



# Auckland Home Solutions CIC



## Annual Report and Financial Statements For the Year ended 31 March 2024

Auckland Home Solutions CIC  
First Floor, Severn House,  
Mandale Business Park,  
Durham, DH1 1TH

Registered Company No.: 07345564  
Regulator of Social Housing No.: 4690

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# CONTENTS

## Annual Report

About Auckland Home Solutions CIC	4
Officers and Professional Advisers	5
Report of the Board (including Strategic Report)	6
Value for Money	10
Risks and Mitigations	11
Governance	12
Statement of Responsibilities of the Board	14
Audit report	16

## Financial Statements

Statement of Comprehensive Income	20
Statements of Financial Position	21
Statements of Changes in Reserves	22
Statement of Cash Flow	23
Notes to the Financial Statements	24

# ABOUT AUCKLAND HOME SOLUTIONS CIC

## Who We Are

Auckland Home Solutions CIC (AHS) is a specialist supported housing provider. Incorporated in August 2010 under the Companies Act 2006 as a Community Interest Company, the objects of the Company are to provide affordable and high-quality housing to vulnerable adults disadvantaged through disability, age, race, social circumstances or finance and to manage complimentary projects and services. Registered as a Social Housing Provider in 2012, our services are focussed on providing Temporary Social Housing and Supported Social Housing to vulnerable tenants. As well as providing the accommodation which are mostly leased from commercial landlords, we engage professional care providers in providing the care and support packages suitable to each tenant, in line with their care needs. We also work with a number of local authorities, nationally.

Auckland is a private company limited by shares.

## Mission Statement and Values

**Commitment:** We are committed to maintaining the happiness and wellbeing of our tenants. Our priority is to give the people we support the highest quality of service and the best standard of accommodation possible, so they can live happy, independent lives.

**Collaboration:** As a social-housing provider, we work closely with local authorities, property developers and care providers. We work alongside our partners to help define the needs of the people we support and implement a solution for their social-housing requirements, helping them be more independent in their daily lives.

**Passionate:** We are passionate about providing the people we support with a home and firmly believe that our commitment, drive and enthusiasm are essential to achieving our goals of quality service, growth and long-term success. We are also always looking for ways to further contribute to the social-housing sector.

## OFFICERS AND PROFESSIONAL ADVISERS

### Board of Trustees & Directors

William Locke (Chair)  
Andrew Clapham (resigned 26 July 2023)  
Nicola Gillard (resigned 31 January 2020, re-appointed 13 April 2021, resigned 26 July 2023)  
Stuart Ging (resigned 29 June 2023)  
Linda Minns (appointed 28 May 2024)  
Stuart Blackett (appointed 26 November 2024)  
Deborah Kelly (appointed 26 November 2024)  
Antony Nelson (appointed 26 November 2024)  
Andrew Thompson (appointed 26 November 2024)

### Regulator of Social Housing Statutory Appointees

Heather Ashton (appointed 11 April 2023, resigned 11 October 2024)  
Paul Fiddaman (appointed 11 April 2023, resigned 11 October 2024)  
Stephen Hallowell (appointed 11 April 2023, resigned 11 October 2024)

### Registered Office

Auckland Home Solutions CIC  
First Floor, Severn House,  
Mandale Business Park,  
Durham,  
DH1 1TH

### Registered Company No.

07345564 (England and Wales)

### Registered Social Landlord No.

4690

### Bankers

Lloyds Bank Plc  
Newgate Street,  
Bishop Auckland  
Co Durham

### Solicitors

Weightmans  
The Hallmark Building,  
105 Fenchurch Street,  
London  
EC3M 5JG

**Auditors** Hillier Hopkins LLP,  
Chartered Accountants and Statutory Auditor  
Radius House  
51 Clarendon Road  
Watford  
Herts  
WD17 1HP

## Report of the Board (including Strategic Report)

The Board presents its report and financial statements for the year ended 31 March 2024.

### Legal Status

Auckland Home Solutions CIC (“the Company”) is a Community Interest Company registered under the Companies Act 2006 and is a Registered Provider of social housing registered with the Regulator of Social Housing. The Company was a subsidiary of the Social Housing Family CIC until November 2024.

### Objects

Incorporated in August 2010, the objects of the Company are to carry on activities which benefit the community and (without limitation) to:

- provide affordable and high-quality housing to vulnerable adults disadvantaged through disability, age, race, social circumstance or finance;
- To manage complementary projects and services

### Principal Activities

The principal activity of the Company during the financial year was the provision of temporary and supported housing to vulnerable adults. The Company also provided some residential units and worked with registered care providers in providing care and supports to its tenants in line with their care needs. To ensure that tenants were living in safe and stimulating accommodation, complimentary housing management services including repairs and maintenance, were undertaken by the Company.

Operating as a leased model housing provider, the Company owns a very small proportion of its accommodation. Only 1% of its total units owned and managed are owned by the Company, the remaining are leased from head lessees or landlords. As such, the largest expenditure of the Company remains the payment of lease rents to its landlords.

### Regulatory Measures

In August 2021, the Regulator of Social Housing issued a regulatory notice against the Company concluding it was non-compliant with the Governance and Financial Viability Standard. This was followed up with an Enforcement Notice, issued in April 2023 by the Regulator, failing the Company's ability to assure the Regulator that it was able to put effective governance arrangements in place to make it compliant with the Regularity Standards.

Activating its enforcement powers, the Regulator of Social Housing appointed three independent trustees to the Board of the Company and continues to work with the Company on its Recovery Plan.

### **Recovery Plan**

In April 2023, three independent Board members were appointed by the Regulator to the Board of the Company. There were also some clear directions given by the Regulator in its enforcement notice as part of its recovery plan. The Board has been cooperative with implementing these directions and continues work closely with the Regulator, keeping them and other main stakeholders abreast of improvements. The three independent board members appointed by the Regulator for Social Housing relinquished their roles in October 2024.

