

Company Registration No. 09901606 (England and Wales)

Affordable Housing Communities Limited

**Annual report and financial statements
for the year ended 31 January 2026**

Affordable Housing Communities Limited

Company information

Directors	Anthony Spotswood Jonathan Bridgland Ian Metcalfe David Hines (Appointed 29 January 2026)
Secretary	G Robinson
Company number	09901606
Registered office	Third Floor Tringham House Deansleigh Road Bournemouth England BH7 7DT
Auditor	Saffery LLP Midland House 2 Poole Road Bournemouth Dorset BH2 5QY

Affordable Housing Communities Limited

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Affordable Housing Communities Limited

Strategic report
For the year ended 31 January 2026

The directors present the strategic report for the year ended 31 January 2026.

Fair review of the business

Affordable Housing Communities Ltd (AHCL) is a registered provider of social housing, regulated by the Regulator of Social Housing as a for-profit provider. AHCL’s mission is to deliver high-quality, affordable homes for people aged 55 and over, with an emphasis on building vibrant, supportive communities that enable residents to live independently for longer.

AHCL delivers homes through a mix of affordable rented and shared ownership tenures, supported by tailored lifestyle services. At 31 January 2026, AHCL owned or managed 550 homes, with further sites under review for future development.

The company’s strategy remains centered on three core objectives:

- Maintaining the quality and compliance of its existing portfolio
- Delivering value for money and strong financial performance
- Responding to customer needs and providing a positive resident experience

Performance for the Year

Turnover for the year was £7.1m (2025: £11.5m), reflecting lower development and sales activity but stable rental income from the portfolio, supported by improved occupancy levels. The operating loss was £1.9m (2025: profit of £1.9m), with a loss after tax of £2.8m (2025: profit after tax of £1.2m). During the year, the company maintained full regulatory compliance, and further strengthened its governance, risk, and assurance arrangements.

Value for Money (VfM)

The Board remains committed to delivering value for money in the use of resources, in line with the requirements of the Regulator of Social Housing’s VfM Standard. Performance is monitored against the RSH’s nine VfM metrics, benchmarked where possible against sector comparators.

Metric	FY23	FY24	FY25	FY26
Reinvestment (%)	21%	7%	1%	1%
New supply delivered (social housing) (%)	22%	7%	0%	0%
New supply delivered (non-social housing) (%)	1%	0%	0%	0%
Gearing (%)	86%	77%	56%	57%
EBITDA MRI interest cover (%)	182	128%	64%	11%
Headline social housing cost per unit (£)	1,822	1,005	1,158	1,095
Operating margin (social housing lettings) (%)	15%	37%	16%	-30%
Operating margin (overall) (%)	15%	10%	16%	-26%
Return on capital employed (ROCE) (%)	9%	4%	2%	-3%

Affordable Housing Communities Limited

Strategic report (continued) For the year ended 31 January 2026

Metric 1 – Reinvestment

This metric measures the fixed asset investment in properties as a percentage of the value of total properties held.

Metric 2 – New Supply

This metric measures the number of new social and non-social homes developed in the year rather than reporting the total of homes developed as in previous reports.

Metric 3 – Gearing

This metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance.

Metric 4 – EBITDA MRI

This metric is an indicator for liquidity and investment capacity and measures the level of profit that AHCL generates compared to interest payable.

Metric 5 – Cost per unit

The headline social housing cost per unit for FY26 £1,095 (2025: £1,158).

Metric 6 – Operating Margin (social)

The company has a social housing operating margin of -30% (2025: 16%). The majority of AHCL activity is from social housing, and therefore the margin is not diluted by activity on other tenures.

The overall operating margin is also -26% (2025: 16%).

Metric 7 – Return on Capital Employed (ROCE)

This metric measures the efficiency of capital investment and was -2% (2025: 2%).

During FY26, reinvestment and new supply delivery remained at 0%, reflecting the Board's decision to pause new development commitments while reviewing the company's funding strategy and priorities. At the same time, gearing remained at 53%, strengthening the balance sheet.

Headline cost per unit decreased slightly compared to FY25.

The Board recognises that VfM extends beyond financial metrics and includes delivering positive social outcomes for residents and communities.

