Report Number **C/26/45**

To:	**Cabinet**
Date:	**11 November 2026**
Status:	**Non-Key Decision**
Director:	**Andy Blaszkowicz, Corporate Director – Housing & Operations**
Oportunitas Chair:	**Councillor Rich Holgate**

SUBJECT: OPORTUNITAS – 2025/26 FULL STATEMENT OF ACCOUNTS AND Q2 PROGRESS REPORT 2026/27 TO 30 SEPTEMBER 2026

SUMMARY: This report outlines the company's audited Statement of Accounts for the financial year ending 31 March 2026 and provides an update from the Board of Oportunitas Ltd ("the Company") on activities undertaken during the first two quarters for the 2026/27 financial year, including a projected outturn for the profit and loss account for the period to 31 March 2027 compared to the original forecast, based on activity to 30 September 2026. This report is in-line with the requirement contained in the Shareholder's Agreement between the company and the Council.

REASON FOR RECOMMENDATIONS:

Cabinet is asked to agree the recommendations set out below because:-

Oportunitas Ltd ("the company") is required to provide regular updates to Cabinet as set out in the Shareholder's Agreement between the company and the Council.

RECOMMENDATIONS:

1. **To receive and note report C/26/45.**
2. **To note the Audited Statement of Accounts and Directors' Report for the financial year ending 31 March 2026 (Appendix A).**
3. **To note the latest projected outturn for the Profit and Loss Account of Oportunitas Limited for the financial year ending 31 March 2027 (Appendix B).**

1. BACKGROUND

1.1 The report sets out the company's audited Statement of Accounts for the financial year ending 31 March 2026 and outlines the changes from the provisional outturn position reported to Cabinet on 14 October 2026.

1.2 The report also provides a financial update for the first two quarters of the current year including the latest projected outturn for the company's profit and loss account for the financial year ending 31 March 2027 compared to the original forecast for the year which was set as part of the current approved Business Plan.

2 INVESTMENT PORTFOLIO UPDATE

2.1 Property Portfolio

2.1.1 The company's current property portfolio remains at 75 residential units and 1 commercial unit, summarised in the table below:

Address	**Units**	**Type**
Walter Tull Way, Folkestone	5	2 x 1 bed units 2 x 2 bed units 1 x 3 bed unit
2 Grove Terrace, Dover Road, Folkestone	1	1 x 4 bed unit
15 Grace Hill, Folkestone	5	5 x 1 bed units
15 Grace Hill, Folkestone	1	1 x commercial unit
82 - 84 Leyburne Road, Dover	8	8 x 2 bed units
19 Castle Hill Avenue, Folkestone	10	9 x 1 bed units 1 x 2 bed unit
84 Sidney Street, Folkestone	4	3 x 1 bed units 1 x 2 bed unit
1 Claremont Road, Folkestone	5	5 x 1 bed units
10 Radnor Park Avenue, Folkestone (Royal Victoria Hospital – Phase A) 8a Radnor Park Avenue, Folkestone (Royal Victoria – Phase B)	18 19	15 x 2 bed units 3 x 1 bed units 17x 2 bed units 2x 1 bed units
Total	**76**	

2.1.2 The company uses Smith Woolley as its main managing agent for the property portfolio. Where vacancies have occurred, the company's agents have worked hard to minimise void periods. Management of all the assets within the company continue to be kept under regular review.

2.1.3 The company continues to maintain a property safety register to document key areas of safety compliance across its property portfolio including, but not limited to, gas, fire, electrical and legionella. The register is continually

reviewed with managing agents and then shared with the Board members each month. The September 2026 position of the register identifies no compliance issues within the portfolio.

2.2 Rental Arrears

2.2.1 At 30 September 2026, the property portfolio has tenant rental arrears of £4.3k for its property portfolio, relatively stable since the £4.2k at the end of June 2026.

2.2.2 There are two tenants with rental arrears of one month or more as at 30 September 2026 and the managing agent is working closely with those tenants to actively reduce this. The position continues to be closely monitored for all the arrears and action may be taken by the company, using the Council's Legal Services team in conjunction with the managing agents, in-line with the company's Debt Management Policy.

