

FCA registration number 9424 (England and Wales)

CARE HOUSING ASSOCIATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

CARE HOUSING ASSOCIATION

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CARE HOUSING ASSOCIATION

ASSOCIATION INFORMATION

Chairman	Mr R Parr	
Board	Mr R Parr - Chair Mrs N Khan Mr A Richards Mrs D Holmes Mrs V Cooper Ms D Kelly	(Appointed 13 February 2025) (Appointed 13 February 2025)
FCA number	9424	
Regulator of Social Housing registration number	4672	
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

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2025

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

Fair review of the business

In the year to 31st March 2025 Care Housing Association can report upon a profitable year with relatively healthy growth. This year Care Housing Association acquired two additional 3 person properties in Hull which has been funded via financing from Unity Trust, and leased a further five buildings/sites, to be occupied by 28 tenants. Of the 34 new tenancies, 14 are single-person accommodation across three sites, with the remaining 20 in 7 shared houses across 3 sites.

At 31st March 2025 there were 469 units in Care Housing Association, of which 66 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 surplus

Gross surplus stands at 34.04% which is a decrease from 37.15% in 2024. Purchased properties do generate a higher margin compared to leased properties, however this percentage is consistent with historical years prior to 2024.

Gearing ratio

The gearing ratio was 40.86% up from 34.27% in 2024. This is within the acceptable range of Care Housing Association's level of gearing. New debt was taken on in the year for the purchase of Roxburgh Gardens. This ratio is calculated using capital employed.

Return on capital employed

Return on capital employed is 6.44% which is a decrease from 7.42% in 2024. The ratio has decreased due to the capital employed increasing with the new debt.

Current ratio

The current ratio is 1.98 which has increased from 1.58 in 2024, liquidity is positive in the company even with significant investment in a wide range of areas.

Structure, governance and management

On 5th November 2024 Care Housing Association converted and became a Charitable Community Benefit Society, registered with the Financial Conduct Authority as a Registered Society under the Co-operative and Community Benefit Societies Act 2014, and with the Regulator of Social Housing (RSH) as a social landlord. This brings our corporate form in line with more commonly found structures within social housing.

Care Housing Association is governed by its rules. Care Housing Association is run by its CEO with strategic decisions overseen by the board. The board usually consists of six board members, with no upper limit and a quorate requirement of two board members.

At each annual general meeting one-third of the board members 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 board member, he or she must retire.

The board members to retire by rotation shall be those who have been longest in office since their last appointment. If any board members 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 board member is required to retire at an annual general meeting by a provision of the rules the retirement shall take effect upon the conclusion of the meeting.

The Rules dictate that no board member may stand for re-election more than two times and no board member may remain in office (with or without retirement and re-election) for an aggregate period of more than six years. However, if the Board agree that circumstances dictate that it would be beneficial for the Association to extend this term, this can be agreed and reviewed annually. No board member can stand for more than 9 years on the Board

CARE HOUSING ASSOCIATION

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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 has historically been more readily available, the market has stagnated over the previous 2-3 years 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 uncertainty around this should crystallise over the next 12 months.

The Board has undergone a period of transition over the previous 12 months, with two long-standing Board Members retiring, and two new Members joining the Board. Whilst potentially unsettling, the Board have managed this transition well. The staff team has grown further, with the introduction of key staff in asset management, operations 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.

CARE HOUSING ASSOCIATION

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Objectives and activities

The Association is formed for the benefit of the community. Its charitable objects shall be to carry on for the benefit of the community:

the business of providing and managing housing, including Social Housing, accommodation and providing assistance to help house people and associated facilities, services and amenities for poor people or for the relief of aged, disabled (whether physically or mentally) or chronically sick people; and

any other charitable object that can be carried out from time to time by a registered society registered with the Regulator as a private registered provider of Social Housing.

Plan for future periods

Care Housing Association 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. However, the Association does have reserves that will enable investment into owned properties, should the appropriate opportunities arise.

