

Company registration number 04653659 (England and Wales)

CARE HOUSING ASSOCIATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

CARE HOUSING ASSOCIATION LIMITED

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CARE HOUSING ASSOCIATION LIMITED

COMPANY INFORMATION

Chairman	Mr R Parr
Directors	Mr R Parr - Chair Ms N Khan - Vice Chair Mr A Richards Mrs D Holmes
Company number	04653659
Registered office	Riverside House Kings Reach Business Park Yew Street Stockport Cheshire SK4 2HD
Auditor	Xeinadin Audit Limited Riverside House Kings Reach Business Park Yew Street Stockport Cheshire United Kingdom SK4 2HD
Business address	Suite 29 Hardmans Business Centre New Hall Hey Road Rawtenstall Lancashire UK BB4 6HH

CARE HOUSING ASSOCIATION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The directors present the strategic report for the year ended 31 March 2024.

Fair review of the business

In the year to 31st March 2024 Care Housing Association Limited can report upon a profitable year with relatively healthy growth. This year Care Housing Association Limited acquired one additional four-person property (Penistone Road) using reserves, and leased a further five buildings/sites, to be occupied by 51 tenants. Of the 55 new tenancies, 43 are single-person accommodation across three sites, with the remaining 8 in 3 shared houses.

At 31st March 2024 there were four hundred and thirty seven units in Care Housing Association Limited, of which sixty three were owned. The below ratios (comparatives have been restated) are monitored on a quarterly basis to ensure key areas within the company are maintained at the required level deemed appropriate by the board.

Gross profit

Gross profit stands at 37.15% which is a increase from 31.17% in 2023. Purchased properties have generated a higher margin but also this is consistent with historical years prior to 2023.

Gearing ratio

The gearing ratio was 34.27% down from 36.60% in 2023. This is within the acceptable range of Care Housing Association Limited's level of gearing. This ratio is calculated using capital employed. As mentioned in the VFM disclosures, high interest rates have resulted in the gearing not reducing to the same extent as in prior years.

Return on capital employed

Return on capital employed is 7.42% which is a increase from 3.14% in 2023. The ratio has increased due to the increased profit returned on a fairly stable capital employed.

Current ratio

The current ratio is 1.58 which has decreased from 2.19 in 2023, liquidity is positive in the company but the lowest it has been for a number of years. Significant investment in a wide range of areas is partly the reason.

Structure, governance and management

Care Housing Association Limited is governed by its Memorandum and Articles of Association dated 17th March 2017 on companies house. Care Housing Association is run by its CEO with strategic decisions overseen by the board. The board usually consists of six directors, with no upper limit and a quorate requirement of two directors.

At each annual general meeting one-third of the directors or, if their number is not three or a multiple of three, the number nearest to one-third, must retire from office. If there is only one director, he or she must retire.

The directors to retire by rotation shall be those who have been longest in office since their last appointment. If any directors became or were appointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

If a director is required to retire at an annual general meeting by a provision of the Articles the retirement shall take effect upon the conclusion of the meeting.

The Articles dictate that no director may stand for re-election more than three times and no director may remain in office (with or without retirement and re-election) for an aggregate period of more than ten (10) years. However, the National Housing Federation Code of Conduct 2020, which has been adopted by the board, require directors to remain in office for no longer than 6 years, unless there is a valid business case for a years extension, up to 7 years.

CARE HOUSING ASSOCIATION LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Principal risks and uncertainties

The supported housing sector has several risks relating to the capital and revenue funding models deployed. In terms of capital, there is limited public funding available to enable sufficient investment in new homes to meet the continued and growing demand for services. The Homes England funding regime does not work at scale for specialised supported housing, which typically requires 70%+ of funding to ensure providers are able to meet their regulatory responsibilities around rent setting. Likewise, although NHS England do make capital available for specialist projects, it is a finite amount and meets only a fraction of the housing demand.

Although private capital is more readily available, the market is in a period of transition due to high-profile failings from private capital investors over the previous decade, increasing return expectations driven by rising interest rates, and a lack of confidence in the long-term sustainability of the model. In addition, construction costs have increased significantly higher than inflation, and so the costs of delivering new homes, and the subsequent increasing rent levels, are making it more difficult to deliver homes which are financially sustainable for housing providers.

