

Opinion

We have audited the financial statements of Hawes Street Housing Ltd. (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of financial activities, the Statement of financial position, the Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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 trustees' 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 charitable 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Report of the independent auditors thereon.

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.

In connection with our audit of the financial statements, 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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HAWES STREET HOUSING LTD.**

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 Report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the trustees has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the trustees.

We have nothing to report in respect of the following matters where 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic report or in preparing the Report of the trustees.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAWES STREET HOUSING LTD.

Our 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 a Report of the independent auditors 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.

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

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.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

Based on this approach, we were able to assess the company risks and ensure the risks were considered throughout all areas of audit testing. The audit team was professionally sceptical throughout the audit and remained alert for inaccurate or misleading information.

Audit response to risks identified

During the planning stage of the audit, the susceptibility of the charity to irregularities including fraud was considered and discussed with the audit team.

No key audit risks were identified relating to the potential risk of fraud or irregularities. Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing cut-off tests to ensure income is recognised in the appropriate accounting period;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- obtained an understanding of provisions and held discussions with management to understand the basis of recognition or non-recognition of tax provisions; and

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAWES STREET HOUSING LTD.

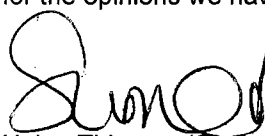
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Audit testing was completed on a targeted sample basis based on our assessment of risk and materiality. 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.

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. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Helen Tidyman (Senior Statutory Auditor)
for and on behalf of Sumer Auditco Ltd
Chartered accountants & statutory auditors
Stone House
Stone Road Business Park
Stoke-On-Trent
ST4 6SR

Date: 21/8/24.....

HAWES STREET HOUSING LTD.

**STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 March 2024**

	Notes	Unrestricted fund £	Restricted fund £	Year Ended 31.3.24 Total funds £	Period 1.1.22 to 31.3.23 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities					
Housing for the benefit of the community		93,273	-	93,273	109,748
Other income		<u>426</u>	<u>-</u>	<u>426</u>	<u>-</u>
Total		<u>93,699</u>	<u>-</u>	<u>93,699</u>	<u>109,748</u>
EXPENDITURE ON					
Charitable activities					
Housing for the benefit of the community		44,930	-	44,930	36,775
Other		<u>22,562</u>	<u>-</u>	<u>22,562</u>	<u>27,380</u>
Total		<u>67,492</u>	<u>-</u>	<u>67,492</u>	<u>64,155</u>
NET INCOME		26,207	-	26,207	45,593
Transfers between funds	10	250,000	(250,000)	-	-
Other recognised gains/(losses)					
Gains on revaluation of fixed assets		<u>1,190,657</u>	<u>-</u>	<u>1,190,657</u>	<u>-</u>
Net movement in funds		1,466,864	(250,000)	1,216,864	45,593
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>906,144</u>	<u>250,000</u>	<u>1,156,144</u>	<u>1,110,551</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>2,373,008</u></u>	<u><u>-</u></u>	<u><u>2,373,008</u></u>	<u><u>1,156,144</u></u>

The notes form part of these financial statements

HAWES STREET HOUSING LTD.

STATEMENT OF FINANCIAL POSITION
31 March 2024

	Notes	Unrestricted fund £	Restricted fund £	31.3.24 Total funds £	31.3.23 Total funds £
FIXED ASSETS					
Tangible assets	7	2,145,000	-	2,145,000	872,854
CURRENT ASSETS					
Debtors	8	8,842	-	8,842	410
Cash at bank and in hand		<u>235,002</u>	<u>-</u>	<u>235,002</u>	<u>301,976</u>
		243,844	-	243,844	302,386
CREDITORS					
Amounts falling due within one year	9	(15,836)	-	(15,836)	(19,096)
NET CURRENT ASSETS		<u>228,008</u>	<u>-</u>	<u>228,008</u>	<u>283,290</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,373,008</u>	<u>-</u>	<u>2,373,008</u>	<u>1,156,144</u>
NET ASSETS		<u><u>2,373,008</u></u>	<u><u>-</u></u>	<u><u>2,373,008</u></u>	<u><u>1,156,144</u></u>
FUNDS	10				
Unrestricted funds				2,373,008	906,144
Restricted funds				<u>-</u>	<u>250,000</u>
TOTAL FUNDS				<u><u>2,373,008</u></u>	<u><u>1,156,144</u></u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 7/8/2024 and were signed on its behalf by:



 C D McMain - Trustee

The notes form part of these financial statements

HAWES STREET HOUSING LTD.

