

**Passage Housing Services
Financial Statements
Year Ended 31 March 2023**

Regulator of Social Housing registration number:4842

Company registration number: 09337431

Charity registration number: 1161696

Passage Housing Services

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Year Ended 31 March 2023

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Passage Housing Services

Passage Housing Services Information

Year Ended 31 March 2023

Regulator of Social Housing registration number	4842
Company number	09337431 (England and Wales)
Charity number	1161696
Directors of the board	Michael Broom (appointed 20 June 2023) Jane Campbell Jonathan Fewster Mark Fisher Michael Kelly Jane Lally (appointed 20 June 2023) Kiran Pawar Christopher Williams (resigned 20 June 2023) Claire Wise (appointed 20 June 2023)
Secretary	Jane Sandeman
Registered office	St Vincent's Centre Carlisle Place London London SW1P 1NL United Kingdom
Place of business	As above
Auditor	Sayer Vincent LLP Invicta House, 108-114 Golden Lane London, EC1Y 0TL
Solicitor	Pothecary Witham Weld 70 St George's Square London SW1V 3RD
Bankers	HSBC plc Belgravia Branch The Peak 333 Vauxhall Bridge Road London SW1V 1EJ

Passage Housing Services

Board Report

Year Ended 31 March 2023

The board of Passage Housing Services presents their report and the audited financial statements of Passage Housing Services for the year ended 31 March 2023.

Directors of the board

The directors of the board who have served during the year were as follows:

Jane Campbell
Jonathan Fewster
Mark Fisher
Michael Kelly
Kiran Pawar
Christopher Williams

Review of the business / business model

Passage Housing Services (PHS) is a private company limited by guarantee without share capital, incorporated on 2nd December 2014, Company No. 09337431. It is a wholly owned subsidiary of Passage 2000, a charity and company limited by guarantee whose objective is to end street homelessness. It is a registered charity, No. 1161696 and a Registered Social Landlord RP Number: 4842.

Until 16 December 2020 Passage Housing Services was dormant. On 17 December 2020 it took over a lease from Optivo for Bentley House, a building with 20 units of self-contained accommodation, located at St Vincent's Centre, Carlisle Place, London SW1P 1NL. The freehold of this property is owned by Passage 2000. On 16 March 2021, Passage Housing Services Limited took over a lease from Peabody Housing Association for Passage House, a 40-unit assessment centre located at 1-5 Longmoore Street, London SW1V 1JH. Passage 2000 owns the freehold to this property.

Objectives and strategies for achieving those objectives

The completion during 2022 of the refurbishment of Passage House and Bentley House has provided 57 units of high quality accommodation, which includes 19 units of accommodation for vulnerable people and a 37-unit assessment centre; one unit is occupied under a long-term tenancy arrangement pre-dating the transfer of the lease. The units at Passage House came into use in August 2022, and those at Bentley House became available from December 2022 with 10 of those units in occupation by 31 March 2023. The three-year strategy of Passage Housing Services for 2022-25 will be aligned with the strategic priorities of Passage 2000 for the same period.

The principal income in the year consisted of a grant from the parent charity Passage 2000 to support the administrative costs of the entity and core rents collected by the parent charity as agent for Passage Housing Services.

The entity held reserves of £218,012 at the year end (2022: £128,277). The parent charity, Passage 2000 will continue to support Passage Housing Services to enable it to carry out its activities.

Principal risks and uncertainties

The principal risk prior to the completion of the refurbishment related to capital funding of the project, all of which was obtained through a mixture of planned grants from external bodies and the reserves of the parent charity Passage 2000. As the properties have come into use a residual risk remains that they will not meet user requirements in the long term. This risk has been mitigated by a formal process of regular engagement between key service delivery personnel and the Project Manager and Architects. Experience to date has demonstrated that apart from minor snagging issues to be expected in a project of this complexity (all of which have been or are in the process of being resolved, and none of which pose a major risk to the overall project), no issues of note or significance have been identified. This situation continues to be monitored and managed by key service delivery personnel and is not seen to provide significant concern.