Despite the challenges in delivering new homes, the Association still retains ambitious growth targets. However, this must be balanced with the need to undertake sufficient due diligence on all parties (care providers, local authorities, developers, and contractors) and ensure that our homes retain the appropriate level of quality and sustainability.

April 2024 saw the introduction of revised consumer standards and delivered greater powers for the Regulator of Social Housing. This has led to greater expectations around quality, safety, and ensuring tenants have appropriate means of engagement with their landlord. Care backs the move to raise standards further but must also be conscious of the resourcing and practical implications of meeting the standards. Other legislative changes include the introduction of the Supported Housing (Regulatory Oversight) Act 2023, which will see the introduction of a licensing system for supported housing providers and will look to introduce minimum standards for care and support. The Association may need to adapt its practices and ensure that and adaptation is resourced adequately.

The Board itself has remained steady and consistent throughout the year, which has helped address a number of long-standing key risks and mitigate to the protect the future of the Association. The staff team has grown further, with the introduction of key staff in asset management and finance. The increased capacity and experience of the team will help to meet some of the legislative and regulatory challenges, and also equip the Association well to continue to grow in a sustainable way. Staff retention and morale remains high, as demonstrated in the result of an annual staff survey.

CARE HOUSING ASSOCIATION LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Objectives and activities

- Relieving aged, disabled (whether physically or mentally) or chronically sick people including (without limitation), individuals with learning difficulties and other vulnerable groups of persons including offenders who are in need by providing and managing social housing, providing and managing housing and other activities and services connected with or incidental to the provision of social housing primarily in the North West of England;

- Promoting social inclusion by providing and managing social housing, providing and managing housing and other activities and services connected with or incidental to the provision of social housing in each case for the benefit of people at risk of exclusion from society as a result of age, disability (whether physical or mental), chronic illness including (without limitation) learning difficulties or forming part of other vulnerable groups including offenders and not having suitable accommodation provided within their financial means primarily in the North West of England;

- Improving the health of aged, disabled (whether physically or mentally) or chronically sick people including (without limitation), individuals with learning difficulties and other vulnerable groups of persons including offenders by providing and managing social housing, providing and managing housing and other activities and services connected with or incidental to the provision of social housing primarily in the North West of England.

Public benefit

In planning our activities for the year, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and rental charging. The Association relies on its rental income to cover its operating costs. In setting the level of rental income, the directors give due consideration to the need to ensure the accommodation is accessible by its tenants through housing benefit or via their own personal funds.

Plan for future periods

Care Housing Association Limited plans to continue developing new properties to meet our objects over the coming 12 months. Although it is anticipated that most new business will be through leases with third party landlords, a significant amount of focus has been on ensuring risks associated with lease arrangements are reduced. This has been achieved through renegotiation of terms with landlords. However, access to capital is more limited than in previous years due to concerns from investors regarding the stability of the market, and rising finance costs which apply upwards pressures on rent levels.

Non-Financial KPI's

The Board considers non-financial KPI's on a quarterly basis. This includes the following information:

Performance Indicator	Actual	Target
Emergency Repairs completed within timescales (4 hours)	95.60%	95%
Non-emergency repairs completed within timescales (4-21 days)	92.20%	95%
Average time taken to complete urgent repair	2.26 days	4 days
Average time taken to complete routine repair	9.4 days	21 days
Overall satisfaction with the repairs service (good or better)	90%	95%
Quarterly visits completed within timescales	100%	100%
Complaints	4	-

Any underperformance is reported to Board by the CEO.

Performance against repairs KPI's dropped slightly below our targets this year for two main reasons:

- This was largely due to difficulty in accessing properties. We are introducing better partnership working and communication with tenants and care providers to attempt to combat this issue.
- We now capture data relating to tenant satisfaction in different ways, and in line with the requirements of the Tenants Satisfaction Measures (TSMs), as prescribed by the Regulator of Social Housing.

CARE HOUSING ASSOCIATION LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Financial KPI's

Value for money metrics

In addition to the ratios measured internally, the following ratios have been calculated for the value for money standard in accordance with the Regulator of Social Housing. Some of these ratios are included above and may be calculated differently as mentioned in the standard.

Reinvestment %

7.42%

Care Housing Association has reinvested in one freehold property in 2023-24 and is still growing through the leasehold market.

New supply delivered %

6.35%

Care Housing Association has delivered an additional fifty five units of Specialised Supported Housing with one being freehold purchases.