Principal Risks and Uncertainties

The Board actively monitors and manages risks through its approved risk management framework and quarterly reviews of the corporate risk register. The principal risks and mitigations include:

- **Liquidity and funding risk:** managed through robust forecasting, prudent controls, and support arrangements with the parent company.
- **Market risk:** mitigated through active monitoring of the shared ownership market and deployment of appropriate incentives.
- **Regulatory and governance risk:** overseen through regular assurance reporting, board training, and engagement with the Regulator.
- **Operational risk (staffing, IT, compliance):** monitored via contracts, service level agreements, and independent audit assurance.

Affordable Housing Communities Limited

Strategic report (continued)
For the year ended 31 January 2026

- **Housing market risk:** Monitored through regular assessment of sales progress, pricing (subject to RICS valuations), and use of sales incentives to support performance during periods of economic volatility.
- **Regulatory compliance risk:** The company maintains regular dialogue with the Regulator of Social Housing and Homes England, ensuring any issues are addressed promptly and fully resolved, as demonstrated by the settlement of legacy lease issues in February 2024.

Post balance sheet events

Subsequent to the year end, the company breached a covenant under its loan agreement. The company was compliant with this covenant at the reporting date and therefore the breach represents a non-adjusting event. The covenant has since been waived post year-end, and accordingly the loan continues to be classified based on its contractual terms at the reporting date.

The Board remains focused on maintaining full compliance with all regulatory and statutory obligations.

Future outlook

AHCL remains committed to its social purpose of providing high-quality affordable homes and supporting residents to live independently. The company continues to review new development opportunities aligned to its risk appetite, and the Board is focused on improving operational efficiency, strengthening governance, and enhancing value for money for residents.

On behalf of the board

Signed by:

.....6231FF48A6BC476...
David Hines
Director

23 July 2026
Date:

Affordable Housing Communities Limited

Directors' report
For the year ended 31 January 2026

The directors present their annual report and financial statements for the year ended 31 January 2026.

Principal activities

The principal activity of the company is the provision of affordable housing solutions for people over the age of 55, delivered through vibrant communities with tailored lifestyle support to promote extended independent living for residents with diverse needs. The company is registered with the Regulator of Social Housing as a 'for profit' registered provider (Registration No. 4836).

Results and dividends

The results for the year are set out on page 10 of the financial statements.

No dividends were paid during the year and the Directors do not recommend the payment of a final dividend.

Directors

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

Anthony Spotswood	
Jonathan Bridgland	
Julie White	(Resigned 31 October 2025)
Harry Samuel	(Resigned 2 October 2025)
Ian Metcalfe	
James Davies	(Resigned 29 September 2025)
Sahina Jada	(Resigned 29 September 2025)
David Hines	(Appointed 29 January 2026)

Corporate Governance

Board has adopted the National Housing Federation's Code of Governance (2020), and at the financial year end, confirmed material compliance with the Code. The Board reviews compliance with the Code regularly and reports and explains any areas of derogation.

The company has also adopted the Sustainability Reporting Standard for Social Housing, in line with sector best practice. As at 31 January 2026, 92% of AHCL's homes achieved an EPC rating of level B, with the remaining 8% at level C.

Compliance with Regulatory Standards

The Directors have undertaken a robust assessment against the Regulator of Social Housing's Economic and Consumer Standards and certify compliance with all material aspects.

The Board also regularly reviews complaints and service improvements resulting from them. All complaints referred to the Housing Ombudsman and its determinations are considered by the Board. The Board approved AHCL's self-assessment of compliance with the Housing Ombudsman's Complaint Handling Code for submission to the Ombudsman.

Value for Money

The Board remains committed to delivering value for money for homeowners and ensuring efficient and effective use of resources. AHCL monitors performance using the nine metrics prescribed by the Regulator of Social Housing and benchmarks against comparable providers.

In addition, AHCL recognises and values the positive societal and individual wellbeing impacts of its services, which extend beyond traditional financial metrics.

Affordable Housing Communities Limited

Directors' report (continued)
For the year ended 31 January 2026

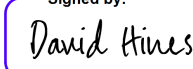
Statement of Disclosure to Auditor

So far as each Director is aware at the date of this report, there is no relevant audit information of which the company's auditor is unaware. Each Director has taken all reasonable steps to make themselves aware of any relevant audit information and to ensure that the company's auditor is aware of that information.