Main trends and factors underlying the development and performance and position of the RP

The successful completion of the refurbishment of 57 units of accommodation to a high standard provides a sound basis for the future development and performance of the RP. At the balance sheet date 34 of the 37

Passage Housing Services

Board Report

Year Ended 31 March 2023

units at Passage House (completed in August 2022), and 10 of the 20 units at Bentley House (completed in December 2022) were in occupation. Since that date further units have come into occupation. Future performance of the RP is based on the successful outcome of this project; principal risks to this are noted elsewhere in this report.

Future prospects

Now that the refurbishment has been completed and the units are coming into use, Passage Housing Services will, in partnership with Passage 2000, explore strategic partnerships with Housing Associations with regard to establishing more accommodation options for those impacted by homelessness.

Assessment of how the RP is achieving Value for Money

The company is conscious of the need to provide value for money to our users and stakeholders. As a registered provider of social housing with the Regulator for Social Housing (RSH) in England, we are committed to delivering value for money and continuing to meet the RSH's Value for Money Standard. Our rental and social housing related support levels are set in consultation with Westminster City Council to ensure that they, as the principal commissioners of our services, have assurance that they are receiving such value. We regularly review our performance and working practices to continue developing the impact of services and using resources in the most effective and efficient way.

Metric 1 - Reinvestment %

This demonstrates the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held. The company's metric for reinvestment for the year was nil (2022: 1.7%) as the costs for the refurbishment of its properties (other than consultancy costs) have been borne by the parent charity.

Metric 2 - New supply delivered %

During the year the company completed a major refurbishment of two properties, Passage House and Bentley House, originally consisting of a total of 60 social housing units. As a result of the repurposing of space in these properties the total number of units was reduced by three to allow for the required improvement of standard in the refurbished units. This represents an overall reduction of 5.3% (2022: 0.0%) in the total number of social housing units.

Metric 3 - Gearing

This metric looks at the extent to which the company's activities are dependent on debt finance. The company holds leasehold property stated at the cost of transfer of the lease less accumulated depreciation. The balance of the loan at 31 March 2023 was £462k (2022: £528k). This represents the cost of the remaining lease repayments spread over ten years from acquisition of the lease. In addition, the company has a liability for short term borrowings of £15k (2022: £17k) representing administrative costs paid by the parent charity. Total borrowings represent 66% (2022: 84%) of the depreciated value of the lease.

Metric 4 - Earnings before interest, tax, depreciation, amortization, major repairs included (EBITDA MRI) interest cover %

The company paid no interest on the loans referred to in Metric 3 (2022: nil).

Metric 5 - Headline social housing cost per unit

The cost per unit for the year to Passage Housing Services was £938 (2022: £0). This reflects the average cost to the company of providing accommodation to residents for that part of the year in which Passage House and Bentley House were in operation (Passage House: August 2022 to March 2023; Bentley House December 2022 to March 2023). If the additional costs to Passage 2000 (acting as agent for PHS) are taken into account, the total cost per unit to Passage 2000 and PHS combined is £4,664 (2022: £0).

Metric 6 - Operating margin (overall) - %

The operating margin from social housing lettings was 35.3% (2022: 0.0%) while the operating margin of the company as a whole was 62.3% (2022: 83.5%) due to donations from the parent entity to support the administrative costs of the company over the period of refurbishment, during which no income from social housing lettings was received.

Metric 7 - Return on capital employed (ROCE) %

Passage Housing Services

Board Report

Year Ended 31 March 2023

This metric compares the operating surplus to total assets less current liabilities. For the company this was 14.7% (2022: 18.7%).

Code of governance

Passage Housing Services has adopted the National Housing Federation Code of Governance 2020.

Board's annual review of internal control

At each meeting of the Board a review of significant risks is undertaken and mitigation strategies agreed.