Furthermore, the Board has put in place an interim team of Senior Management to improve on Board reporting and governance, manage immediate financial risks, evaluate compliance with the rent standard, develop its business plan and deliver on the other improvement plans as agreed with the Regulator. The recovery journey to compliance is ongoing. The risks and mitigations faced by the Company, as well as the plans for the coming year are set out below.

In April 2024 Auckland entered a Voluntary Undertaking agreement with the Regulator for Social Housing which had two core requirements. The first was that Auckland would negotiate and agree a stable way forward with the three main superior landlords being Civitas, Home Long Investment Fund and Triplepoint. The second was that Auckland would negotiate their exit from the Social Housing Family Group. Exit from the Social Housing Family was completed in November 2024, along with the conclusion of constructive agreements with two of the three significant superior landlords. Negotiations with the third are still in progress, but regulatory complications at the third superior landlord have stalled these discussions.

### **Financial Performance for the Year ended March 2024**

The Company reported a net deficit of £2.1m (2023: deficit £0.5m) at the end of the financial year.

The total turnover reported was £26.7m (2023: £23.7m). 91% of its income comes from social housing lettings comprising of rents, service charges and other income receivable from specialist supported housing and residential care homes. The total income realised from supported housing units was £21m while income received from care providers for the residential accommodation was £3.2m. A further £2.4m (2023: £1.1m) was realised from management fees.

The total expenditure for the year was £28.7m (2023: £24.2m), an increase of £2.8m on last financial year. The increase in expenditure can be attributed to the increase in units in productive management and the uplifts to lease rents payable, along with the impact of a number of significant agreements with superior landlords. Given the majority of the Company's accommodation is leased, the largest expenditure area for the Company is lease rent payable.

In the financial year, 64% or £17.1m (2023: £16.3m) of its total expenditure was lease rent payable to landlords. The company expended 8% or £2m (2023 :£1.5m) of the total expenditure on management and administrative costs. £2.7m (10%) was expended on reactive repairs and planned maintenance, £3.7m (14%) were service charge costs while the remaining 3% or £2.6m (2023: £0.3m) covered a significant write-off of historical bad debts and depreciation.

## Achievements in 2023/24

- We worked with the Regulator of Social Housing and an independent business advisor in developing the Improvement Plan following downgrades by the regulator.
- Reviewed our Board and governance structure, working closely with the Regulator. We also appointed a new Senior Leadership Team (SLT) to support the organisation through this transformation.
- We developed our Assets and Liability Register, gaining greater insights into our assets, accommodation types and leases.
- We engaged three of our superior landlords in dialogues regarding unfavourable lease terms, repairs and maintenance obligations to secure side letters or agree support plans or exit strategies where schemes have been identified as non-functional.
- We developed two performance management tools (the Key Performance Indicator and Building Safety Reporting) to enable monthly Board reporting of performance against the Improvement Plan.
- In addition to the annual customer surveys, we launched a Customers' Panel, as well as, the Customers Newsletter, as part of our Tenant Satisfaction Measures.
- We also joined the Tenant Engagement Experts membership group, TPAS (a leading organisation in tenant engagement standards across England) to ensure we get the right level of support and resources to improve on our customer engagement strategy.
- We improved on our financial reporting and financial management by putting in place a weekly cashflow monitoring and forecasting tool.
- Given the greater insights on our costs base, we identified high spend on repairs and maintenance and have put in place a plan to review the procurement of this service in coming months.
- We improved our compliance status and brought our statutory reporting up to date including completing the annual Confirmation Statements, Statutory Accounts, Tax Returns and reports to the Regulator of the Community Interest Company and the Regulator for Social Housing.
- We also improved our policies framework and procedures, bridging identified gaps to improve on our control environment and apply best practices.
- We enhanced our Housing Management system by migrating from the basic SASSHA system to SASSHA 360.

## Future Plans

The Board continues to work closely with the Regulator in ensuring recommendations from the review undertaken by an Independent Appraisal are put in place.

## VALUE FOR MONEY

The Company defines Value for Money as the efficient use of its available resources to achieve the organisational objectives. In seeking to optimise the achievement of its objectives, the Company considers three aspects of value for money namely;

- Economy: the minimisation of the cost of inputs to activities whilst having regards to the quality of those inputs.
- Efficiency: the relationship between the outputs derived from activities and the inputs used to produce those outputs and;
- Effectiveness: the extent to which objectives are achieved and the relationship between intended and actual impacts.

	2023-24 Actual	2022-23 Actual	2023 Global accounts median
<b>Operational performance</b>			
Reinvestment	18%	28%	6.7%
New Supply delivered %	0%	0%	1.3%
Gearing	-36%	-16%	45.3%
EBITDA-MRI cover	n/a	n/a	128.4%
Headline social housing cost per unit	£17,169	£14,204	£4,586
Operating Margin - Social Housing Letting only	-9%	3%	19.8%
Operating Margin - Overall	-1%	-2%	18.2%
Return on Capital Employed	-58%	-177%	2.8%

The table above shows the Value for Money performance of the Company against the Industry median as published in the Global Accounts by the Regulator of Social Housing 2023.

### Metric 1: Reinvestment %

This measures the investment in properties (existing stock as well as new supply) as a percentage of total properties held. The Company owns four properties and expended some costs on major works on both owned and leased assets during the year.

### Metric 2: New Supply Delivered %

The Company does not currently have a development programme and did not deliver any new housing supply during the year.

**Metric 3: Gearing %**

This metric measures the proportion of borrowing in relation to the size of the Company's asset base and assess the degree of dependence on debt finance. The Company had a small loan of £500k at the end of the year. Given its cash balance exceeded the loan amount, the gearing percentage was negative, reflecting a very low gearing ratio compared to the industry median.

**Metric 4: EBITDA MRI (Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included)**

The EBITDA MRI interest cover percentage is not a relevant metric for the Company because it has no loan interest cost.

