Passage Housing Services

Financial Statements

Year Ended 31 March 2026

Regulator of Social Housing registration number:4842

Company registration number: 09337431

Charity registration number: 1161696

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Regulator of Social Housing registration number	4842
Company number	09337431 (England and Wales)
Charity number	1161696
Directors of the board	Jane Campbell Jonathan Fewster Steven Haynes Michael Kelly James Lally (resigned 12 June 2025) Kiran Pawar Faraz Kidwai (appointed 17 June 2025) Vasiliki Arvaniti (appointed 17 June 2025) Matthew Bawden (appointed 23 September 2025)
Secretary	Jane Sandeman (resigned 21 July 2025) Jennifer Hinton (appointed 21 July 2025)
Registered office	St Vincent's Centre Carlisle Place London London SW1P 1NL United Kingdom
Place of business	As above
Auditor	Sayer Vincent LLP 110 Golden Lane London, EC1Y 0TG
Solicitor	Pothecary Witham Weld 70 St George's Square London SW1V 3RD
Bankers	HSBC plc Belgravia Branch The Peak 333 Vauxhall Bridge Road London SWIV 1EJ

The board of Passage Housing Services presents their report and the audited financial statements of Passage Housing Services for the year ended 31 March 2026.

Directors of the board

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

Jane Campbell
Jonathan Fewster
Steven Haynes
Michael Kelly
James Lally (resigned 12 June 2025)
Kiran Pawa
Faraz Kidwai (appointed 17 June 2025)
Vasiliki Arvaniti (appointed 17 June 2025)
Matthew Bawden (appointed 23 September 2025)

Review of the Business and Business Model

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

Operational History:

- **Dormancy Period:** PHS remained dormant until December 16, 2020.
- **Bentley House Lease:** On December 17, 2020, PHS took over a lease from Optivo for Bentley House, which offers 20 units of self-contained accommodation at St Vincent's Centre, Carlisle Place, London SW1P 1NL. The freehold is owned by Passage 2000.
- **Passage House Lease:** On March 16, 2021, PHS acquired a lease from Peabody Housing Association for Passage House, a 40-unit assessment centre at 1-5 Longmoore Street, London SW1V 1JH. The freehold is owned by Passage 2000.
- **Montfort House Lease:** On April 1, 2024, PHS obtained the lease for Montfort House, which offers 16 units of self-contained studio accommodation at 22 King's Scholars' Passage, London SW1P 2RS. The freehold is owned by Passage 2000.

Objectives and Strategies

PHS oversees 73 units. Following refurbishment, the units at Passage House became operational in August 2022, and Bentley House units were available from December 2022. Montfort House units were taken on with residents in situ.

PHS's three-year strategy (2025-28) aligns with the strategic priorities of Passage 2000.

The principal income for the year was derived from core rents for the three properties, collected by Passage 2000 on behalf of PHS. The entity held reserves of £528k at year-end (2025: £370k). Passage 2000 will continue to support PHS in its activities.

Principal Risks and Uncertainties

Last year, the organisation experienced an instance of unintentional non-compliance, which has since been addressed through an external compliance review to strengthen oversight and ensure future adherence.

The organisation experienced no instances of non-compliance last year.

Strategic Planning Challenges

A key strategic challenge remains the organisation’s ambition to expand its housing portfolio.

A key strategic challenge for the organisation is expanding its housing portfolio in a way that increases our impact while remaining consistent with our risk appetite and organisational capacity. Good progress has been made during the year to strengthen our ability to identify, assess and evaluate potential development and acquisition opportunities. This has included the tentative appointment of an external development consultant to support the development of a governance and appraisal framework, ensuring that opportunities are subject to robust financial, operational and risk assessment before any investment decisions are made.

Main Trends and Factors

The successful refurbishment of 57 units to a high standard, along with the acquisition of a lease for an additional 16 units at Montfort House, has significantly strengthened the organisation’s housing portfolio. These developments provide a solid foundation for future growth and operational performance.

As of the balance sheet date:

32 of the 37 units at Passage House were occupied,

19 of the 20 units at Bentley House were occupied, and

13 of the 16 units at Montfort House were tenanted.

To support the long-term sustainability of these assets, Passage 2000 commissioned an Asset Management Review during the financial year. This has resulted in the implementation of a comprehensive Asset Management Strategy, which now covers all three properties leased by PHS, ensuring their ongoing maintenance and strategic oversight.

Future Prospects

PHS, in collaboration with Passage 2000, is exploring a number of strategic partnerships with Housing Associations to expand accommodation options for individuals affected by homelessness. These partnerships aim to enhance service delivery and increase housing capacity through shared expertise and resources.