Statement of Compliance

In preparing this Directors' Report, the Board has followed the principles of the Statement of Recommended Practice: Accounting by Registered Social Housing Providers (SORP 2018).

On behalf of the board

Signed by:

.....6231FF48A6BC476...
David Hines
Director

Affordable Housing Communities Limited

Directors' responsibilities statement For the year ended 31 January 2026

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Affordable Housing Communities Limited**Independent auditor's report****To the members of Affordable Housing Communities Limited**

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2026 and of its loss 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 SORP 2018, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Affordable Housing Communities Limited

Independent auditor's report (continued)

To the members of Affordable Housing Communities Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and by updating our understanding of the sector in which the company operates.

Affordable Housing Communities Limited**Independent auditor's report (continued)****To the members of Affordable Housing Communities Limited**

Laws and regulations of direct significance in the context of the company include The Companies Act 2006, the Housing and Regeneration Act 2008 and UK Tax legislation. Additional frameworks applicable include the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and Accounting Direction for Private Registered Providers of Social Housing.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Jamie Lane**Senior Statutory Auditor****For and on behalf of Saffery LLP****Statutory Auditors**

23 July 2026
 Date:

Midland House
 2 Poole Road
 Bournemouth
 Dorset
 BH2 5QY

Affordable Housing Communities Limited**Statement of comprehensive income****For the year ended 31 January 2026**

		Continuing operations	Discontinued operations	31 January 2026	Continuing operations	Discontinued operations	31 January 2025
		£	£	£	£	£	£
Turnover	3	7,132,676	-	7,132,676	10,100,927	1,407,668	11,508,595
Staff costs	6	(247,571)	-	(247,571)	(246,928)	-	(246,928)
Depreciation and other amounts written off tangible and intangible fixed assets	4	(3,648,235)	-	(3,648,235)	(3,963,116)	-	(3,963,116)
Other operating expenses		(5,130,083)	-	(5,130,083)	(5,397,077)	-	(5,397,077)
Operating (loss)/profit	4	(1,893,213)	-	(1,893,213)	493,806	1,407,668	1,901,474
Interest receivable and similar income	8	678	-	678	-	-	-
Interest payable and similar expenses	9	(2,525,603)	-	(2,525,603)	(2,216,936)	-	(2,216,936)
Other gains and losses	10	-	-	-	(1,833,601)	-	(1,833,601)
Fair value gains and losses on investment properties		1,592,939	-	1,592,939	4,033,116	-	4,033,116
(Loss)/profit before taxation		(2,825,199)	-	(2,825,199)	476,385	1,407,668	1,884,053
Tax on (loss)/profit	11	-	-	-	(282,873)	(351,917)	(634,790)
(Loss)/profit for the financial year		(2,825,199)	-	(2,825,199)	193,512	1,055,751	1,249,263

Affordable Housing Communities Limited**Statement of financial position
As at 31 January 2026**

	Notes	£	2026 £	£	2025 £
Fixed assets					
Tangible assets	14		63,908,380		65,573,426
Current assets					
Stocks	15	9,793,384		10,637,462	
Debtors	16	30,141,563		25,178,650	
Cash at bank and in hand		1,041,040		3,708,821	
			40,975,987	39,524,933	
Creditors: amounts falling due within one year	17	(4,313,889)		(2,321,640)	
Net current assets			36,662,098		37,203,293
Total assets less current liabilities			100,570,478		102,776,719
Creditors: amounts falling due after more than one year	18		(65,379,844)		(64,760,886)
Net assets			35,190,634		38,015,833
Capital and reserves					
Called up share capital	21		1		1
Profit and loss reserves			35,190,633		38,015,832
Total equity			35,190,634		38,015,833

23 July 2026

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

Signed by:

David Hines

.....6231FF48A6BC476...