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)	97.38%	95%
Non-emergency repairs completed within timescales (4-21 days)	92.89%	95%
Average time taken to complete white goods repair	4.60 days	10 days
Average time taken to complete routine repair	7.94 days	21 days
% voids against total stock	10.74%	<12%
% ASB reports responded to within timescale	100%	100%
% Complaints closed within timescale	100%	100%

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

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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 %

14.34%

Care Housing Association has reinvested in two freehold properties in 2024-25 and is still growing through the leasehold market.

New supply delivered %

9.09%

Care Housing Association has delivered an additional six units of Specialised Supported Housing with two being freehold purchases.

Gearing % (per VFM report)

7.35%

Care Housing have taken on additional debt, however the ratio considers cash which has increased therefore ratio is lower than 2024.

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

517.94%

This has remained consistent inline with the companies performance.

Headline social housing cost per unit £

£12,623

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 %

6.04%

This has remained consistent inline with the companies performance.

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

4.83 %

Approved by the Board on 19 September 2025 and signed on its behalf by



Mr R Parr - Chair



Mrs N Khan

BOARD REPORT CARE HOUSING ASSOCIATION

BOARD REPORT FOR THE YEAR ENDED 31 MARCH 2025

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

Principal activities

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

Board

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

Mr R Parr - Chair	
Mrs N Khan	
Mr B Gallagher	(Resigned 23 May 2024)
Ms G Fazackerley	(Resigned 15 August 2024)
Mr A Richards	
Mrs D Holmes	
Mrs V Cooper	(Appointed 13 February 2025)
Ms D Kelly	(Appointed 13 February 2025)

Financial instruments

Objectives and policies

The association 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 association's operations.

Transactions in financial instruments result in the association 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 association has no significant concentrations of liquidity risk.

Credit risk

The association 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.

**BOARD REPORT
CARE HOUSING ASSOCIATION**

BOARD REPORT

FOR THE YEAR ENDED 31 MARCH 2025

Statement of disclosure to auditor

So far as each board member at the date of approving this report is aware, there is no relevant audit information of which the association's auditor is unaware. Additionally, the board individually have taken all the necessary steps that they ought to have taken as board members in order to make themselves aware of all relevant audit information and to establish that the association's auditor is aware of that information.

Approved by the Board on 19 September 2025 and signed on its behalf by



Mr R Parr - Chair



Mrs N Khan

CARE HOUSING ASSOCIATION

STATEMENT OF BOARD'S RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2025

The board are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law requires the board to prepare financial statements for each financial year. Under those regulations the board have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements are required by law to 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 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; 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 are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014 and the Accounting Direction for Private Registered Providers of Social Housing 2019. It is responsible 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, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

CARE HOUSING ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CARE HOUSING ASSOCIATION

Opinion

We have audited the financial statements of Care Housing Association (the 'association') for the year ended 31 March 2025 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 association's affairs as at 31 March 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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 Co-operative and Community Benefit Societies Act 2014 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 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 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 annual report other than the financial statements and our auditor's report thereon. The board 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.

CARE HOUSING ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CARE HOUSING ASSOCIATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the association and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the board report.

We have nothing to report in respect of the following matters where we are required by the Co-operative and Community Benefit Societies Act 2014 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 the boards' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the board were not entitled to prepare the financial statements and the board report in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the board report and from the requirement to prepare a strategic report.

Responsibilities of the board

As explained more fully in the board responsibilities statement, the board 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 board 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 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 directors either intend to liquidate the association 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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CARE HOUSING ASSOCIATION

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 association through discussions with board members 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 association, including the Co-operative and Community Benefit Societies Act 2014, 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 association'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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CARE HOUSING ASSOCIATION

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 association'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 board 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 association's members, as a body, in accordance with 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.

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

19 September 2025

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

CARE HOUSING ASSOCIATION

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2024 £
Turnover	3	8,231,915	7,081,475
Cost of sales		(5,430,015)	(4,450,783)
Gross surplus		2,801,900	2,630,692
Administrative expenses		(2,323,728)	(2,182,970)
Other operating income		19,412	25,883
Operating surplus	4	497,584	473,605
Interest receivable and similar income	8	646	5,211
Interest payable and similar expenses	7	(124,461)	(117,319)
Surplus/(deficit) before taxation		373,769	361,497
Tax on surplus		-	-
Surplus/(deficit) for the financial year		373,769	361,497
Retained earnings brought forward		3,477,244	3,115,747
Retained earnings carried forward		3,851,013	3,477,244

The surplus/(deficit) account has been prepared on the basis that all operations are continuing operations.