Assessment of how the RP is achieving Value for Money

Assessment of how the RP is achieving Value for Money

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

Metric 1 - Reinvestment %

This demonstrates the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held. The company's metric for reinvestment for the year was 0.0% (2025: 0.0%). The cost of refurbishment and all other relevant costs have been borne by the parent charity.

Metric 2 - New supply delivered %

In April 2024 the company acquired the lease of Montfort House increasing the supply of social housing units by 16 (21.9%). There was no change in the total number of social housing units in 2025/26 (0%).

Metric 3 - Gearing

This metric looks at the extent to which the company's activities are dependent on debt finance. The company holds leasehold property stated at the cost of transfer of the lease less accumulated depreciation. The balance of the loan at 31 March 2026 was £262k (2025: £328k). This represents the cost of the remaining lease repayments spread over ten years from acquisition of the lease. Total borrowings represent 15% (2025: 40%) of the depreciated value of the lease.

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

The company paid no interest on the loans referred to in Metric 3 (2025: £nil).

Metric 5 - Headline social housing cost per unit

The cost per unit for the year to Passage Housing Services was £3,414 (2024: £4,012). This reflects the average cost to the company of providing accommodation to residents during the year. If the additional costs to Passage 2000 (acting as agent for PHS) are taken into account, the total cost per unit to Passage 2000 and PHS combined is £6,524 (2025: £6,683).

Metric 6 - Operating margin (overall) - %

The operating margin from social housing lettings was 32.1% (2025: 21.6%) while the operating margin of the company as a whole was 32.1% (2025: 21.6%).

Metric 7 - Return on capital employed (ROCE) %

This metric compares the operating surplus to total assets less current liabilities. For the company this was 21.8% (2025: 16.5%).

Tenant Satisfaction Survey

In Quarter 4 of 2025–26, we conducted our annual Tenant Satisfaction Survey across all three residential properties owned by Passage 2000 and leased by PHS. These services comprise a total of 73 self-contained flats and ensuite rooms. At the time of the survey, 64 units were occupied, with nine voids.

All current residents were invited to participate with the response rate as outlined below:

31 residents (49%) completed the survey

33 residents (51%) declined or did not respond

The survey was conducted over a six-week period using the standardised questions set by the Housing Regulator. Residents were informed of the survey’s purpose and how the feedback would be used to improve services. Responses were collected anonymously through multiple formats—online, paper-based, and face-to-face

interviews. Residents were also encouraged to contact their keyworkers for follow-up discussions or to raise concerns.

To gain deeper insights, we included an optional comment box with each question. This allowed residents to explain their responses, helping us identify both areas of strength and opportunities for improvement. Some residents requested and received support to complete the survey.

We are now engaging in further discussions within services to address the feedback received and implement meaningful improvements.

Overall, the results were very positive, with an average of 87% of responses indicating residents were either *Very Satisfied* or *Fairly Satisfied*.

Below is a summary of responses to the 12 questions asked:

Code	Question	% of Respondents Satisfied
TP01	Taking everything into account, how satisfied or dissatisfied are you with the service provided by PHS/The Passage?	84%
TP02	If you have received a repair in the last 12 months, how satisfied or dissatisfied are you with the overall repairs service?	91%
TP03	If you have received a repair in the last 12 months, how satisfied or dissatisfied are you with the time taken to complete the most recent repair you reported?	86%
TP04	How satisfied or dissatisfied are you that PHS/The Passage provides a home that is well maintained?	82%
TP05	Thinking about the condition of the property or building you live in now, how satisfied or dissatisfied are you that PHS/The Passage provides a home that is safe?	100%
TP06	How satisfied or dissatisfied are you that PHS/The Passage listens to your views and acts upon them?	82%
TP07	How satisfied or dissatisfied are you that PHS/The Passage keeps you informed about things that matter to you?	93%
TP08	To what extent do you agree or disagree with the following 'PHS/The Passage treats me fairly and with respect'?	90%

TP09	If you have made a complaint in the last 12 months, how satisfied or dissatisfied are you with PHS/The Passage's approach to complaints handling?	100%
TP10	How satisfied or dissatisfied are you that PHS/The Passage keeps communal areas clean and well maintained?	96%
TP11	How satisfied or dissatisfied are you that PHS/The Passage makes a positive contribution to your neighbourhood?	75%
TP12	How satisfied or dissatisfied are you with PHS/The Passage's approach to handling anti-social behaviour?	65%

Code of Governance

Passage Housing Services (PHS) adheres to the National Housing Federation Code of Governance 2020.