David Hines

Director**Company Registration No. 09901606**

Affordable Housing Communities Limited

Statement of changes in equity
For the year ended 31 January 2026

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 February 2024	1	36,766,569	36,766,570
Year ended 31 January 2025:			
Profit and total comprehensive income	-	1,249,263	1,249,263
Balance at 31 January 2025	1	38,015,832	38,015,833
Year ended 31 January 2026:			
Loss and total comprehensive income	-	(2,825,199)	(2,825,199)
Balance at 31 January 2026	1	35,190,633	35,190,634

Affordable Housing Communities Limited

Notes to the financial statements For the year ended 31 January 2026

1 Accounting policies

Company information

Affordable Housing Communities Limited is a private company limited by shares incorporated in England and Wales. The registered office is Third Floor, Tringham House Deansleigh Road, Bournemouth, England, BH7 7DT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006 and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;

The financial statements of the company are consolidated in the financial statements of Affordable Housing and Healthcare Group Limited. These consolidated financial statements are available from its registered office.

1.2 Going concern

The Directors have considered the company's financial position, liquidity and financial forecasts, and have reasonable expectation that Affordable Housing Communities Limited ("AHCL") has adequate resources to continue operational existence for the foreseeable future

The Directors have received letters of support from connected entities, that confirm that current funding in place will not be recalled within 12 months of the signing of the financial statements and if required additional funding will be accessible, should there be a downturn from the financial forecasts.

With this in mind, and net current assets of £36,662,098 (2025: £37,203,293) inclusive of cash balances totalling £1,041,040 (2025: £3,708,821), the Directors of AHCL have reasonable assurance that the business remains a going concern and have therefore prepared the financial statements on a going concern basis.

Affordable Housing Communities Limited

Notes to the financial statements (continued)
For the year ended 31 January 2026

1 Accounting policies (continued)

1.3 Turnover

Turnover comprises rental income receivable in the period, income from shared ownership sales, sales of properties built for sale and other services included at the invoiced value (excluding VAT) on goods and services supplied in the period and grants receivable in the period.

Rental income is recognised from the point when properties are sold to a tenant on a shared ownership basis, net of any voids. Income from sales of properties built or acquired for sale is recognised at the point of legal exchange of the sale. Rental income from operating leases are credited to the Statement of comprehensive income on a straight line basis over the term of the relevant lease.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between fair value of the consideration and the nominal amount received is recognised as interest income.

Where the company provides rental services as an agent acting on behalf of a landlord or property owner without bearing significant credit risk or control over the rental terms, the rental income and associated costs are excluded from the financial statements. Instead, the company recognises only the net commission or management fee earned for facilitating the rental arrangement. This income is recognised when the rental agreement becomes effective, and the company has fulfilled its obligations.

Event fees arise upon the disposal of a property by a tenant and were previously recognised as revenue over time until the occurrence of the disposal event and included in accrued income. This revenue stream was sold as part of a wider transaction involving the sale of a fellow subsidiary. As a result, the company no longer retains the rights to future event fee income, and no further revenue will be recognised in respect of event fees from July 2024.

1.4 Depreciation of housing properties

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

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

Structures	2% straight line
Roofing, doors and windows	5% straight line
Electrical and mechanical systems	8% straight line
Other fittings, machinery and equipment	20% straight line

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss. This is a departure from the requirements set out in the Housing SORP as the directors consider that the company is an investment vehicle and users of the financial statements would expect the gain or loss to be part of the operating result of the company.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order 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.

Affordable Housing Communities Limited

Notes to the financial statements (continued) For the year ended 31 January 2026

1 Accounting policies (continued)

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 recognised immediately in profit or loss, unless the relevant asset is carried at a revalued 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 its 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 profit or loss, 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.

1.6 Properties for sale

Shared ownership first tranche sales, completed properties for outright sale and property under construction are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 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. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Affordable Housing Communities Limited

Notes to the financial statements (continued) For the year ended 31 January 2026

1 Accounting policies (continued)

Other financial assets

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

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Affordable Housing Communities Limited

Notes to the financial statements (continued) For the year ended 31 January 2026

1 Accounting policies (continued)

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Affordable Housing Communities Limited

Notes to the financial statements (continued) For the year ended 31 January 2026

1 Accounting policies (continued)

1.11 Employee benefits

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

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.13 Government grants

Government grants include grants receivable from Homes England ('HE'), local authorities and other government organisations.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability. For Social Housing Grants this means that the grant is recognised as revenue on completion of the property.