Gearing % (per VFM report)

9.75%

Care Housing have not taken on any additional debt, however, interest rate increases has resulted in capital not reducing to the same extent as in the comparative year.

Earnings before interest, tax, depreciation, amortisation, major repairs included (EBITDA MRI) interest cover %

522.47%

The increase in profit has resulted in more interest cover.

Headline social housing cost per unit £

£11,847

This is a measurement of key social housing costs against the number of units at the year end. The costs are identified by the Regulator of Social Housing.

Operating margin %

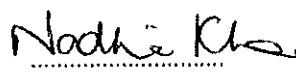
6.69%

Return on capital employed (ROCE) % (per VFM report)

5.55%

Approved by the Board on 26/1/24 and signed on its behalf by


Mr R Parr - Chair


Ms N Khan - Vice Chair

CARE HOUSING ASSOCIATION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The directors present their annual report and financial statements for the year ended 31 March 2024.

Principal activities

The principal activity of the company is the provision of social housing accommodation.

Care Housing Association Limited is a not for profit organisation. The Memorandum of the Company prohibits any of the shareholders from participating in the distribution of the profits. Care Housing Association Limited has had charitable status for the year.

Directors

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

Mr R Parr - Chair

Ms N Khan - Vice Chair

Mr B Gallagher

(Resigned 23 May 2024)

Ms G Fazackerley

(Resigned 15 August 2024)

Mr A Richards

Mrs D Holmes

Financial instruments

Objectives and policies

The company holds or issues financial instruments in order to achieve three main objectives, being:

- i) to finance its operations;
- ii) to manage its exposure to interest, credit and liquidity risks arising from its operations and from its sources of finance; and
- iii) for trading purposes.

In addition various financial instruments (e.g. accounts receivable, accounts payable, accruals and prepayments) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

Liquidity risk

Working capital and liquidity is managed as part of day to day business routines such as the company has no significant concentrations of liquidity risk.

Credit risk

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

CARE HOUSING ASSOCIATION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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.

Approved by the Board on 26/3/24 and signed on its behalf by


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Mr R Parr - Chair


.....

Ms N Khan - Vice Chair

CARE HOUSING ASSOCIATION LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

CARE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CARE HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of CARE HOUSING ASSOCIATION LIMITED (the 'company') for the year ended 31 March 2024 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows 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 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Housing SORP: 2018 (Statement of Recommended Practice for registered social housing providers).

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.

CARE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CARE HOUSING ASSOCIATION LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic 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.

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

CARE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CARE HOUSING ASSOCIATION LIMITED

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

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.



Philip Jones BA Hons (FCCA) (Senior Statutory Auditor)
For and on behalf of Xinadin Audit Limited
Accountants

Date: 27/9/24...

Riverside House Kings Reach Business
Park
Yew Street
Stockport
Cheshire
United Kingdom
SK4 2HD

CARE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CARE HOUSING ASSOCIATION LIMITED

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the computer component manufacturing and supply sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions

CARE HOUSING ASSOCIATION LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
Turnover	3	7,081,475	5,650,655
Cost of sales		(4,450,783)	(3,889,511)
Gross profit		2,630,692	1,761,144
Administrative expenses		(2,182,970)	(1,655,786)
Other operating income		25,883	18,190
Operating profit	4	473,605	123,548
Interest receivable and similar income	8	5,211	1,271
Interest payable and similar expenses	7	(117,319)	(98,801)
Profit before taxation		361,497	26,018
Tax on profit		-	-
Profit for the financial year		361,497	26,018
Retained earnings brought forward as previously reported		3,115,747	3,237,866

CARE HOUSING ASSOCIATION LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
Restatement of retained earnings		-	(148,137)
Retained earnings carried forward		<u>3,477,244</u>	<u>3,115,747</u>

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

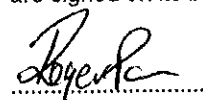
CARE HOUSING ASSOCIATION LIMITED

BALANCE SHEET

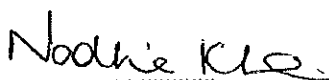
AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	9		7,326,040		6,849,639
Current assets					
Debtors	10	2,220,424		710,975	
Cash at bank and in hand		1,089,148		1,434,273	
		3,309,572		2,145,248	
Creditors: amounts falling due within one year	11	(2,096,067)		(978,959)	
Net current assets			1,213,505		1,166,289
Total assets less current liabilities			8,539,545		8,015,928
Creditors: amounts falling due after more than one year	12		(5,062,298)		(4,900,179)
Net assets			3,477,247		3,115,749
Capital and reserves					
Called up share capital	15		2		2
Profit and loss reserves			3,477,245		3,115,747
Total equity			3,477,247		3,115,749

