

Oportunitas Board Meeting 29 September 2026

Oportunitas Limited – Provisional Outturn for 2025/26

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Summary: This paper provides a provisional outturn of the company's financial position for the financial year ending 31 March 2026, compared to the previous projected outturn (quarter 3 update) for its trading activities.

Recommendations:

- 1. The Board note the Oportunitas Ltd provisional outturn (subject to audit) for 2025/26 outlined in this paper.**

1. Introduction and Background

- 1.1 This paper provides an update to the Board of the company's financial position for the financial year ending 31 March 2026. It provides a provisional outturn for the company's trading activities compared to the approved business plan for the year and explains the key variances, including against the previous projected outturn.
- 1.2 The final outturn for the year to 31 March 2026, subject to audit, is planned to be made to the Board during the late autumn of 2026, following completion of the external audit which is near. Timelines are currently being agreed with the external auditors, Begbies Accountants. A full board and Cabinet pack will be brought forward with the final accounts in the early autumn.

2. Profit and Loss Account Provisional Outturn 2025/26

- 2.1 Table 1 below provides the provisional outturn position of the company's trading activities for the financial year to 31 March 2026, compared to the approved business plan.

Oportunitas Limited Profit and Loss Account for Year Ending 31 March 2026

	Original Budget	Previous Projected Outturn	Provisional Outturn	Variance Original Budget to Provisional Outturn
<u>Trading Account</u>	2025/26 £	2025/26 £	2025/26 £	2025/26 £
Housing Rental				
Rental Income	773,150	789,347	780,051	6,901
Rental Expenses	✓ (225,404)	✓ (232,213)	(242,117)	(16,713)
Special Item - Stock Condition Survey	(20,000)	(9,735)	(9,735)	10,265
Special Item - Major External Repairs	✓ (71,992)	✓ (39,842)	(39,844)	32,148
Net	455,754	507,557	488,356	32,602
Grounds Maintenance				
Income	10,000	8,000	6,797	(3,203)
Expenses	✓ (8,000)	✓ (6,400)	(6,065)	1,935
Net	2,000	1,600	732	(1,268)
Overheads				
Directors Remuneration	✓ (12,095)	✓ (11,944)	(10,088)	2,007
FHDC Officer Support	✓ (46,358)	✓ (46,358)	(45,895)	463
Operating Expenses	✓ (26,086)	✓ (22,392)	(24,829)	1,257
Total Overheads	(84,539)	(80,694)	(80,811)	3,728
Loan Interest	✓ (363,524)	✓ (310,283)	(310,283)	53,241
Operating Surplus / (Deficit) for period	9,691	118,180	97,994	88,303

- 2.2 The provisional outturn shows a pre-tax operating profit of £98.0k for the year, a increase of £88.3k compared to £9.7k profit forecast in the business plan. The main reasons for this variance are outlined below:

Variances 2025/26 Business Plan to Projected Outturn		£'000
i)	Rental Income – Rent increased for properties that have been let to new tenants.	6.9
ii)	Housing Special Items – The major external redecorations to 19 Castle Hill Avenue (£32.1k) is delayed until 2026/27. Stock condition survey saving £10.3k by using FHDC staff resource.	42.4
iii)	Loan Interest – lower than forecast interest rate on the loan facility from FHDC	53.2
iv)	Rental Expenses – net increase in costs, in part due to one-off expenditure for voids properties	(16.7)
v)	Other net variances – other small net variances	2.5
Total increase in operating profit compared to business plan		88.3

- 2.3 The company's accumulated operating loss, after tax, is projected to reduce by £98k from £253.7k at 31 March 2025 to £155.7k at 31 March 2026.

- 2.4 The main movements compared to the previous projected outturn include a 9k adverse variance on projected rental income and an 11k adverse variance in rental expenses (e.g. repairs and maintenance costs).

3. Balance Sheet provisional position 2025/26

- 3.1 The company's balance sheet as at 31 March 2026 is provisionally as follows:

Oportunitas Limited - Balance Sheet 31 March 2026 (Subject to Audit)		
	<i>Audited</i> 31/03/2025 <i>Outturn</i> £	31/03/2026 <i>Outturn</i> £
Fixed Assets		
Investment Assets	13,610,800	14,344,000
Investment Assets Under Construction	0	0
	<u>13,610,800</u>	<u>14,344,000</u>
Current Assets		
Debtors - Other	43,414	36,903
VAT Reimbursement	3,353	4,657
Bank Account	95,501	158,948
	<u>142,268</u>	<u>200,508</u>
Current Liabilities		
Creditors : Short Term	(21,726)	(8,673)
VAT Liability	0	0
Loans (principal due within 12 months)	(49,814)	(52,276)
	<u>(71,540)</u>	<u>(60,949)</u>
Current Assets less Current Liabilities:	<u>70,728</u>	<u>139,559</u>
Total Assets less Current Liabilities:	<u>13,681,528</u>	<u>14,483,559</u>
Long Term Liabilities		
Creditors : Long Term		
Loans	(6,320,749)	(6,268,475)
Deferred Corporation Tax	(575,899)	(575,899)
	<u>(6,896,648)</u>	<u>(6,844,374)</u>
Total Assets less Total Liabilities:	<u>6,784,880</u>	<u>7,639,185</u>
Capital & Reserves		
Share Capital	2,515	2,515
Share Premium	4,906,236	4,906,236
Profit & Loss Account	1,876,128	2,730,434
	<u>6,784,880</u>	<u>7,639,185</u>

- 3.2 The only balance sheet item of note is the large increase in investment asset valuation for the portfolio (£733k increase). The company changed the contracted independent valuers for the 2025/26 financial year from Sibley Pares to Wilks, Head and Eve (WHE). WHE are the Council's valuers for both the Council's own assets and those of the Folkestone Parks and Pleasure Ground Charity.

- 3.3 A challenge was raised to the valuers about the significant increase in valuation of the portfolio compared to Sibley Pares. The valuers reiterated their view of the valuation, which is based on more than simply market value, particularly where the stock is held as an investment asset (there is a set of complex criteria used). It may also be that Sibley Pares were more [too] conservative in their valuation of the assets. It is unlikely that the auditors will take issue with this professional valuation, particularly in light of the challenge made by the Council's own finance team and confirmation of the value stated.

4. Company Cash Flow

- 4.1 The company's projected cash position at 31 March 2026 is summarised below and demonstrates there are no liquidity concerns at this point:

<u>Oportunitas Cash Flow</u>	£
Cash b/f (01/04/25)	95,500
P & L net position	97,994
Loan principal repayments	(49,814)
Net trade creditors / (debtors)	15,268
Cash c/f (31/03/26)	158,948
Dividend payment	0
Cash c/f (31/03/2026)	158,948