**Metric 5: Headline Social Housing Cost per unit**

The unit cost metric assesses the headline social housing cost per unit as defined by the Regulator. The principal cost driver for this metric for the Company is the level of lease rents payable to landlords for its homes. The headline cost per unit at the end of the year was £17k (2023 £14k). This was higher than the sector median headline cost per unit mainly due to the external rental cost significantly exceeding the cost of an owned property, and the maintenance burden inherent in the lease arrangements on most properties. Going forward, AHS has negotiated an agreement with two of our major superior landlords for significant contributions to be made towards major repairs and maintenance costs. At the same time, a revised system of authorising minor repairs has been instituted to exert downward pressure on all maintenance costs through strict prioritisation of the proposed works.

**Metric 6: Operating Margin (Social housing letting) % and Operating Margin (overall) %**

The Company saw a reduction in the operating margin on social housing assets due to maintenance cost increases and significant increases in superior landlord rental costs, combined with the cessation of receipt of grants towards operating costs from one of the superior landlords. There were also significant write-offs in respect of historical debtor balances that could not be supported. These write offs severely impacted operating margin despite the improved operating performance and more rigorous cost management approach. The Board and Executive team are aware of the need to improve on these metrics and will, as part of improving its Value for Money strategy, look to drive more efficiency across its operations.

**Metric 7: Return on Capital Employed (ROCE) %**

This metric compares the operating surplus or deficit to the total assets less current liabilities and is a common measure in the commercial sector in assessing the efficiency of investing in capital resources. The Company's ROCE % was negative because of the reported deficit at the end of the year.

**Improving the VfM Metrics**

VfM is a key consideration for social landlords and there is an increasing focus on demonstrating VfM especially given the rapidly shifting economic climate, increased demands from tenants and constraint resources. As such, the Company will be reviewing its Value for Money Strategy in the coming year.

## RISKS AND MITIGATIONS

The Board has overall responsibility for establishing and maintaining the system of internal controls of the Company. Whilst the Board recognises that no system of internal control can provide absolute assurance or eliminate risks completely, effort is made to ensure the system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved. The top 4 strategic risks of the Company with mitigating actions are set out below:

Risks	Mitigations
<p><b>Regulatory Compliance Risks</b></p>	<ul style="list-style-type: none"> <li>• Work with independent appraiser and the governance support firm in reviewing compliance framework, areas of weaknesses and establish best practices.</li> <li>• Monitor performance against the recovery action plan following regulatory judgements</li> <li>• Regularly monitoring the Key Performance Indicators and escalating areas of non-compliance ensuring that appropriate mitigating actions are put in place, promptly.</li> <li>• Developing a clear roadmap to aid the Company's ability to deliver against changes to regulatory framework</li> </ul>
<p><b>Financial Unsustainability</b></p>	<ul style="list-style-type: none"> <li>• Review onerous contracts and contractual terms and seek favourable terms with landlords or head lessees</li> <li>• Robust business planning with scenario testing and mitigations</li> <li>• Being proactive in sundry debts and arrears recovery as well as, putting in place effective budget monitoring process</li> <li>• Undertake options appraisals and portfolio viability assessments given constrained resources and against the backdrop of current macroeconomic factors.</li> </ul>
<p><b>Failure to comply with Health and Safety Risks</b></p>	<ul style="list-style-type: none"> <li>• A clear Health and Safety Executive (HSE) monitoring and inspection regime including gaining insights of the quality of the stock from the recently completed Stock Condition Survey.</li> <li>• A Planned Preventative of Maintenance (PPM) with clarity on landlord and head lessees' responsibilities.</li> <li>• Ensuring third party contractors also maintain a robust regime of HSE and insurance.</li> <li>• Maintain accurate and reliable data to proactively identify issues and deliver remedial safety actions in a timely manner.</li> </ul>
<p><b>Failure to deliver value for residents</b></p>	<ul style="list-style-type: none"> <li>• Governance arrangements put in place to continue managing the delivery of services to tenants and maintaining compliance with current consumer standards</li> <li>• Value for money strategy to ensure services to tenants and delivering value.</li> <li>• Robust data that gives a clear and accurate account of performance, so that the Board can be assured of the quality and safety of homes and quality of services to tenants.</li> <li>• Annual tenants' survey and proactively engaging tenants to understand changing needs and how best and most cost effective these needs can be met.</li> </ul>

## GOVERNANCE

The Board, which comprises the company directors, has overall responsibility for the direction, management and control of the Company. Overall operational management is delegated to the Chief Executive and the Executive Team. As a registered provider, the Board adopts the National Housing Federation (NHF) Code of Governance 2020. As at the date of signing this report, the Board comprises of six (2023 four) directors and meets once a month.

Applications to be considered for appointment to the Board are invited following a recruitment and selection process. Candidates are appointment to the Board having regard for skills, experience, equality, diversity and inclusion. When AHS was part of the Social Housing Family, under intra-group arrangements the appointment of a new Board member was agreed jointly by the Company and the Parent company. However, since exiting the group, AHS appoints directors at its own discretion and in accordance with company procedures.

Insurance policies indemnify Board members and officers against liability when acting for the Society.

### **Directors Duties and section 172 reporting**

The Directors of the Company must act in accordance with a set of general duties embodied in section 172 (1) (a-f) of the Companies Act 2006 (1), summarised as follows:

A Director must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members, and in doing so, have regard (amongst other matters) to:

- The likely consequences of any decisions in the long-term.
- The interests of the company's employees.
- The need to foster the company's business relationships with suppliers, customers and others.
- The impact of the company's operations on the community and environment.
- The desirability of the company maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the company.

Providing strategic direction to the Executive Team, our Board members come with varied skill sets and wealth of experiences from within the social housing sector. A brief bio of each Board member serving for the financial year 2023-24 is added below:

#### **William Locke (Chairman from August 2023)**

William joined Auckland as a non-executive Director in October 2022 and was appointed Chairman in August 2023. He is a retired professional who has had a varied career, starting as a Chartered Surveyor in the public sector ultimately acting as Estate Management Director for English Estates and Regional Director of English Partnership, the previous body to Homes England. He then was appointed as Property Director to Blacks Leisure Group, and thus has substantial experience in all forms of property management and development. In 2003, he established an Energy Broking company, which grew to a successful size and was sold in 2017 to a rival PLC. He has acted as Chair of the Independent Board at Durham Prison, been an independent member of Northumbria Police, and President of Blaydon Rugby Club. He is committed to assisting those less able to help themselves in society.