The financial statements were approved by the board of directors and authorised for issue on 26/9/24 and are signed on its behalf by:



Mr R Parr - Chair



Ms N Khan - Vice Chair

Company Registration No. 04653659

CARE HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from operations	18	424,772		1,074,422	
Interest paid		(117,319)		(98,801)	
Net cash inflow from operating activities		307,453		975,621	
Investing activities					
Purchase of tangible fixed assets		(636,422)		(1,169,840)	
Interest received		5,211		1,271	
Net cash used in investing activities		(631,211)		(1,168,569)	
Financing activities					
Repayment of bank loans		(21,366)		(42,929)	
Net cash used in financing activities		(21,366)		(42,929)	
Net decrease in cash and cash equivalents		(345,124)		(235,877)	
Cash and cash equivalents at beginning of year		1,434,273		1,670,150	
Cash and cash equivalents at end of year		1,089,148		1,434,273	

CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Company information

The company is a private company limited by share capital incorporated in United Kingdom.
The address of its registered office is:

Riverside House
Kings Reach Business Park
Yew Street
Stockport
Cheshire
SK4 2HD

The principal place of business is:
Suite 29
Hardmans Business Centre
New Hall Hey Road
Rawtenstall
Lancashire
BB4 6HH

1.1 Accounting convention

Summary of significant accounting policies and key accounting estimates

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and in accordance with the Housing SORP: 2018 (Statement of Recommended Practice for registered social housing providers)

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Care Housing Association Limited is a public benefit entity in accordance with FRS 102 paragraph 3.3A

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.

CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.3 Turnover

Turnover comprises the fair value of the rental income received or receivable for the provision of services in the ordinary course of the Company's activities.

The Company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the Company's activities.

More specifically the majority of income is received via housing benefit from local authorities. The rental income is received in 4 weekly terms; therefore, Care Housing Association recognises income on a 53 week period. In these accounts the period is from 24th March 2023 - 31st March 2024.

Other income that is invoiced for void occupancy is recognised up to 31st March 2024.

1.4 Tangible fixed assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Term of lease
Leasehold costs	25% Written down value
Freehold Buildings - Structure	100 years
Freehold Buildings - Kitchen	10 years
Fixtures and fittings	15 years
Computer equipment	30 years
Freehold Buildings - Heating	30 years
Freehold Buildings - Boiler	10 years
Freehold Buildings - Windows	25 years
Freehold Building - Roof	40 years
Office equipment	33% Written down value

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

1.6 Financial instruments

Classification

Financial instruments are classified for, according to the substance of the contractual agreement, as financial assets, financial liabilities or equity instruments.

CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Fair value measurement of financial instruments

Recognition and measurement

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Impairment

Financial instruments are reviewed annually for any changes in value and/or written down if they are impaired.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.7 Retirement benefits

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

1.8 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.

1.9 Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

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.

CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

2 Judgements and key sources of estimation uncertainty

(Continued)

Operating lease commitments

The company has entered into a number of operating leases which it obtains the use of. The classification of such leases as operating or finance lease requires the company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

3 Turnover and other revenue

	2024	2023
	£	£
Turnover analysed by class of business		
Rental income	6,844,672	5,615,990
Other income	236,804	34,666
	<u>7,081,476</u>	<u>5,650,655</u>
Analysis per statutory database	7,081,476	5,650,655
Statutory database analysis does not agree to the trial balance by:	-	1

	2024	2023
	£	£
Other revenue		
Interest income	5,211	1,271
Grants received	25,883	18,190
	<u>31,094</u>	<u>19,461</u>

4 Operating profit

	2024	2023
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(25,883)	(18,190)
Fees payable to the company's auditor for the audit of the company's financial statements	6,918	6,918
Depreciation of owned tangible fixed assets	160,022	128,346
	<u>141,057</u>	<u>117,074</u>

5 Auditor's remuneration

	2024	2023
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	6,918	6,918
For other services		
All other non-audit services	12,948	14,088
	<u>19,866</u>	<u>20,996</u>

CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

6 Employees

The average monthly number of persons employed by the company during the year was:

	2024 Number	2023 Number
Administration and support	14	13

Their aggregate remuneration comprised:

	2024 £	2023 £
Wages and salaries	493,248	448,417
Social security costs	47,606	43,617
Pension costs	22,887	19,938
	563,741	511,972

The remuneration paid to key management in the year was £101,776 (2023: £100,313) including benefit in kind payments plus £3,141 (2023: £5,306) in employers pension contributions.