CARE HOUSING ASSOCIATION

BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Fixed assets					
Tangible assets	9		8,153,511		7,326,040
Current assets					
Debtors	10	2,302,623		2,220,424	
Cash at bank and in hand		2,026,911		1,089,148	
		4,329,534		3,309,572	
Creditors: amounts falling due within one year	11	(2,189,595)		(2,096,068)	
Net current assets			2,139,939		1,213,504
Total assets less current liabilities			10,293,450		8,539,544
Creditors: amounts falling due after more than one year	12		(6,442,437)		(5,062,298)
Net assets			3,851,013		3,477,246
Capital and reserves					
Called up share capital	15		-		2
Income and expenditure reserve			3,851,013		3,477,244
Total equity			3,851,013		3,477,246

The financial statements were approved by the board and authorised for issue on 19 September 2025 and are signed on its behalf by:


Mr R Parf - Chair


Mrs N Khan

FCA Registration No. 9424

CARE HOUSING ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash generated from operations	18	1,249,453		424,773	
Interest paid		(124,461)		(117,319)	
Net cash inflow from operating activities		1,124,992		307,454	
Investing activities					
Purchase of tangible fixed assets		(1,148,610)		(636,423)	
Proceeds from disposal of tangible fixed assets		126,929		-	
Interest received		646		5,211	
Net cash used in investing activities		(1,021,035)		(631,212)	
Financing activities					
Proceeds from issue of shares		(2)		-	
Loans issued net of repayments		833,805		(21,366)	
Net cash generated from/(used in) financing activities		833,803		(21,366)	
Net increase/(decrease) in cash and cash equivalents		937,760		(345,124)	
Cash and cash equivalents at beginning of year		1,089,148		1,434,273	
Cash and cash equivalents at end of year		2,026,911		1,089,148	

CARE HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Association information

The association is registered with the Financial Conduct Authority under the Co-operative and Community Benefits Societies Act 2014 (registration number 9424) and is registered with the Regulator of Social Housing as a social housing provider (registration number 4672).

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

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102), the Cooperative and Community Benefit Societies Act 2014 and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019.

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 have been 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 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 board have a reasonable expectation that the association has adequate resources to continue in operational existence for the foreseeable future. Thus the board continue to adopt the going concern basis of accounting in preparing the financial statements.

CARE HOUSING ASSOCIATION

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

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 association's activities.

The association 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 association'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 52 week period. In these accounts the period is from 25th March 2024 - 24th March 2025.

Other income that is invoiced for void occupancy is recognised up to 31st March 2025.

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 income or expenditure.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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 association 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 income and expenditure 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 association 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 income or expenditure, 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 association 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 association 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 association 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

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

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 income or expenditure 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 income or expenditure. Debt instruments may be designated as being measured at fair value through income or expenditure 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 association'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 association 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 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income or expenditure on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.9 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.

2 Judgements and key sources of estimation uncertainty

In the application of the association's accounting policies, the board 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

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

2 Judgements and key sources of estimation uncertainty

(Continued)

Operating lease commitments

The association 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 association 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

	2025 £	2024 £
Turnover analysed by class of business		
Rental income	8,116,992	6,844,672
Other income	114,924	236,804
	<u>8,231,916</u>	<u>7,081,476</u>

	2025 £	2024 £
Other revenue		
Interest income	646	5,211
Grants received	19,412	25,883
	<u></u>	<u></u>

4 Operating surplus

	2025 £	2024 £
This is arrived at after charging:		
Government grants	(19,412)	(25,883)
Fees payable to the association's auditor for the audit of the financial statements	9,348	6,918
Depreciation of owned tangible fixed assets	165,822	160,022
Loss on disposal of tangible fixed assets	28,386	-
Operating lease charges	15,977	-
	<u></u>	<u></u>