Government grants received for housing properties are subordinated to the repayment of loans by agreement with HE. Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included on the statement of financial position in creditors.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditor is released and recognised as income.

Upon disposal of the associated property, the group is required to recycle grant proceeds and recognise them as a liability.

Affordable Housing Communities Limited**Notes to the financial statements (continued)**
For the year ended 31 January 2026

1 Accounting policies (continued)**1.14 Housing properties**

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit.

Completed housing and share ownership properties are stated at fair value at the date of valuation less subsequent accumulated depreciation and accumulated impairment losses. Fair value of the asset is based on anticipated discounted cash flows generated by the asset, this takes into account the regulated nature of the future expected rent reviews. Revaluations are made with sufficient regularity to ensure the carrying amount does not materially differ from the fair value of the properties as at the year end.

Housing properties under construction are stated at cost. Costs include the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits or the assets, are capitalised as improvements.

Expenditure on shared ownership properties is split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche portion is classed as a current asset and related sales proceeds included in turnover, and the remaining element is classed as a fixed asset and included in housing properties at cost, less any provision needed for depreciation or impairment.

1.15 Sale and leaseback

Where the company enters into a sale and leaseback transaction, consideration is given to the substance of the transaction. The company applies various 'tests' when considering whether to derecognise an asset, or whether the transaction should be treated as a financing transaction. These 'tests' include: the duration of the lease, whether ownership options exist at the end of the lease, the risks and rewards which exist which may indicate ownership.

Where the asset remains on the balance sheet, it will be accounted for according to FRS 102, with a liability being recognised for the fair value of future lease payments, discounted at the rate implicit within the lease.

Affordable Housing Communities Limited**Notes to the financial statements (continued)**
For the year ended 31 January 2026**2 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Valuation of property

The significant estimate in the financial statements is in connection with the property portfolio. The directors consider that they have been prudent in their assessment of the fair value of the properties at the year end. The directors are therefore confident that the valuation shown in the financial statements at 31 January 2026 is fair market value.

Classification between short term and long term creditors

The directors have assessed the classification of short and long term creditor based on current expectation of either payment, or in the case of the grant, when the grant is expected to be released to the Statement of Comprehensive Income. The expectation follows the current budget.

Sale and leaseback transactions

During the 2022 financial year the company entered into a sale and leaseback transaction with a third party. The directors have applied various tests over the terms of the transaction to consider whether it should be accounted for as a sale and disposal of fixed assets, or a financing transaction. This requires judgment, and the outcome of the transaction undertaken during the period has been treated as a financing transaction.

3 Turnover and other revenue

	2026	2025
	£	£
Turnover analysed by class of business		
Property sales	4,616,500	7,199,000
Government grant income	466,000	399,000
Property income	2,026,283	2,502,927
Event fees and other income	23,893	1,407,668
	<u>7,132,676</u>	<u>11,508,595</u>
	2026	2025
	£	£
Other revenue		
Interest income	<u>678</u>	<u>-</u>

Affordable Housing Communities Limited**Notes to the financial statements (continued)**
For the year ended 31 January 2026**3 Turnover and other revenue (continued)**

All turnover arose within the United Kingdom.

Property income represents rent receivable in the period of £2,026,283 (2025: £2,502,927). This is net of void rent charges of £nil on unsold units (2025: £nil). Event fees and other income amounted to £23,893 (2025: £1,407,668), the rights to this revenue stream was sold as part of a group transaction and as a result no further income will be recognised in respect of event fees.

Property sales represent Older People Shared Ownership ("OPSO") lease sales supported by government, where residential occupier purchases a share of the property and the company retains the remaining share of the property. The company targets to sell at 50% ownership, but flexible on a resident by resident basis. The amount payable for the percentage of ownership acquired by the residential occupier is recognised as revenue on the point of completion. The retained element is shown in tangible fixed assets based on the capitalisation of income that retained proportion will generate in future.