Public benefit

In conjunction with its parent entity Passage 2000, Passage Housing Services seeks to provide resources which encourage, inspire and challenge people experiencing homelessness to transform their lives. The principal focus of Passage Housing Services is to provide accommodation for vulnerable people as a significant means to the ending of street homelessness.

Future developments

The principal focus here is the ongoing development and growth of the refurbished properties mentioned above. Future strategic partnerships will be built on, and depend upon, a positive outcome. As a result the Directors maintain a careful watch over the risks and uncertainties associated with this project to ensure that future developments are built on a firm foundation.

Employees

During the year the average number of employees was 0 (2022: 0).

Directors' responsibilities

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association and of the income and expenditure of the association for that period. In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and

Passage Housing Services

Board Report

Year Ended 31 March 2023

- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The board report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board on 6 September 2023 and signed on their behalf by

Kiran Pawar, Director

Michael Broom, Director

Passage Housing Services

Independent Auditor's Report to the Board of Passage Housing Services

Year Ended 31 March 2023

Independent Auditor's Report to the Members of Passage Housing Services

Opinion

We have audited the financial statements of Passage Housing Services (the 'association') for the year ended 31 March 2023 which comprise the statement of comprehensive income, balance sheet 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 association's affairs as at 31 March 2023, and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

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 association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the board with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the board report, other than the financial statements and our auditor's report thereon. The board are responsible for the other information contained within the board 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.

Matters on which we are required to report by exception

In the light of our 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 board report.

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Act 2014 requires us to report to you if, in our opinion:

Passage Housing Services

Independent Auditor's Report to the Board of Passage Housing Services

Year Ended 31 March 2023

- the association has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the association's books of account; or
- we have not obtained all the information and explanations necessary for the purposes 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' exemptions in preparing the directors' annual report and from the requirement to prepare a strategic report.

Responsibilities of the board

As explained more fully in the board's responsibilities statement set out on page in the board report, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We enquired of management and board which included obtaining and reviewing supporting documentation, concerning the association's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - 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 related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the association operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the association from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Passage Housing Services

Independent Auditor's Report to the Board of Passage Housing Services

Year Ended 31 March 2023

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the association'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 association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller	
on behalf of Sayer Vincent LLP, Statutory Auditor Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL	27 September 2023

Passage Housing Services

Statement of Comprehensive Income (Including Income and Expenditure Account)

Year Ended 31 March 2023

	Note	Unrestricted £	Discontinued operations £	2023 £	2022 £
Turnover	2	156,824	-	156,824	131,000
Cost of sales	3	(54,048)	-	(54,048)	-
Gross surplus		102,776	-	102,776	131,000
Administrative expenditure	4	(13,040)	-	(13,040)	(21,565)
Operating surplus		89,735	-	89,735	109,435
Surplus for the year before taxation	6	89,735	-	89,735	109,435
Tax on surplus	8	-	-	-	-
Surplus for the year		89,735	-	89,735	109,435
Total comprehensive income for the year / period		89,735	-	89,735	109,435

All of the above results are derived from continuing activities. There were no recognised gains or losses other than those stated above. All income is unrestricted.

Approved by the Directors on 6 September 2023 and signed on their behalf by

Kiran Pawar, Director

Michael Broom, Director

Passage Housing Services

Company number: 09337431

Balance Sheet

Year Ended 31 March 2023

		2023 £	2022 £
	Note		
Fixed assets			
Tangible fixed assets - housing properties	9	639,836	646,386
		<u>639,836</u>	<u>646,386</u>
Current assets			
Debtors	10	1,295	1,356
Cash at bank and in hand		55,575	25,351
		<u>56,870</u>	<u>26,707</u>
Creditors: amounts falling due within one year	11	(85,694)	(86,317)
Net current (liabilities) / assets		<u>(28,824)</u>	<u>(59,609)</u>
Total assets less current liabilities		611,012	586,777
Creditors: amounts falling due after more than one year	12	(393,000)	(458,500)
Total net assets		<u>218,012</u>	<u>128,277</u>
		<u><u>218,012</u></u>	<u><u>128,277</u></u>
Reserves			
Income and expenditure reserve		<u>218,012</u>	<u>128,277</u>
Total Reserves		<u>218,012</u>	<u>128,277</u>
		<u><u>218,012</u></u>	<u><u>128,277</u></u>

These accounts have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board on 6 September 2023

Signed on behalf of the Board

Kiran Pawar, Director

Michael Broom, Director

The notes to financial statements form part of these accounts.