### **Heather Ashton**

Heather joined Shepherds Bush Housing Group in August 2023 in an interim capacity heading up the Finance Business Partnering team and later took on the Interim CFO role in November 2023. Prior to this, she was the Executive Director of Business Change and Improvement at Thirteen Group and where she previously held the role of Executive Director of Resources for 10 years. Heather has extensive experience in strategic and financial business planning, treasury, mergers and acquisitions, values based transformational change and incremental performance and service improvement underpinned by solid financial accounting, governance and compliance experience. Heather joined AHS Board in April 2023 and resigned October 2024.

### **Paul Fiddaman**

Paul is the Group Chief Executive of Karbon Homes – a profit-for-a-purpose organisation providing c. 32,000 homes across diverse communities covering Northeast of England and Yorkshire. Prior to the creation of Karbon Homes, Paul served as the Group Chief Executive of the Isos Group, and he was the Deputy Chief Executive when Cestria Housing became a part of the Isos Housing Group. Paul joined Cestria Housing as its Chief Executive in April 2011. Before Cestria, Paul was Group Director of Finance and Corporate Services at Fabrick Housing Group (now part of the Thirteen Group). He trained as an accountant with Price Waterhouse and qualified in 1990. Paul joined Sunderland Football Club in 1992, initially as the Financial Controller, before progressing to General Manager and Club Secretary. His first full-time job in housing was with Enterprise 5 in 1996, where he became Director of Finance and Development.

He had been a Board member of a housing association while at SAFC and has recently joined the Board of A2 Dominion. Paul joined AHS Board in April 2023 and resigned October 2024.

### **Stephen Hallowell**

As the Director of Treasury and Investor Relations, Steve holds a senior leadership responsibility for treasury management within the Home Group – one of the UK's largest providers of high-quality housing and support services whose mission is to build homes, independence and aspirations. Home Group's turnover exceeds £350m with c. 55,000 properties in management and a development programme of over 1,600 properties p.a. As the treasury lead, his responsibilities include managing existing borrowings of £1.3bn and sourcing additional funding from banks and capital markets to support growth maintaining strong liquidity. Steve is also responsible for financial oversight of the group's pension schemes including 3 legacy defined benefit schemes. Steve joined the Board in April 2023 and resigned October 2024.

### **Linda Minns**

Linda was appointed to the AHS Board in May 2024, bringing extensive experience of governance and assurance, most recently as Director of Governance for Thirteen Housing Group, where she led on governance and regulatory compliance, company secretary responsibilities, assurance and risk management, legal services, procurement, safeguarding and health and safety. Linda has a wealth of experience in social housing, including neighbourhood management, customer services and complaints, customer involvement, performance and service improvement, as well as key roles in stock transfer, mergers, group consolidation and regulatory inspections and IDAs. As well as her role on AHS Board, Linda is a trustee for Ann Charlton Lodge,

a specialist care facility providing support for a range of neurological conditions including Multiple Sclerosis and Motor Neurone Disease.

The Senior Leadership Team (SLT) is responsible for providing and ensuring effective leadership, management and performance of the organisation in delivering the strategies and policies set by the Board. Responsible for their respective staff teams, the SLT is accountable to the Interim Chief Executive who in turn is accountable to the Board.

## STATEMENTS OF DIRECTORS' RESPONSIBILITIES

The Board is responsible for preparing the Strategic Report, Annual Report and the Financial Statements, in accordance with applicable law and regulation.

Company law and social housing legislation require the Board to prepare Financial Statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Board must not approve the Financial Statements unless it is satisfied that they give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that period.

In preparing these Financial Statements, the Board is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice "Accounting by Registered Social Housing Providers 2018" and FRS102 have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

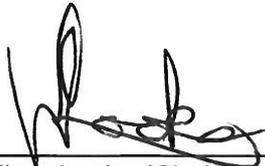
The Board is also responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society and enable it to ensure that its financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Registered Providers of Social Housing 2022.

The Board is responsible for safeguarding the assets of the Society and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is also responsible for ensuring that the Report of the Board is prepared in accordance with the Statement of Recommended Practice "Accounting by Registered Social Housing Providers 2018" and FRS 102. The Board is responsible for ensuring that the assets of the Society are properly applied under charity law. The annual report and accounts are published on the Company's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions.

The Board's responsibility also extends to the ongoing integrity of the financial statements contained therein.

The report of the Board was approved by the Board on 15 July 2025 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'William Locke', written over a horizontal line.

William Locke (Chair)

# Independent Auditor's Report to the Members of Auckland Home Solutions CIC

## Qualified Opinion

We have audited the financial statements of Auckland Home Solutions CIC (the 'company') for the year ended 31 March 2024 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of changes in Reserves, 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, except for the possible effects of the matter described in the basis for qualified opinion section of our report, 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 income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022.

## Basis for Qualified opinion

Auckland Home Solutions CIC has not been previously audited as the Directors took advantage of audit exemption under the Companies Act 2006. The Company has had changes in the management team and the current management team have identified a number of errors relating to previous accounting periods. They have not been able to provide supporting documentation for several journals and the corrections of these journals impact the Statement of comprehensive income in the current financial year.

We were unable to satisfy ourselves with the opening balances as at 1 April 2023 along with the turnover and operating expenditure which has been included in the accounts at £26,655k (2023: £23,687k) and £28,717k (2023: £24,218k) respectively. The missing information is however, not deemed to be pervasive to the financial statements on the basis this does not impact on the Statement of Financial Position including the Profit and Loss reserve account as at 31 March 2024.

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 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 qualified opinion.

## Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 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 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.