7 Interest payable and similar expenses

	2024 £	2023 £
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	117,319	98,801

8 Interest receivable and similar income

	2024 £	2023 £
Interest income		
Interest on bank deposits	5,211	1,271

CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

9 Tangible fixed assets

	Land and buildings £	Leasehold costs £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 April 2023	7,065,997	267,770	213,923	22,862	7,570,552
Additions	520,741	43,442	52,320	19,919	636,422
At 31 March 2024	7,586,739	311,212	266,243	42,781	8,206,975
Depreciation and impairment					
At 1 April 2023	460,929	107,110	138,977	13,897	720,913
Depreciation charged in the year	103,264	21,689	30,726	4,343	160,022
At 31 March 2024	564,193	128,799	169,703	18,240	880,935
Carrying amount					
At 31 March 2024	7,022,546	182,413	96,540	24,541	7,326,040
At 31 March 2023	6,605,068	160,660	74,946	8,965	6,849,639

10 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	227,278	138,892
Other debtors	12,363	-
Prepayments and accrued income	1,789,259	558,725
Accrued income	191,524	13,358
	2,220,424	710,975

11 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Bank loans	13	44,777	6,028
Trade creditors		1,839,654	825,492
Taxation and social security		(1,562)	10,058
Accruals and deferred income		213,198	137,381
		2,096,067	978,959

CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

12 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Bank loans and overdrafts	13	1,728,882	1,788,997
Other creditors		3,333,416	3,111,182
		<u>5,062,298</u>	<u>5,695,744</u>

13 Loans and overdrafts

	2024 £	2023 £
Bank loans	<u>1,773,659</u>	<u>1,795,025</u>
Payable within one year	44,777	6,028
Payable after one year	<u>1,728,882</u>	<u>1,788,997</u>

The bank loans are secured by a legal charge over 14 Daybrook, Skelmersdale, 34 Farringdon Road, Warrington, 519 Hempshaw Lane Stockport, 48 Ebdale Close, Stockport, 16 Corinthian Avenue, Liverpool, 148 Nangreave Road, Stockport, 6 Bangor Road, Cheadle, 18 Hertford Close, Warrington, 2 Savernake Road, Stockport, 31 Summerbridge Crescent, Bradford, 6 Lindbury Avenue, Stockport, Flats 1-9 Victoria Gardens, Clitheroe.

The cumulative capital repayments after 5 years are £1,559,034 and the interest rate on these repayments are 2.5% above the Bank of England base rate.

14 Pension schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>22,887</u>	<u>19,938</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

15 Share capital

	2024 Number	2023 Number	2024 £	2023 £
Ordinary share capital Issued and fully paid 175 of 1p each	<u>175</u>	<u>175</u>	<u>2</u>	<u>2</u>

CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

16 Contingent liabilities

Rental Income

Included in the rental income collected by the association is a percentage relating to future voids. This element is deferred in the financial statements and will be released to the profit and loss account as and when a void arises.

If, at the end of the agreement period, any of the deferred rental income for properties with Lancashire County Council is not released to the profit and loss account, one third of the balance is payable to Lancashire Social Services. This amount per the void provision at the 31st March 2024 is £168,998 (2023: £146,746). Due to the nature of the agreements there is a possible transfer of economic benefits, of which the amount remains uncertain.

The management agreements are in place for 10 or 15 years from when they commenced and are linked to the properties on an individual and property by property basis.

Grants

Within other creditors more than one year is a second grant that was issued to Care Housing which was in the year ended 31st March 2017. This was also used to purchase a property for individuals with learning disabilities (or such other needs as are agreed by NHS England). The terms of the grant stipulate that if the property is sold the grant is repayable, unless NHS England waives its right to repayment. NHS England have 1st legal charge over the property. This is released using the accruals model in accordance with FRS102 due to the clause.