Board's Annual Review of Internal Control

The Board conducts a review of significant risks and agrees on mitigation strategies at each meeting.

Public Benefit

In collaboration with its parent entity, Passage 2000, PHS aims to provide resources that encourage, inspire, and challenge individuals experiencing homelessness to transform their lives. The primary focus of PHS is to offer accommodation for vulnerable people as a crucial step towards ending street homelessness.

Future Developments

The ongoing development and growth of the refurbished properties remain a principal focus. Future strategic partnerships will be built on positive outcomes, with Directors closely monitoring the risks and uncertainties associated with these projects to ensure a solid foundation for future developments.

Employees

During the year, the average number of employees was 0 (2024-25: 0). PHS does not employ staff directly; services are delivered through its parent organisation, Passage 2000.

Directors' Responsibilities

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

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

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

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

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

Disclosure of Information to the Auditors

We, the directors of the company who held office at the date of approval of these Financial Statements, each confirm, to the best of our knowledge:

- There is no relevant audit information of which the company's auditors are unaware.
- We have taken all the steps that we ought to have taken as directors to make ourselves aware of any relevant audit information and to ensure that the company's auditors are aware of that information.

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

The financial statements were approved by the board on 5th August 2026 and signed on their behalf by

Kiran Pawar,

Director

Opinion

We have audited the financial statements of Passage Housing Services (the 'association') for the year ended 31 March 2026 which comprise the statement of comprehensive income, balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2026, and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

the other information contained within the board report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the board report.

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

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

Responsibilities of the board

As explained more fully in the board's responsibilities statement set out on page 10 in the board report, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

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

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

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

Use of our report

This report is made solely to the association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (senior statutory auditor)	
on behalf of Sayer Vincent LLP, Statutory Auditor 110 Golden Lane, LONDON, EC1Y 0TG	7 September 2026

Passage Housing Services

Statement of Comprehensive Income (Including Income and Expenditure Account)

Year Ended 31 March 2026

	Note	**2026**	2025
		£	£
Turnover	2	**492,472**	481,456
Cost of sales	3	**(112,188)**	(202,730)
Gross surplus		**380,284**	278,726
Administrative expenditure	4	**(222,089)**	(174,562)
Operating surplus		**158,195**	104,164
Surplus for the year before taxation	6	**158,195**	104,164
Surplus for the year		**158,195**	104,164
Total comprehensive income for the year / period		**158,195**	104,164

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

Approved by the Directors on 5th August 2026 and signed on their behalf by

Kiran Pawar, Director

Passage Housing Services

Company number: 09337431

Balance Sheet

Year Ended 31 March 2026

	Note	2026 £	2025 £
Fixed assets			
Tangible fixed assets - housing properties	9	**620,186**	626,736
		620,186	626,736
Current assets			
Debtors	10	**148,863**	36,358
Cash at bank and in hand		**26,970**	39,978
		175,833	76,337
Creditors: amounts falling due within one year	11	**(71,554)**	(71,302)
Net current assets / (liabilities)		**104,280**	5,035
Total assets less current liabilities		**724,466**	631,771
Creditors: amounts falling due after more than one year	12	**(196,500)**	(262,000)
Total net assets		**527,966**	369,771
Reserves			
Income and expenditure reserve		**527,966**	369,771
Total Reserves		**527,966**	369,771

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

The financial statements were approved and authorised for issue by the Board on 5th August 2026

Signed on behalf of the Board

Kiran Pawar, Director

The notes to financial statements form part of these accounts.

Passage Housing Services

Statement of Changes in Reserves

Year Ended 31 March 2026

	Income and expenditure reserve £	Total £
Balance as at 1 April 2024	**265,607**	**265,607**
Surplus for the year	104,164	104,164
Total comprehensive income	104,164	104,164
Balance at 31 March 2025	**369,771**	**369,771**
Surplus for the year	158,195	158,195
Total comprehensive income	158,195	158,195
Balance at 31 March 2026	**527,966**	**527,966**

Passage Housing Services

Statement of Cash Flows

Year Ended 31 March 2026

	Note	**2026** **£**	2025 £
Cash flow from operating activities	13	**(13,008)**	(17,750)
Net cash flow from operating activities		**(13,008)**	(17,750)
Change in cash and cash equivalents		**(13,008)**	(17,750)
Cash and cash equivalents at the beginning of the year		**39,978**	57,728
Cash and cash equivalents at the end of the year		**26,970**	39,978
Cash and cash equivalents consists of:			
Cash at bank and in hand		**26,970**	39,978
Cash and cash equivalents at the end of the year		**26,970**	39,978

1 Summary of significant accounting policies

(a) General information and basis of preparation

Passage Housing Services (PHS) is a charitable company, limited by guarantee without share capital registered in England and Wales, company registration number 09337431, charity number 1161696. It is also a Registered Provider of Social Housing, registration number 4842. The registered office is St Vincent's Centre, Carlisle Place, London, London, SW1P 1NL, United Kingdom.