As described in the basis for qualified opinion section of our report we were unable to satisfy ourselves with the opening balances as at 1 April 2023 along with the turnover and operating expenditure which has been included in the accounts at £26,655k (2023: £23,687k) and £28,717k (2023: £24,218k) respectively. We have concluded that where the other information refers to these areas of the financial statements it may be materially misstated for the same reason.

### **Opinions on other matters prescribed by the Companies Act 2006**

We have been unable to satisfy ourselves with the opening balances as at 1 April 2023 along with the turnover and operating expenditure which has been included in the accounts at £26,655k (2023: £23,687k) and £28,717k (2023: £24,218k) respectively. We have concluded that where the other information refers to these areas of the financial statements it may be materially misstated for the same reason.

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the board report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the board report (incorporating the strategic report) has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

Except for the matter described in the basis for qualified opinion section of our report, 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 board report (incorporating the strategic report).

Arising solely from the limitation on the scope of our work relating to the turnover and operating expenditure for the year to 31 March 2024 as well as the opening balance sheet as at 31 March 2023, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have not been kept.

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:

- 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.

#### **Other Matter**

The accounts for the comparative year have not been audited, this has also impacted on our audit opinion as we have not been able to confirm the opening balance position.

#### **Responsibilities of the board**

As explained more fully in the board's responsibilities statement set out on page 14 the board (who are also the directors of the Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board 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 board is 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 board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor 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:

- the nature of the industry and sector, control environment and business performance including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We consider the results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;

- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

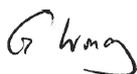
We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, Housing and Regeneration Act 2008, the Accounting Direction for private registered providers of social housing in England 2022 and relevant tax legislation.

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

A further description of our responsibilities is available on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 and section 137 of the Housing and Regeneration Act 2008. 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.



Gary Wong BFP FCA (Senior Statutory Auditor)

For and on behalf of  
 Hillier Hopkins LLP  
 Chartered Accountants and Statutory Auditor  
 Radius House  
 51 Clarendon Road  
 Watford Herts  
 WD17 1HP  
 21 July 2025

# Auckland Home Solutions CIC

## FINANCIAL STATEMENTS

Statement of Comprehensive Income

For the year ended 31 March 2024

	Note	2024	2023
		£'000	£'000
Turnover	2	26,655	23,687
Operating expenditure	2	<u>28,717</u>	<u>(24,218)</u>
Operating deficit		<b>(2,062)</b>	<b>(531)</b>
Tax on (deficit)/surplus on activities	5	-	-
<b>Net deficit</b>		<u><b>(2,062)</b></u>	<u><b>(531)</b></u>

All of the Company's turnover and deficit disclosed above are derived from continuing activities.

There is no other comprehensive income in the year (2023: £nil)

The Notes on pages 24 to 40 form part of these Financial Statements.

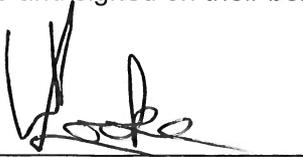
# Auckland Home Solutions CIC

## FINANCIAL STATEMENTS

Statement of Financial Position  
As at 31 March 2024

	Note	2024 £'000	2023 £'000
<b>Fixed Assets</b>			
Tangible fixed assets - Housing Properties	10	3,216	2,783
Tangible fixed assets - Other Fixed Assets	12	82	105
Intangible fixed assets	11	-	-
<b>Total Fixed Assets</b>		<b>3,298</b>	<b>2,888</b>
<b>Current Assets</b>			
Trade and Other Debtors	13	1,515	4,915
Cash and cash equivalents		1,919	506
		<b>3,434</b>	<b>5,421</b>
<b>Creditors: amounts falling due within one year</b>	14	<b>(7,772)</b>	<b>(8,009)</b>
<b>Net Current Liabilities</b>		<b>(4,338)</b>	<b>(2,588)</b>
<b>Total Assets Less Current Liabilities</b>		<b>(1,040)</b>	<b>300</b>
<b>Creditors: amounts falling due after more than one year</b>	15	<b>(973)</b>	<b>(251)</b>
<b>Total Net Liabilities</b>		<b>(2,013)</b>	<b>49</b>
<b>Capital and Reserves</b>			
Non-equity share capital	16	-	-
Revenue Reserves: Unrestricted		(2,013)	49
Revenue Reserves: restricted		-	-
<b>Total Reserves</b>		<b>(2,013)</b>	<b>49</b>

The financial statements were approved by the Board and authorised for issue on 15 July 2025 and signed on their behalf by:

  
 \_\_\_\_\_  
 William Locke (Chair)

The Notes on pages 24 to 40 form part of these Financial Statements.

# Auckland Home Solutions CIC

## FINANCIAL STATEMENTS

Statement of Changes in Reserves

For the year ended 31 March 2024

	<b>2024</b>		
	<b>Revenue Reserves: Unrestricted £'000</b>	<b>Non-Equity Share Capital £'000</b>	<b>Total  £'000</b>
Balance at 31 March 2023	49	-	49
Deficit from Statement of Comprehensive Income	(2,062)	-	(2,062)
<b>Balance at 31 March 2024</b>	<b>(2,013)</b>	<b>-</b>	<b>(2,013)</b>

	<b>2023</b>		
	<b>Revenue Reserves: Unrestricted £'000</b>	<b>Non-Equity Share Capital £'000</b>	<b>Total  £'000</b>
Balance at 31 March 2022	580	-	580
Deficit from Statement of Comprehensive Income	(531)	-	(531)
<b>Balance at 31 March 2023</b>	<b>49</b>	<b>-</b>	<b>49</b>

The Notes on pages 24 to 40 form part of these Financial Statements.