Passage Housing Services

Statement of Changes in Reserves

Year Ended 31 March 2023

	Income and expenditure reserve £	Total £
Balance as at 1 April 2021	18,842	18,842
Surplus for the year	109,435	109,435
Total comprehensive income	<u>128,277</u>	<u>128,277</u>
Transfers	-	-
Balance at 31 March 2022	<u>128,277</u>	<u>128,277</u>
Surplus for the year	89,735	89,735
Total comprehensive income	<u>89,735</u>	<u>89,735</u>
Balance at 31 March 2023	<u><u>218,012</u></u>	<u><u>218,012</u></u>

Passage Housing Services

Statement of Cash Flows

Year Ended 31 March 2023

		2023 £	2022 £
	Note		
Cash flow from operating activities	13	30,223	52
Net cash flow from operating activities		<u>30,223</u>	<u>52</u>
Change in cash and cash equivalents		30,223	52
Cash and cash equivalents at the beginning of the year		25,351	25,299
Cash and cash equivalents at the end of the year		<u>55,575</u>	<u>25,351</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		55,575	25,351
Cash and cash equivalents at 31 March 2023		<u>55,575</u>	<u>25,351</u>

Passage Housing Services

Notes to the Financial Statements

Year Ended 31 March 2023

1 Summary of significant accounting policies

(a) General information and basis of preparation

Passage Housing Services (PHS) is a charitable company, limited by guarantee without share capital registered in England and Wales, company registration number 09337431, charity number 1161696. It is also a Registered Provider of Social Housing. The registered office is St Vincent's Centre, Carlisle Place, London, London, SW1P 1NL, United Kingdom.

PHS constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of PHS, and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The management committee does not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

(b) Going concern

The directors consider that there are no material uncertainties about the company's ability to continue as a going concern. The company has made a surplus for the year and has the commitment of ongoing financial support available from the parent charity should this be required. Since the completion of the refurbishment of Bentley House and Passage House the company has been in regular receipt of rental income, and there is no reason to assume this will change in the foreseeable future.

(c) Tangible fixed assets

Housing properties

Social housing properties are stated at cost less accumulated depreciation. Fixed assets represents the leasehold property held by the entity and is stated at the cost of the buyback of the lease. The assets are capitalised on the basis that Passage Housing Services holds the risks and rewards of ownership. The Housing property is depreciated over the life of the lease.

(d) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other administrative expenses.

Passage Housing Services

Notes to the Financial Statements

Year Ended 31 March 2023

1 Summary of significant accounting policies (continued)

(e) Tax

Current tax represents the amount of tax payable or receivable in respect of taxable income for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. For 2023 the liability to tax for PHS was £0 (2022: £0).

(f) Turnover and other income

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental income receivable in the year and revenue grants received during the year.

(g) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(h) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Passage Housing Services

Notes to the Financial Statements

Year Ended 31 March 2023

2 Turnover, cost of sales, administrative expenditure and operating surplus

2 Turnover	2023 £	2022 £
Social Housing Activities:		
Rent receivable from social housing lettings	91,324	-
Activities other than social housing activities:		
Grant from parent charity	65,500	131,000
	<u>156,824</u>	<u>131,000</u>

3 Cost of sales	2023 £	2022 £
Support costs recharged by parent entity	53,476	-
Council Tax on vacant properties	572	-
	<u>54,048</u>	<u>-</u>

4 Administrative expenditure	2023 £	2022 £
Bank charges	120	111
Finance costs	100	13
Audit fees	4,914	3,600
Membership subscriptions	1,356	-
Depreciation	6,550	6,549
Consultancy	-	11,293
	<u>13,040</u>	<u>21,565</u>

The operating surplus on social housing lettings was £24,235 (2022: £nil)

5 Accommodation owned, managed and in development

	Number of units 2023 No.	Number of units 2022 No.
Social housing: total owned and managed	57	60
	<u>57</u>	<u>60</u>

During the course of the major refurbishment of Bentley House and Passage House the total number of units was reduced and the space of the remaining units increased where necessary to allow the remaining units to be refurbished to a higher standard.