During 2020 a third grant was issued by NHS England with the same terms as the above NHS grant. The grant was issued for £419,000 in 2020 with a further £98,819 being issued in the 2021 year end.

During 2021 a fourth grant was issued by NHS England with the same terms as the above NHS grant. The grant was issued for £300,000 in 2021 with a further £125,616 issued in the 2022 year end.

During 2023 a fifth grant was issued by NHS England with the same terms as the above NHS grant. The grant was issued for £500,356 in 2023 with a further £90,003 issued in the 2024 year end.

17 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024 £	2023 £
Within one year	11,311	16,814
Between two and five years	740,189	258,499
In over five years	51,248,325	55,594,901
	<u>51,999,825</u>	<u>55,870,214</u>

CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

18 Cash generated from operations

	2024 £	2023 £
Profit for the year after tax	361,497	26,018
Adjustments for:		
Finance costs	117,319	98,801
Investment income	(5,211)	(1,271)
Depreciation and impairment of tangible fixed assets	160,022	128,346
Movements in working capital:		
Increase in debtors	(1,509,449)	(484,583)
Increase in creditors	1,300,593	1,307,111
Cash generated from operations	<u>424,772</u>	<u>1,074,422</u>

19 Analysis of changes in net debt

	1 April 2023 £	Cash flows £	31 March 2024 £
Cash at bank and in hand	1,434,273	(345,125)	1,089,148
Borrowings excluding overdrafts	(1,795,025)	21,366	(1,773,659)
	<u>(360,752)</u>	<u>(323,759)</u>	<u>(684,511)</u>

CARE HOUSING ASSOCIATION LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	£	2024 £	£	2023 £
Turnover				
Core rent		5,653,012		4,970,892
Void income invoiced		745,453		401,068
Furniture Cover Allowance		22,068		6,750
Major repairs income		424,138		237,279
Other Income		236,804		34,666
		7,081,475		5,650,655
Cost of sales				
<i>Purchases and other direct costs</i>				
Lease Payments	3,889,476		3,504,173	
Major Repairs provision	424,138		237,279	
Void Provision	137,169		148,059	
Total purchases and other direct costs	4,450,783		3,889,511	
Total cost of sales		(4,450,783)		(3,889,511)
Gross profit		2,630,692		1,761,144
Other operating income				
Government grants receivable and released		25,883		18,190

CARE HOUSING ASSOCIATION LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

	£	2024 £	£	2023 £
Administrative expenses				
Wages and salaries	493,248		448,417	
Staff NIC (Employers)	47,606		43,617	
Staff recruitment costs	119		1,256	
Staff training	6,230		12,019	
Staff pensions (Defined Contributions)	22,887		19,938	
Premises Expenses	16,094		17,940	
Rates	70,247		58,403	
Power, light and heat	151,337		61,880	
Property, Maintenance and White Goods	780,720		476,016	
Insurance	115,597		66,835	
Furnishings	52,668		34,546	
Water treatment and testing	21,142		40,290	
Fire risk assessment	9,168		17,723	
Computer software and maintenance costs	22,630		29,072	
Motor Expenses	18,268		16,293	
Accommodation and subsistence	199		-	
Professional subscriptions	5,999		594	
Legal and professional fees	19,725		70,180	
Consultancy fees	17,507		12,222	
Accountancy Fees	12,948		14,088	
Auditor's remuneration - The audit of the company's annual accounts	6,918		6,918	
Void Property Spend	35,725		3,735	
Rose Trustam Foundation (formerly Care Foundation)	3,436		1,665	
Donations	100		1,000	
Bank charges	1,273		3,317	
Bad and doubtful debts	-		(6,834)	
Board meeting expenses	1,600		1,638	
Marketing	6,797		2,912	
Printing, postage, stationery and telephone expenses	11,926		8,380	
Gardening	50,009		51,526	
Sundry Expenses	20,824		11,854	
Depreciation	160,023		128,346	
		(2,182,970)		(1,655,786)
Operating profit		473,605		123,548
Interest receivable and similar income				
Bank interest received	5,211		1,271	
		5,211		1,271
Interest payable and similar expenses				
Non bank interest on loans		(117,319)		(98,801)

CARE HOUSING ASSOCIATION LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

	£	2024 £	£	2023 £
Profit before taxation		<u>361,497</u>		<u>26,018</u>