4 Operating (loss)/profit

	2026	2025
	£	£
Operating (loss)/profit for the year is stated after charging:		
Professional fees	84,917	63,702
Support services	241,266	246,928
Accountancy services	36,334	32,296
Depreciation of tangible fixed assets	3,558,681	3,963,116
Impairment of tangible fixed assets	89,554	-
Impairment of stocks recognised or reversed	-	730,722
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2026	2025
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	17,750	29,250
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	2,750	2,600
All other non-audit services	2,550	2,550
	<u> </u>	<u> </u>
	5,300	5,150
	<u> </u>	<u> </u>

Affordable Housing Communities Limited**Notes to the financial statements (continued)**
For the year ended 31 January 2026**6 Employees**

During the period, there were 12 (2025 – 6) employees employed by the company other than directors, who did not receive any remuneration (2025 – nil). All operational support is provided by employees of Affordable Housing and Healthcare Group Limited, for which a charge of £247,571 (2025 - £246,928) is made. The support charge includes the provision of staff, use of computer equipment and software, use of office facilities, photocopying, telephone etc.

2026	2025
Number	Number
12	6
<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2026	2025
	£	£
Wages and salaries	247,571	246,928
	<u> </u>	<u> </u>

7 Directors' remuneration

2026	2025
£	£
Remuneration for qualifying services	6,305
	<u> </u>
	<u> </u>

In the above disclosure, this includes the remuneration paid to the highest paid director of £2,000 (2025; £nil).

8 Interest receivable and similar income

	2026	2025
	£	£
Interest income		
Other interest income	678	-
	<u> </u>	<u> </u>

9 Interest payable and similar expenses

	2026	2025
	£	£
Interest on bank overdrafts and loans	68,205	-
Interest on finance leases and hire purchase contracts	2,457,398	2,216,936
	<u> </u>	<u> </u>
	<u>2,525,603</u>	<u>2,216,936</u>

Affordable Housing Communities Limited**Notes to the financial statements (continued)**
For the year ended 31 January 2026**10 Other gains and losses**

	2026	2025
	£	£
Loss on disposal of housing properties	-	(1,833,601)

In the prior year, the loss on disposal of housing related to the sale of housing properties as part of a broader transaction that included the disposal of a fellow subsidiary from the group. The transaction resulted in the derecognition of the associated assets and recognition of the resulting loss.

11 Taxation

	2026	2025
	£	£
Current tax		
UK corporation tax on profits for the current period	-	917,360
Adjustments in respect of prior periods	-	(282,570)
Total current tax	-	634,790

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2026	2025
	£	£
(Loss)/profit before taxation	(2,825,199)	1,884,053
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 25.00% (2025: 25.00%)	(706,300)	471,013
Tax effect of expenses that are not deductible in determining taxable profit	635,684	5,447
Adjustments in respect of prior years	-	(282,570)
Depreciation on assets not qualifying for tax allowances	1,181,315	1,248,946
Gains not taxable	(1,179,575)	(808,046)
Tax losses carried forward	68,876	-
Taxation charge for the year	-	634,790

Affordable Housing Communities Limited**Notes to the financial statements (continued)**
For the year ended 31 January 2026**12 Impairments**

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2026 £	2025 £
In respect of:			
Property, plant and equipment	14	89,554	-
Stocks	15	-	730,722
		<u> </u>	<u> </u>
Recognised in:			
Cost of sales		-	730,722
Administrative expenses		89,554	-
		<u> </u>	<u> </u>

The impairment losses in respect of financial assets are recognised in other operating expenses.

13 Accommodation management and development

At the period end accommodation in management and development for each class of accommodation was as follows:

	2026	2025
Social housing under ownership		
Older people shared ownership (OPSO)	229	229
	<u> </u>	<u> </u>
Total social housing owned	<u>229</u>	<u>229</u>
 Social housing under development		
Platinum skies shared ownership (PSSO)	109	109
	<u> </u>	<u> </u>
Total social housing under development	<u>109</u>	<u>109</u>

Affordable Housing Communities Limited**Notes to the financial statements (continued)**
For the year ended 31 January 2026**14 Tangible fixed assets**

	Completed shared ownership housing properties £
Cost or valuation	
At 1 February 2025	66,108,488
Additions	390,250
At 31 January 2026	66,498,738
Depreciation and impairment	
At 1 February 2025	535,062
Depreciation charged in the year	3,558,681
Impairment losses	89,554
Revaluation	(1,592,939)
At 31 January 2026	2,590,358
Carrying amount	
At 31 January 2026	63,908,380
At 31 January 2025	65,573,426

Included within tangible fixed assets are assets held under finance leases or hire purchase contracts, as follows:

	2026 £	2025 £
Completed shared ownership housing properties	63,908,380	65,573,426

More information on impairment movements in the year is given in note 12.