# Auckland Home Solutions CIC

## FINANCIAL STATEMENTS

### Statement of Cash Flows

For the year ended 31 March 2024

	Notes	2024 £'000	2023 £'000
<b>Net cash generated from operating activities</b>	18	1,700	766
Purchase of tangible fixed assets	10,12	(737)	(850)
Interest received			-
<b>Net cash from investing activities</b>		<b>(737)</b>	<b>(850)</b>
<b>Cashflow from financing activities</b>			
Intercompany Loan drawdown		450	49
<b>Net cash from financing activities</b>		<b>450</b>	<b>49</b>
<b>Net change in cash and cash equivalents</b>		<b>1,413</b>	<b>(35)</b>
Cash and cash equivalents at the beginning of the year		506	541
<b>Cash and cash equivalents at the end of the year</b>		<b>1,919</b>	<b>506</b>

The Notes on pages 24 to 40 form part of these Financial Statements.

# NOTES TO THE FINANCIAL STATEMENTS

## I. LEGAL STATUS

Auckland Home Solutions CIC ("the Company") is a Community Interest Company registered under the Companies Act 2006 and is a Registered Provider of social housing registered with the Regulator of Social Housing. The Company was a subsidiary of the Social Housing Family CIC until November 2024, when it de-merged and reverted to a stand-alone entity.

## 1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable law and UK accounting standards in the United Kingdom (United Kingdom Generally Accepted Accounting Practice) which for the Company includes the Companies Act, Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard", and the Statement of Recommended Practice (SORP) for Registered Social Housing Providers, "Accounting by Registered Social Housing Providers" 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The accounts are prepared under the historic cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the management to exercise judgement in applying the Company's accounting policies.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £1.

The Company is a public benefit entity in accordance with FRS 102.

The following principal accounting policies have been applied:

### 1.1 Going Concern

The financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The Board has considered the current challenges of the Company and the risk profile of a leased-based private registered housing operating model and has concluded that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Board has prepared its business plan updated, 2023/24 and 2024/25 with scenario testing incorporating a 30 year financial model which shows a positive margin and cash position for each of the next 30 years. The positive outcomes have been extensively stress-tested to understand the key potential pressure points, and mitigations identified where possible. There is also a weekly review of its cash flow forecasts. As well as having appropriate negotiation with lease landlords or head lessees, the Company also has some long-term contracts in place to ensure steady income streams from local authorities and care providers. Therefore, the Company's financial statements have been prepared on a going concern basis.

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **1.2 Turnover**

The Company's turnover principally comprises income receivable from care providers and housing services. The tenants' charges are composite amounts covering rent, service charges, utilities and other sundries. Income is measured at the fair value of the consideration received or receivable. All incoming resources are included in the Statement of Comprehensive Income when the Company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

### **1.3 Resources expended**

Liabilities are recognised once there is a legal and constructive obligation that commits the Company to the obligation. Expenditure is recognised as goods and services are supplied. All resources are classified under activity headings that aggregate all costs related to the category.

### **1.4 Value Added Tax**

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

### **1.5 Taxation**

The Company is a Community Interest Company (CIC) limited by guarantee. It is a not-for-profit company; this means that it does not operate for private profit. Any profit generated is used to grow and develop its business which is benefiting an identified community, as set out in its objects.

A CIC is liable to corporation tax as a company. This applies to all its trading profits, investment income and any gains, as and when they arise. It is an asset locked entity that must ensure any profits / assets are used for the benefit of the community.

### **1.6 Employee benefits**

The costs of employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the costs of stock or fixed assets.

The costs of any unused holiday are recognised in the period in which the employees' services are received unless deemed immaterial.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### **1.7 Retirement benefits**

The Company operates a defined contribution pension scheme. Contributions to the Company's pension scheme are charged as an expense as they fall due.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 1.8 Tangible fixed assets

Tangible fixed assets are initially measured at costs and subsequently measured at cost net of depreciation and any impairment losses.

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

Description	Estimated useful life (years)
Housing properties: Freehold land	Nil
Freehold Components:	
Structure	150
Roofs	60
Kitchen	15
Bathroom	30
Windows and doors	30
Electrical	15
Boiler	15
Heating	15
Lifts	60
	Freehold is split into components using 34.75% for land, 30% for structure, 25% for roof, 5% for windows & doors, 2% for bathroom, 2.5% for kitchen and 0.75% for boiler.
Leasehold	10 years or life of the lease (whichever is shorter)
Other tangible and Intangible fixed assets:	
Office fixtures and fittings	4
Computers & software	4
Office equipment	4

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised below operating surplus/(deficit), in the statement of comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 1.9 Impairment of fixed assets

The housing properties of the Company are assessed for indicators of impairment at each balance sheet date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. The recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is then recognised immediately in surplus or deficit, unless the relevant asset is carried at revaluation amount, in which case, the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of the recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### 1.10 Leased Assets

#### Housing leases

Housing leases are recognised as operating leases. Rentals are charged to income and expenditure on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Housing Association recognises annual rent expense equal to amounts owed to the lessor. The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

Housing properties are properties leased for the provision of supported and specialised supported housing. The leases range from short term leases to long term leases. The lease costs are included in the income and expenditure for the period that the costs apply to.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 1.11 Debtors and Creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price.

### 1.12 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Any bank overdrafts are shown within borrowing in current liabilities.

### 1.13 Loans

These instruments are initially recorded at the transaction price less any transaction costs (historic cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost. Loans and investments that are payable or receivable within one year are not discounted.

### 1.14 Provisions for liability

Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that the association will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation.

### 1.15 Reserves

Income received, and expenditure incurred, for restricted purposes is separately accounted for as restricted funds. Restricted funds arise from either the conditions of the legacy or donation.

Realised and unrealised gains and losses on assets held as restricted funds are also allocated to the restricted fund.

Unrestricted reserves are accounted for under the income and expenditure reserves.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 1.16 Judgements and key sources of estimation uncertainty

In preparing these financial statements, key judgements have been made in respect of the following:

- whether there are indicators of impairment of the Company's tangible assets.
- identification of housing property components. Under component accounting, the housing property is divided into those major components which are considered to have substantially different useful economic lives.

In preparing these financial statements, key estimates have been made in respect of the following:

- Bad debt provision: A review of trade debtors is carried on a period basis, in line with the Company's policy. 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. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be collectable.