6 Net surplus for the year

	2023 £	2022 £
Surplus is stated after charging:		
Auditor's remuneration (including expenses and benefits in kind) for audit	4,914	3,600
Depreciation of tangible fixed assets - housing properties	<u>6,550</u>	<u>6,549</u>

7 Board and key management personnel remuneration

The entity has no employees. The directors of the board are all unpaid, the company had 6 directors at the year end (2022: 6).

8 Tax

The entity which is a registered charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. Auditor's remuneration includes a £1,314 fee for the submission of a nil Corporation Tax return for 2022 as required by HMRC.

Passage Housing Services

Notes to the Financial Statements

Year Ended 31 March 2023

9 Tangible fixed assets – housing properties

	Social Housing properties for letting	Total
	£	£
Cost:		
At 1 April 2022	655,000	655,000
Additions: completed properties acquired	-	-
At 31 March 2023	<u>655,000</u>	<u>655,000</u>
Depreciation:		
At 1 April 2022	8,614	8,614
Charge for year	<u>6,550</u>	<u>6,550</u>
At 31 March 2023	<u>15,164</u>	<u>15,164</u>
Net book value:		
At 31 March 2023	<u>639,836</u>	<u>639,836</u>
At 31 March 2022	<u>646,386</u>	<u>646,386</u>

Housing property comprises Bentley House which has been acquired via a lease buyback arrangement.

The full amount is payable to the former leaseholder over a period of ten years.

Passage Housing Services

Notes to the Financial Statements

Year Ended 31 March 2023

10 Current assets

	2023	2022
	£	£
Prepayments	1,295	1,356
	<u>1,295</u>	<u>1,356</u>
	<u><u>1,295</u></u>	<u><u>1,356</u></u>

11 Creditors: amounts falling due within one year

	2023	2022
	£	£
Amounts owed to group undertakings	16,594	17,025
Other creditors	65,500	65,500
Accruals	3,600	3,792
	<u>85,694</u>	<u>86,317</u>
	<u><u>85,694</u></u>	<u><u>86,317</u></u>

Amounts owed to group undertakings represent administrative costs paid by the parent charity on behalf of PHS.

Details of leasing arrangements are provided in note 1c.

12 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Other creditors	393,000	458,500
	<u>393,000</u>	<u>458,500</u>
	<u><u>393,000</u></u>	<u><u>458,500</u></u>

Other creditors represent the balance of the payments due after more than one year under the purchase agreement for the lease of Bentley House.

Passage Housing Services

Notes to the Financial Statements

Year Ended 31 March 2023

13 Reconciliation of operating surplus to cash flow from operating activities

	2023 £	2022 £
Surplus for the year	89,735	109,435
Depreciation and impairment of tangible fixed assets	6,550	6,549
(Increase) / decrease in trade and other debtors	61	(1,356)
Increase / (decrease) in trade and other creditors	(66,123)	(114,575)
	<hr/>	<hr/>
Net cash flow from operating activities	<u>30,223</u>	<u>52</u>

14 Ultimate controlling party

The parent company of Passage Housing Services is Passage 2000 (operating as The Passage), Company no. 03885593, Charity no. 1079764.

PHS is consolidated in the group financial statements of The Passage, and the group accounts are available to the public from:

The Passage, St Vincent's Centre, Carlisle Place, London, SW1P 1NL.

15 Related party transaction

A grant of £65,500 was received from the parent entity Passage 2000 to support the administrative costs of the entity (2022: £131,000).