5 Auditor's remuneration

	2025 £	2024 £
Fees payable to the association's auditor and associates:		
For audit services		
Audit of the financial statements	9,348	6,918
	<u></u>	<u></u>
For other services		
All other non-audit services	17,367	12,948
	<u></u>	<u></u>

CARE HOUSING ASSOCIATION

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

6 Employees

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

	2025 Number	2024 Number
Administration and support	14	14

Their aggregate remuneration comprised:

	2025 £	2024 £
Wages and salaries	550,386	493,248
Social security costs	58,380	47,606
Pension costs	25,298	22,887
	634,064	563,741

The remuneration paid to key management in the year was £101,031 (2024: £101,776) including benefit in kind payments plus £3,514 (2024: £3,141) in employers pension contributions.

7 Interest payable and similar expenses

	2025 £	2024 £
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	124,461	117,319

8 Interest receivable and similar income

	2025 £	2024 £
Interest income		
Interest on bank deposits	646	5,211

CARE HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

9 Tangible fixed assets

	Land and buildings £	Leasehold costs £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 April 2024	7,586,738	311,212	266,243	42,781	8,206,974
Additions	1,131,617	16,993	-	-	1,148,610
Disposals	(188,550)	-	-	-	(188,550)
At 31 March 2025	8,529,806	328,205	266,243	42,781	9,167,035
Depreciation and impairment					
At 1 April 2024	564,194	128,798	169,704	18,240	880,936
Depreciation charged in the year	105,480	28,026	24,135	8,181	165,822
Eliminated in respect of disposals	(33,234)	-	-	-	(33,234)
At 31 March 2025	636,440	156,824	193,839	26,421	1,013,524
Carrying amount					
At 31 March 2025	7,893,366	171,381	72,404	16,360	8,153,511
At 31 March 2024	7,022,546	182,413	96,540	24,541	7,326,040

10 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Trade debtors	120,431	227,278
Other debtors	128,460	12,363
Prepaid expenditure	1,760,414	1,789,259
Accrued income	293,318	191,524
	2,302,623	2,220,424

11 Creditors: amounts falling due within one year

	Notes	2025 £	2024 £
Bank loans	13	77,590	44,777
Trade creditors		1,668,611	1,839,654
Taxation and social security		15,377	(1,562)
Other creditors		2	-
Accruals and deferred income		428,015	213,199
		2,189,595	2,096,068

CARE HOUSING ASSOCIATION

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

12 Creditors: amounts falling due after more than one year

	Notes	2025 £	2024 £
Bank loans and overdrafts	13	2,529,874	1,728,882
Void provision		1,126,791	931,051
Other creditors		2,785,772	2,402,365
		<u>6,442,437</u>	<u>5,062,298</u>

13 Loans and overdrafts

	2025 £	2024 £
Bank loans	<u>2,607,464</u>	<u>1,773,659</u>
Payable within one year	77,590	44,777
Payable after one year	<u>2,529,874</u>	<u>1,728,882</u>

The bank loans are secured by a legal charge over 34 Farrington Road, Warrington, 519 Hemphaw Lane Stockport, 48 Ebbdale 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 and 1- 2 Roxburgh Gardens, Hull.

The cumulative capital repayments after 5 years are £2,104,469 and the interest rate on these repayments are 1.6% above the Bank of England base rate.

14 Pension schemes

Defined contribution schemes	2025 £	2024 £
Charge to income or expenditure in respect of defined contribution schemes	<u>25,298</u>	<u>22,887</u>

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

15 Share capital

	2025 Number	2024 Number	2025 £	2024 £
Ordinary share capital Issued and fully paid 175 of 1p each	<u>-</u>	<u>175</u>	<u>-</u>	<u>2</u>

CARE HOUSING ASSOCIATION

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

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 income and expenditure 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 income and expenditure account, one third of the balance is payable to Lancashire Social Services. This amount per the void provision at the 31st March 2025 is £157,991 (2024: £168,998). 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.

During 2025 a sixth grant was issued by NHS England with the same terms as the above NHS grant. The grant was issued for £385,000 in 2025 with a further £310,838 issued in the 2026 year end.