### 1.17 Regulatory Judgement

The Regulator of Social Housing published an adverse regulatory judgment for the Company in August 2021, followed by an enforcement notice and the appointment of three independent board members in 2023. The company entered a Voluntary Undertaking with the Regulator for Social Housing in 2024, which has been substantially delivered. Further details have been provided in the Report of the Board on pages 6-8.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 2. Particulars of Turnover, Operating Costs and Operating Surplus

	Turnover £'000	2024 Operating expenditure £'000	Operating Surplus/(Deficit) £'000
<b>Social housing lettings (note 3)</b>	24,222	28,374	(4,152)
<b>Other income from Social Housing</b>			
Supported Housing - Management Fee	2,433	343	2,090
<b>Total</b>	<b>26,655</b>	<b>28,717</b>	<b>(2,062)</b>

	Turnover £'000	2023 Operating expenditure £'000	Operating Surplus/(Deficit) £'000
<b>Social housing lettings (note 3)</b>	22,589	21,955	634
<b>Other income from Social Housing</b>			
Supported Housing - Management Fee	1,098	2,263	(1,165)
<b>Total</b>	<b>23,687</b>	<b>24,218</b>	<b>(531)</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 3. Income and expenditure from social housing lettings

	Supported Housing	Residential Homes	Total 2024	Total 2023
	£'000	£'000	£'000	£'000
<b>Income</b>				
Rent receivable net of identifiable service charge	18,519	2,875	21,394	20,933
Service charge income	2,287	355	2,642	1,457
Other income	161	25	186	199
<b>Turnover from Social Housing Lettings</b>	<b>20,967</b>	<b>3,255</b>	<b>24,222</b>	<b>22,589</b>
<b>Operating expenditure</b>				
Lease Rent Payable	14,883	2,311	17,194	16,335
Management Costs	1,784	277	2,061	1,540
Service charge costs	3,268	507	3,775	2,031
Maintenance Costs	2,152	410	2,562	1,267
Planned maintenance	207	-	207	529
Bad debts	2,280	-	2,280	103
Depreciation of Housing Properties	295	-	295	150
<b>Operating expenditure on Social Housing Lettings</b>	<b>24,869</b>	<b>3,505</b>	<b>28,374</b>	<b>21,955</b>
<b>Operating Surplus/(Deficit) on Social Housing Lettings</b>	<b>(3,902)</b>	<b>(250)</b>	<b>(4,152)</b>	<b>634</b>
Void losses Rechargeable (being rental income lost because of property not being let, although it is available for letting, is rechargeable )	2,984	-	2,984	1,642

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 4. Accommodation in management and managed on others' behalf

Social Housing	2024	2023
	<b>Total</b>	<b>Total</b>
Specialist Supported Housing	22	22
Owned and Directly Managed accommodation	22	22
Specialist Supported Housing	878	919
Temporary Supported Housing	430	443
Residential care homes	26	237
Others	11	84
Directly Managed accommodation	1,345	1683
<b>Total owned and managed</b>	<b>1,367</b>	<b>1,705</b>

### 5. Tax on (deficit)/surplus on activities

	2024	2023
	<b>£'000</b>	<b>£'000</b>
Tax on (deficit)/surplus on activities	-	-
	-	-

### 6. (Deficit)/Surplus for the year

(Deficit)/Surplus for the financial year is after charging:

	2024	2023
	<b>£'000</b>	<b>£'000</b>
Depreciation:		
Owned Housing assets	12	12
Leasehold Improvements	283	138
Office equipment	31	-
Auditor remuneration - audit services	45	-
Auditor remuneration - non audit services	6	-

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 7. Employees

	2024	2023
	£'000	£'000
<b>Staff Costs</b>		
Wages and salaries	712	963
Social Security Costs	74	97
Pension Costs	13	26
Other Costs	-	34
<b>Total Staff Costs</b>	<b>799</b>	<b>1,120</b>

The average number of employees including part time staff is shown as headcount. The Full Time Equivalents (FTE's), calculated based on a standard working week of 37.5 hours during the year were as follows:

	FTE's	FTE's	Headcount	Headcount
	2024	2023	2024	2023
Administration	5	5	5	6
Executives & Directors	5	9	5	10
Housing and Support	12	9	12	10
<b>Total</b>	<b>22</b>	<b>23</b>	<b>22</b>	<b>26</b>

### 8. Board and Executive Remuneration

The Board members were also the directors of the company. The number of Executive Directors that were not Board members was 1 (2023: 1). The total emoluments of the Board members are below:

	2024	2023
	£'000	£'000
Board member emoluments	69	477
Employer NI	5	61
Contributions to money purchase pension schemes	1	7
<b>Total</b>	<b>75</b>	<b>545</b>

The total amount payable to the highest paid Executive Team member in 2024, who was the Chief Operating Officer, in respect of emoluments was £90k (2023: £97k). Included in this amount is the employer pension contributions totalling £1k which was made during the year for a defined contribution scheme which is open to all employees.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 9. Staff Remuneration above £60,000

The remuneration paid to staff (including the Executive Management Team) earning over £60,000:

	2024 number	2023 number
£60,001 - £70,000	-	1
£70,001 - £80,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	-	3

### 10. Housing Properties

	Owned Held for Social Housing	Leasehold Improvements held for Social Housing	Total
	£'000	£'000	£'000
At 1st April 2023	1,105	2,158	3,263
Works to existing properties	-	729	729
Additions to Housing properties	-	-	-
Disposals	-	-	-
At 31 March 2024	<b>1,105</b>	<b>2,887</b>	<b>3,992</b>
Depreciation			
At 1st April 2023	46	434	480
Charged in the year	12	284	296
Eliminated on disposals	-	-	-
At 31 March 2024	<b>58</b>	<b>718</b>	<b>776</b>
Net Book Value			
At 31 March 2024	<b>1,047</b>	<b>2,169</b>	<b>3,216</b>
At 31 March 2023	<b>1,059</b>	<b>1,724</b>	<b>2,783</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 11. Intangible Assets