STATEMENT OF CASH FLOWS
for the Year Ended 31 March 2024

	Notes	Year Ended 31.3.24 £	Period 1.1.22 to 31.3.23 £
Cash flows from operating activities			
Cash generated from operations	1	<u>14,515</u>	<u>64,270</u>
Net cash provided by operating activities		<u>14,515</u>	<u>64,270</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(81,489)</u>	<u>-</u>
Net cash (used in)/provided by investing activities		<u>(81,489)</u>	<u>-</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents			
in the reporting period		(66,974)	64,270
Cash and cash equivalents at the			
beginning of the reporting period		<u>301,976</u>	<u>237,706</u>
 Cash and cash equivalents at the end			
of the reporting period		<u>235,002</u>	<u>301,976</u>

The notes form part of these financial statements

HAWES STREET HOUSING LTD.

NOTES TO THE STATEMENT OF CASH FLOWS
for the Year Ended 31 March 2024

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Year Ended 31.3.24 £	Period 1.1.22 to 31.3.23 £
Net income for the reporting period (as per the Statement of financial activities)	26,207	45,593
Adjustments for:		
Depreciation charges	-	421
Increase in debtors	(8,432)	-
(Decrease)/increase in creditors	<u>(3,260)</u>	<u>18,256</u>
Net cash provided by operations	<u>14,515</u>	<u>64,270</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.23 £	Cash flow £	At 31.3.24 £
Net cash			
Cash at bank and in hand	<u>301,976</u>	<u>(66,974)</u>	<u>235,002</u>
	<u>301,976</u>	<u>(66,974)</u>	<u>235,002</u>
Total	<u>301,976</u>	<u>(66,974)</u>	<u>235,002</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2024

1. GENERAL INFORMATION

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 3 Goodfellow Street, Tunstall, Stoke-on-Trent, Staffordshire, ST6 5AX.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Critical accounting judgements and key sources of estimation uncertainty

The judgements that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

(i) Estimated useful lives and residual values of fixed assets

As described in the notes to the financial statements, depreciation of tangible fixed assets has been based on estimated useful lives and residual values deemed appropriate by the trustees. Estimated useful lives and residual values are reviewed annually and revised as appropriate. Revisions take into account estimated useful lives used by other charities and actual asset lives and residual values, as evidenced by disposals during the current and prior accounting periods.

(ii) Provisions

Provision is made for asset dilapidation and contingencies. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements.

Going concern

There are no material uncertainties about the charity's ability to continue as a going concern.

Income

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2024

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Freehold Property	-	Not depreciated
Long Leasehold	-	Not depreciated
Office Equipment	-	10% Straight Line

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. The charity only capitalises individual assets of a value of £1,000 or more.

Freehold and long leasehold properties are not depreciated as in the opinion of the Trustees any depreciation would be immaterial. The freehold and leasehold properties are maintained to a high standard and have a high residual value.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Financial Instruments

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

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

HAWES STREET HOUSING LTD.

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 March 2024

2. ACCOUNTING POLICIES - continued

Impairment of fixed assets

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

3. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	Year Ended 31.3.24 £	Period 1.1.22 to 31.3.23 £
Auditors' remuneration	<u>3,000</u>	<u>-</u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2024. For the period ended 31 March 2023 J Gerrard was paid an amount of £1,500 for administrative services.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2024 nor for the period ended 31 March 2023.

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Housing for the benefit of the community	109,748	-	109,748
	<hr/>	<hr/>	<hr/>

HAWES STREET HOUSING LTD.