17 Operating lease commitments

As lessee

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

	2025 £	2024 £
Within 1 year	-	11,311
Years 2-5	3,087,950	740,189
After 5 years	55,579,155	51,248,325
	<u>58,667,105</u>	<u>51,999,825</u>

CARE HOUSING ASSOCIATION

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

18 Cash generated from operations

	2025 £	2024 £
Surplus/(deficit) after taxation	373,769	361,497
Adjustments for:		
Finance costs	124,461	117,319
Investment income	(646)	(5,211)
Loss on disposal of tangible fixed assets	28,386	-
Depreciation and impairment of tangible fixed assets	165,822	160,022
Movements in working capital:		
Increase in debtors	(82,199)	(1,509,449)
Increase in creditors	639,861	1,300,594
Cash generated from operations	1,249,453	424,773

19 Analysis of changes in net debt

	1 April 2024 £	Cash flows £	31 March 2025 £
Cash at bank and in hand	1,089,148	937,763	2,026,911
Borrowings excluding overdrafts	(1,773,659)	(833,805)	(2,607,464)
	(684,511)	103,958	(580,553)

CARE HOUSING ASSOCIATION

DETAILED TRADING AND INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2025

		2025		2024
	£	£	£	£
Turnover				
Core rent		6,934,084		5,653,012
Void income invoiced		789,255		745,453
Furniture Cover Allowance		11,232		22,068
Major repairs income		382,419		424,138
Other Income		114,925		236,804
		8,231,915		7,081,475
Cost of sales				
<i>Purchases and other direct costs</i>				
Lease Payments	4,851,855		3,889,476	
Major Repairs provision	382,419		424,138	
Void Provision	195,741		137,169	
Total purchases and other direct costs	5,430,015		4,450,783	
Total cost of sales		(5,430,015)		(4,450,783)
Gross surplus		2,801,900		2,630,692
Other operating income				
Government grants receivable and released		19,412		25,883

CARE HOUSING ASSOCIATION

DETAILED TRADING AND INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

		2025	2024
	£	£	£
Administrative expenses			
Wages and salaries	550,386	493,248	
Staff NIC (Employers)	58,380	47,606	
Staff recruitment costs	-	119	
Staff training	14,680	6,230	
Staff pensions (Defined Contributions)	25,298	22,887	
Premises Expenses	32,426	16,094	
Rates	128,212	70,247	
Power, light and heat	127,736	151,337	
Property, Maintenance and White Goods	563,696	780,720	
Insurance	110,886	115,597	
Furnishings	42,549	52,668	
Water treatment and testing	64,021	21,142	
Fire risk assessment	15,714	9,168	
Computer software and maintenance costs	66,088	22,630	
Car hire (Operating leases)	15,977	-	
Motor Expenses	20,073	18,268	
Accommodation and subsistence	454	199	
Professional subscriptions	18,600	5,999	
Legal and professional fees	43,915	19,725	
Consultancy fees	19,203	17,507	
Accountancy Fees	17,367	12,948	
Auditor's remuneration - The audit of the annual accounts	9,348	6,918	
Void Property Spend	45,118	35,725	
Rose Trustam Foundation (formerly Care Foundation)	4,611	3,436	
Donations	-	100	
Bank charges	2,893	1,273	
Bad and doubtful debts	38,827	-	
Board meeting expenses	9,730	1,600	
Marketing	16,873	6,797	
Printing, postage, stationery and telephone expenses	10,047	11,926	
Gardening	43,894	50,009	
Sundry Expenses	12,519	20,824	
Depreciation	165,821	160,023	
Surplus or deficit on sale of tangible assets (non exceptional)	28,386	-	
		(2,323,728)	(2,182,970)
Operating surplus		497,584	473,605
Interest receivable and similar income			
Bank interest received	646	5,211	
		646	5,211
Interest payable and similar expenses			
Non bank interest on loans		(124,461)	(117,319)

CARE HOUSING ASSOCIATION

DETAILED TRADING AND INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2025

	£	2025 £	£	2024 £
Surplus/(deficit) before taxation		<u>373,769</u>		<u>361,497</u>