	Other £'000	Total £'000
<b>Cost</b>		
At 1st April 2023	15	15
Additions	-	-
<b>At 31 March 2024</b>	<b>15</b>	<b>15</b>
<b>Depreciation</b>		
At 1st April 2023	15	15
Charged in the year	-	-
<b>At 31 March 2024</b>	<b>15</b>	<b>15</b>
<b>Net Book Value</b>		
At 31 March 2024	-	-
At 31 March 2023	-	-

### 12. Other Tangible Fixed Assets

	Fixtures & Fittings £'000	Furniture & Equipment £'000	Computer & IT £'000	Motor Vehicles £'000	Total £'000
<b>Cost</b>					
At 1st April 2023	166	147	17	5	335
Additions	-	8	-	-	8
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>166</b>	<b>155</b>	<b>17</b>	<b>5</b>	<b>343</b>
<b>Depreciation</b>					
At 1st April 2023	166	42	17	5	230
Charge for the year	-	31	-	-	31
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>166</b>	<b>73</b>	<b>17</b>	<b>5</b>	<b>261</b>
<b>Net Book Value</b>					
At 31 March 2024	-	82	-	-	82
At 31 March 2023	-	105	-	-	105

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 13. Debtors

	2024	2023
	£'000	£'000
<b>Debtors Within One Year</b>		
Arrears of Rent and Service Charges	2,073	2,861
Other Debtors and Prepayments	401	4,197
Less Provision for Bad and Doubtful Debts	(959)	(2,144)
	<u>1,515</u>	<u>4,914</u>

### 14. Creditors: Amount falling due within one year

	2024	2023
	£'000	£'000
Tax and Social Security	14	22
Trade Creditors	6,387	4,529
Other creditors and accrued liabilities	1,371	3,458
	<u>7,772</u>	<u>8,009</u>

### 15. Creditors: Amount falling due after more than one year

	2024	2023
	£'000	£'000
Sinking Fund	472	202
Others - Intercompany Loan (note 20)	500	49
<b>Total creditors falling due after more than one year</b>	<u>972</u>	<u>251</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 16. Share Capital

	2024	2023
	£	£
Shares of £1 each issued and fully paid		
As at 1st April 2023	20	20
Issued during the year	-	-
Cancelled during the year	-	-
<b>As at 31 March 2024</b>	<b>20</b>	<b>20</b>

### 17. Financial Instrument

	2024	2023
	£'000	£'000
The Group's financial instruments may be analysed as follows:		
<b>Financial assets measured at cost</b>		
Cash and cash equivalents	1,919	506
<b>Financial assets measured at cost</b>		
Arrears of rent and service charges	2,073	2,861
Other debtors and prepayments	401	4,197
less provision for bad and doubtful debt	(959)	(2,144)
	<b>3,434</b>	<b>5,420</b>
<b>Financial liabilities measured at amortised cost</b>		
Other creditors	7,772	7,987
<b>Total financial liabilities</b>	<b>7,772</b>	<b>7,987</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 18. Net cash generated from operating activities

		2024	2023
		£'000	£'000
<b>Cash flow from operating activities</b>			
Surplus/(Deficit) for the year		(2,061)	(531)
<b>Adjustments for non-cash items:</b>			
Depreciation of tangible assets	10,12	327	167
Decrease/(increase) in trade and other debtors		3,468	(692)
(Decrease)/Increase in trade and other creditors		(34)	1,822
<b>Net cash generated from operating activities</b>		<b>1,700</b>	<b>766</b>

The cash opening balance as of 1 April 2023 was £506k, the net cash inflow in the period being £1,413k, this resulted in a closing balance of cash at the Statement of Financial Position date of £1,919k.

### 19. PENSION COMMITMENTS

The company operates a defined contributions pension scheme with Legal and General. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions made by the company to the fund and amounted to £12k (2023: £26k).

### 20. OPERATING LEASES

The Company had minimum lease payments under non-cancellable operating leases as set out below:

	2024	2023
	£'000	£'000
<b>Housing properties</b>		
<b>Amounts payable as lessee:</b>		
Within one year	12,506	20,552
After one year but within five years	57,130	19,234
After five years	116,815	15,048
<b>Total</b>	<b>186,452</b>	<b>54,834</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 21. RELATED PARTY DISCLOSURES

Auckland Home Solutions CIC is a subsidiary of the Social Housing Family CIC (Company Registration No. 11667993). During the year, there was an intra-group loan of £451,000 from the Social Housing Family CIC, the parent company, bringing the total inter-company loan to £500,000.

Nicola Gillard, a Board member until July 2023, leased two of her family owned properties to Auckland Home Solutions CIC. The two properties are Victoria House and George House both have lease commencement date of 6 September 2018 and lease termination date of 31 August 2025. Lease rents paid to Nicola Gillard and / or family member during the year totalled £74,234.

### 22. POST BALANCE SHEET EVENTS

As part of the voluntary undertaking entered into with the Regulator for Social Housing, AHS concluded discussions with two of the three main superior landlords supplying properties to Auckland. The result of these discussions was to ensure that the business relationship with the superior landlords was in a position to be able to continue on a long term basis, with adjustments made to historic trading agreements and financial positions, and agreement on a sustainable way forward.

In connection with this, but as a separate part of the voluntary undertaking, AHS agreed to exit the Social Housing Family, its previous parent group. This separation was achieved in November 2024.

In January 2025, AHS disposed of a number of social housing properties comprising the property at 'Little Priors', the property at 16 Hidings Court Lane and the property at 78 Waddington Road.

### 23. CONTROLLING PARTY

As noted above, Auckland Home Solutions CIC was a member of the Social Housing Family CIC group (reg 11667993) until November 2024. At that point, and as part of the voluntary undertaking given to the Regulator for Social Housing by Auckland Home Solutions CIC, Auckland de-merged and became an independent entity.

### 24. FINANCIAL COMMITMENTS

At the year end, there was a fixed and floating charges on certain properties and other assets of the Company.

[End of Report]