Completed shared ownership housing properties with a carrying amount of £63,908,380 were revalued at the reporting date by the directors by reference to sales prices achieved on unit sales to 3rd parties and independent valuations undertaken by Savills (UK) Limited between September and October 2024.

If previously revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

Affordable Housing Communities Limited**Notes to the financial statements (continued)**
For the year ended 31 January 2026**14 Tangible fixed assets (continued)**

	2026	2025
	£	£
Cost	40,872,679	40,872,679
Accumulated depreciation	(7,192,297)	(5,394,223)
	<u>33,680,382</u>	<u>35,478,456</u>
Carrying value	<u><u>33,680,382</u></u>	<u><u>35,478,456</u></u>

15 Stocks

	2026	2025
	£	£
Part exchange properties	3,850,999	3,034,999
Work in progress	5,942,385	7,602,463
	<u>9,793,384</u>	<u>10,637,462</u>
	<u><u>9,793,384</u></u>	<u><u>10,637,462</u></u>

16 Debtors

	2026	2025
	£	£
Amounts falling due within one year:		
Trade debtors	260,111	390,338
Amounts owed by group undertakings	27,117,780	24,757,078
Other debtors	2,763,672	5,867
Prepayments and accrued income	-	25,367
	<u>30,141,563</u>	<u>25,178,650</u>
	<u><u>30,141,563</u></u>	<u><u>25,178,650</u></u>

Affordable Housing Communities Limited**Notes to the financial statements (continued)**
For the year ended 31 January 2026**17 Creditors: amounts falling due within one year**

	Notes	2026 £	2025 £
Obligations under finance leases	20	20,686	20,036
Other borrowings	19	717,516	-
Trade creditors		782,150	292,764
Amounts owed to group undertakings		32,775	1,153
Taxation and social security		29,313	-
Government grants	22	325,000	791,000
Other creditors		2,356,296	1,116,661
Accruals and deferred income		50,153	100,026
		<u>4,313,889</u>	<u>2,321,640</u>

18 Creditors: amounts falling due after more than one year

	Notes	2026 £	2025 £
Obligations under finance leases	20	64,787,460	64,760,886
Other borrowings	19	592,384	-
		<u>65,379,844</u>	<u>64,760,886</u>

19 Loans and overdrafts

	2026 £	2025 £
Other loans	<u>1,309,900</u>	<u>-</u>
Payable within one year	717,516	-
Payable after one year	<u>592,384</u>	<u>-</u>

During the year, the company entered into a secured loan facility for £1,099,385, being a 12-month interest-only facility. Interest is charged at a fixed rate, being the lender's base rate (fixed at 4.25% for the term) plus a margin of 5.23%, giving an initial rate of 9.48% per annum. An arrangement fee of 1.00% was capitalised within the loan. The loan is secured by first legal charges over multiple properties and constitutes a fixed charge securing all monies due, including any further advances. The facility is also supported by a corporate guarantee from Affordable Housing and Healthcare Group Limited. At 31 January 2026, the outstanding balance was £355,016.

On 29 September 2025, the company entered into a revolving credit facility with a company under common control for up to £1,000,000. The facility bears interest at 15% per annum, payable quarterly in arrears. Drawings are repayable from the proceeds of property disposals, with amounts repaid available for redraw. All amounts outstanding are repayable by the termination date, being up to two years from inception. The facility is secured by first legal charges over underlying properties and associated security arrangements. At 31 January 2026, the value of the loan drawn down was £954,884. During the year, the interest paid on this facility was £38,328 (2025: £nil).