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 March 2024

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

EXPENDITURE ON

	Unrestricted fund £	Restricted fund £	Total funds £
Charitable activities			
Housing for the benefit of the community	36,775	-	36,775
Other	<u>27,380</u>	<u>-</u>	<u>27,380</u>
Total	<u>64,155</u>	<u>-</u>	<u>64,155</u>
NET INCOME	45,593	-	45,593
RECONCILIATION OF FUNDS			
Total funds brought forward	860,551	250,000	1,110,551
TOTAL FUNDS CARRIED FORWARD	<u>906,144</u>	<u>250,000</u>	<u>1,156,144</u>

6. PRIOR YEAR COMPARATIVES

During the year, the charity was acquired by a large charity that qualifies for audit. As a result of this, the current period financial statements have been audited. The prior year financial statements are unaudited as there was no requirements to complete an audit for this period.

7. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Office Equipment £	Totals £
Cost or valuation				
At 1 April 2023	872,854	-	5,669	878,523
Additions	81,489	-	-	81,489
Revaluations	1,190,657	-	-	1,190,657
Reclassification	<u>(480,000)</u>	<u>480,000</u>	<u>-</u>	<u>-</u>
At 31 March 2024	<u>1,665,000</u>	<u>480,000</u>	<u>5,669</u>	<u>2,150,669</u>
Depreciation				
At 1 April 2023 and 31 March 2024	<u>-</u>	<u>-</u>	<u>5,669</u>	<u>5,669</u>
Net book value				
At 31 March 2024	<u>1,665,000</u>	<u>480,000</u>	<u>-</u>	<u>2,145,000</u>
At 31 March 2023	<u>872,854</u>	<u>-</u>	<u>-</u>	<u>872,854</u>

HAWES STREET HOUSING LTD.**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the Year Ended 31 March 2024**7. TANGIBLE FIXED ASSETS - continued**

Cost or valuation at 31 March 2024 is represented by:

	Freehold property £	Long leasehold £	Office Equipment £	Totals £
Valuation in 2024	924,144	266,513	-	1,190,657
Cost	<u>740,856</u>	<u>213,487</u>	<u>5,669</u>	<u>960,012</u>
	<u>1,665,000</u>	<u>480,000</u>	<u>5,669</u>	<u>2,150,669</u>

The freehold properties were revalued on 9th May 2024 on a market value basis by Mounsey Chartered Surveyors.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24 £	31.3.23 £
Other debtors	410	410
Prepayments and accrued income	<u>8,432</u>	<u>-</u>
	<u>8,842</u>	<u>410</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24 £	31.3.23 £
Accruals and deferred income	<u>15,836</u>	<u>19,096</u>

10. MOVEMENT IN FUNDS

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	906,144	1,216,864	250,000	2,373,008
Restricted funds				
Restricted fund	250,000	-	(250,000)	-
TOTAL FUNDS	<u>1,156,144</u>	<u>1,216,864</u>	<u>-</u>	<u>2,373,008</u>

HAWES STREET HOUSING LTD.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2024

10. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	93,699	(67,492)	1,190,657	1,216,864
	<u>93,699</u>	<u>(67,492)</u>	<u>1,190,657</u>	<u>1,216,864</u>
TOTAL FUNDS	<u>93,699</u>	<u>(67,492)</u>	<u>1,190,657</u>	<u>1,216,864</u>

Comparatives for movement in funds

	At 1.1.22 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	860,551	45,593	906,144
Restricted funds			
Restricted fund	250,000	-	250,000
	<u>1,110,551</u>	<u>45,593</u>	<u>1,156,144</u>
TOTAL FUNDS	<u>1,110,551</u>	<u>45,593</u>	<u>1,156,144</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	109,748	(64,155)	45,593
	<u>109,748</u>	<u>(64,155)</u>	<u>45,593</u>
TOTAL FUNDS	<u>109,748</u>	<u>(64,155)</u>	<u>45,593</u>

HAWES STREET HOUSING LTD.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2024

11. ULTIMATE PARENT COMPANY

Hawes Street Housing Ltd is a subsidiary of Saltbox a registered charity, charity number 1121832, whose registered address is Gitana Street, Hanley, Stoke-on-Trent, ST1 1DY.

12. CONTINGENT LIABILITIES

Rents due in respect of properties is viewed as not material to the accounts because the income would offset the expenditure.

13. RELATED PARTY DISCLOSURES

During the year ended 31st March 2024 CD McMain was paid £1,576 for professional building services undertaken. (For the period ended 31st March 2023 an amount of £5,327 was paid)

For the period ended 31st March 2023 J Gerrard was paid £1,500 for administrative services.