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

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

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

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

(b) Going concern

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

(c) Tangible fixed assets

Housing properties

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

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

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

1 Summary of significant accounting policies (continued)

(e) Tax

Current tax represents the amount of tax payable or receivable in respect of taxable income for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. For 2026 the liability to tax for PHS was £nil (2025: £nil).

(f) Turnover and other income

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

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

(g) Cash at bank and in hand

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

(h) Financial instruments

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

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

2	**Turnover**	**2026**	2025
		£	£
	Social Housing Activities:		
	Rent receivable from social housing lettings	**492,472**	481,456
		492,472	481,456

3	**Cost of sales**	**2026**	2025
		£	£
	Support costs recharged by parent entity	**112,188**	202,730
		112,188	202,730

4	**Administrative expenditure**	**2026**	2025
		£	£
	Audit fees	**6,000**	7,212
	Bank charges	**25**	60
	Depreciation	**6,550**	6,550
	Membership subscriptions	**3,190**	2,606
	Consultancy	**11,663**	17,355
	Insurance	**57,319**	50,373
	IT licences and software	**279**	232
	Maintenance expenses	**137,063**	90,173
		222,089	174,562

The operating surplus on social housing lettings was £158,195 (2025: £104,164)

5 Accommodation owned, managed and in development

	Number of units 2026 No.	Number of units 2025 No.
Social housing: total owned and managed	**73**	73
	73	73

6 Net surplus for the year

	2026	2025
Surplus is stated after charging:	**£**	£
Auditor's remuneration (including expenses and benefits in kind) for audit	**3,700**	3,600
Auditor's remuneration for preparation of corporation tax return	**1,300**	1,235
Depreciation of tangible fixed assets - housing properties	**6,550**	6,550

Auditor's remuneration is stated exclusive of VAT

7 Board and key management personnel remuneration

The entity has no employees. The directors of the board are all unpaid, the company had 8 directors at the year end (2025: 5).

8 Tax

The entity which is a registered charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

9 Tangible fixed assets – housing properties

	Social Housing properties for letting	Total
	£	£
Cost:		
At 1 April 2025	655,000	655,000
At 31 March 2026	655,000	**655,000**
Depreciation:		
At 1 April 2025	28,264	28,264
Charge for year	6,550	6,550
At 31 March 2026	34,814	**34,814**
Net book value:		
At 31 March 2026	620,186	**620,186**
At 31 March 2025	626,736	626,736

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

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

10 Current assets

	2026	2025
	£	£
Prepayments	**2,067**	1,418
Amounts owed by group undertakings	**146,796**	34,940
	148,863	36,358

Amounts owed by group undertakings represents the balance of core rents collected by the parent charity less administrative costs paid by the parent charity on behalf of PHS.

11 Creditors: amounts falling due within one year

	2026	2025
	£	£
Other creditors	**65,527**	65,500
Accruals	**6,027**	5,802
	71,554	71,302

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

Details of leasing arrangements are provided in note 1c.

12 Creditors: amounts falling due after more than one year

	2026	2025
	£	£
Other creditors	**196,500**	262,000
	196,500	262,000

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

13 Reconciliation of operating surplus to cash flow from operating activities

	2026	2025
	£	£
Surplus for the year	**158,195**	104,164
Depreciation and impairment of tangible fixed assets	**6,550**	6,550
(Increase) in trade and other debtors	**(112,505)**	(35,034)
(Decrease) in trade and other creditors	**(65,248)**	(93,429)
Net cash flow from operating activities	**(13,008)**	(17,750)

14 Ultimate controlling party

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

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

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

15 Related party transactions

Passage 2000 paid to Passage Housing Services core rents for Bentley House and Passage House collected on its behalf totalling £492,472 (£2025: £481,456).

Passage Housing Services paid to Passage 2000 salary, maintenance and insurance costs for Bentley House and Passage House totalling £306,570 (2025: £343,186).

Passage Housing Services paid subscription fees of £252 (2025: £268) to a company of which a director of Passage Trading services is also a director. These transactions occurred at arms length under normal market conditions.