Affordable Housing Communities Limited**Notes to the financial statements (continued)**
For the year ended 31 January 2026**20 Finance lease obligations**

	2026	2025
	£	£
Amounts due:		
Within one year	20,686	20,036
After more than one year	64,787,460	64,760,886
	<u>64,808,146</u>	<u>64,780,922</u>
	<u><u>64,808,146</u></u>	<u><u>64,780,922</u></u>
	2026	2025
	£	£
Future minimum lease payments due under finance leases:		
Within one year	2,119,682	2,119,682
In two to five years	8,478,728	8,478,728
In over five years	296,830,965	298,903,387
	<u>307,429,375</u>	<u>309,501,797</u>
Less: future finance charges	<u>(242,621,229)</u>	<u>(244,720,875)</u>
	<u><u>64,808,146</u></u>	<u><u>64,780,922</u></u>

In September 2020 and July 2021 the company entered into a sale and leaseback transaction with a third party, whereby the completed properties and the company's share in OPSO property would be sold and a lease entered into for a term of 150 years. At the end of the lease term the company can pay a peppercorn amount to re-purchase the properties. Given the risks and rewards afforded by the lease under the transaction, the directors have accounted for the transaction as a financing transaction, recognising the net present value of the future lease payments, discounted at the rate implicit within the lease.

21 Share capital

	2026	2025	2026	2025
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary share of £1 each	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

The ordinary share issued carries full rights in respect of voting, dividends, and distributions.

Share capital

The share capital reserve represents the nominal value of the shares issued.

Profit and loss

The profit and loss reserve represents cumulative profits and losses, net of dividends paid and other adjustments.

Affordable Housing Communities Limited**Notes to the financial statements (continued)**
For the year ended 31 January 2026**22 Government grants**

	2026 £	2025 £
Total accumulated social housing grant received or receivable:		
Recognised in the Statement of Comprehensive Income cumulative b/f	14,299,982	13,900,982
Recognised in the Statement of Comprehensive Income	466,000	399,000
Held as deferred grant income due within one year	325,000	791,000
	<u>15,090,982</u>	<u>15,090,982</u>

23 Financial commitments, guarantees and contingent liabilities

At the reporting date, the company was party to secured financing arrangements within the wider group. Certain group borrowings were secured by fixed and floating charges over properties held within the group, together with associated covenants and negative pledge provisions restricting the creation of additional security.

On 24 December 2024, the company entered into a legal charge in favour of Secure Trust Bank PLC secured over certain properties held for sale. The charge includes fixed and floating charges and contains a negative pledge, securing all present and future obligations of the company to the lender.

Subsequent to the year end, on 11 March 2026, the company entered into a further secured arrangement in favour of Pasture Housing Limited, comprising a fixed charge and including a negative pledge. This represents a non-adjusting post balance sheet event and has therefore not been recognised in the financial statements.

24 Operating lease commitments

The operating leases represent Older Persons Shared ownership leases to third parties. The leases are negotiated over terms of 125 years. All leases include a provision for annual inflationary rent reviews. There are no options in place for either party to extend the lease terms.

	2026 £	2025 £
Future amounts receivable under operating leases:		
Within 1 year	2,115,384	2,075,365
Years 2-5	8,461,536	8,301,459
After 5 years	246,755,640	246,850,871
	<u>257,332,560</u>	<u>257,227,695</u>

25 Events after the reporting date

Subsequent to the year end, the company breached a covenant under its loan agreement. The company was compliant with this covenant at the reporting date and therefore the breach represents a non-adjusting event. The covenant has since been waived post year-end, and accordingly the loan continues to be classified based on its contractual terms at the reporting date.

Affordable Housing Communities Limited

Notes to the financial statements (continued) **For the year ended 31 January 2026**

26 Related party transactions

Remuneration of key management personnel

The company has taken advantage of the exemption not to disclose the requirements of FRS 102 33.7A if the key management personnel and directors are the same.

Other information

The company has taken advantage of the exemption available in section 33.1A of FRS 102 from the requirement to disclose transactions with group companies where they are wholly owned.

During the year, the company completed property purchases amounting to £nil (2025: £25,667,826) from a company that was previously a wholly owned subsidiary within the group.

27 Ultimate controlling party

The limited company's ultimate parent undertaking is Quantum Group Holdings Ltd which prepares group financial statements. The registered office of Quantum Group Holdings Ltd is Third Floor, Tringham House, Deansleigh Road, Bournemouth, England, BH7 7DT .

The ultimate controlling party is Julian Shaffer.