3. FINANCIAL OUTTURN TO 31 MARCH 2026

3.1 The company's provisional financial outturn for the year ending 31 March 2026, subject to Audit, was considered by Cabinet on 14 October 2026. The Board considered and approved the company's audited statement of accounts at its meeting on 03 November 2026. A copy of the outturn report to the Board and the full Statement of Accounts and Directors' Report for the financial year ending 31 March 2026 are shown in appendix A to this report.

3.2 **Profit and Loss Account for Year Ending 31 March 2026**

Appendix 1

Trading Account	*Audited Outturn* *2024/25* £	Provisional Outturn 2025/26 £	**Audited Outturn** **2025/26** **£**	Variance Audited Outturn to Provisional
Housing Rental				
Rental Income	*748,417*	780,051	**792,705**	12,654
Other Income	*0*	0	**0**	0
Rental Expenses	*(193,089)*	(242,117)	**(262,476)**	(20,359)
Special Item - Stock Condition Survey	*0*	(9,735)	**0**	9,735
Special Item - Major External Repairs	*0*	(39,844)	**0**	39,844
Net	*555,328*	488,356	**530,229**	41,873
Grounds Maintenance				
Income	*6,520*	6,797	**6,797**	(0)
Expenses	*(4,912)*	(6,065)	**(6,065)**	0
Net	*1,608*	732	**732**	0
Overheads				
Directors Remuneration	*(8,371)*	(10,088)	**(10,088)**	0
FHDC Officer Support	*(35,300)*	(45,895)	**(55,630)**	(9,735)
Operating Expenses	*(20,998)*	(24,829)	**(21,250)**	3,579
Total Overheads	*(64,669)*	(80,812)	**(86,968)**	(6,156)
Loan Interest	*(312,628)*	(310,283)	**(310,282)**	1
Operating Surplus / (Deficit) for period	*179,639*	97,993	**133,711**	35,718
Unrealised Property Valuation Gain	(70,350)	733,200	**738,200**	5,000
Profit before Tax	109,289	831,193	**871,911**	40,718
Deferred Tax on Profit	(23,635)	0	**(217,977)**	(217,977)
Profit after Tax	85,654	831,193	**653,934**	(177,259)

3.3 The main variances to the audited outturn compared to the provisional position reported in October 2026 are outlined below.

Adjustment		Amount (£)
i)	Increase in rental income	12,654
ii)	Increase in rental expenses	(20,359)
iii)	Reclassification and adjustments of special rental expenses	49,579
iv)	Reclassification and adjustments of overheads	(6,156)
v)	Other minor adjustments	1
Total adjustment		**35,718**

3.4 Further information regarding these changes is contained in **appendix A** (Board covering report). As noted within the report to the Board and from the adjustments above, the primary changes relate to reclassifications and audit identified adjustments.

3.5 The full Statement of Accounts shown in **appendix A** will be submitted to Companies House as a matter of public record.

3.6 Audit Opinion – it is pleasing to note the Auditor has given an unqualified opinion of the company's accounts for the financial year.

4. FINANCIAL UPDATE FOR 2026/27

4.1 The company's latest financial update for 2026/27 was reported to the Board on 03 November 2026 and a copy is shown in **appendix B** to the report. The update shows the latest projected outturn for the profit and loss account compared to both the original forecast and previous projection for the current financial year to 31 March 2027.

4.2 In summary, the company's profit and loss account is projected to make an operating profit of approximately £25.5k for the year, a decrease of £22.2k compared to the original forecast operating profit of £47.7k. The decrease is due largely to i) a void income loss, ii) increased rental expenses but offset by a £5k decrease in professional advice and fees.

4.3 The company's property portfolio will be revalued as at 31 March 2027 ahead of finalising the accounts for the financial year.

4.4 A re-forecast of the Oportunitas business plan will be brought forward to Cabinet, as part of the budget setting for 2027/28 for Oportunitas.

5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

5.1 **Legal (EG)** – The Shareholder Agreement between the Council and the company requires the company to provide the Council with regular financial

performance information and a Business Plan to be approved for the next trading period. This report satisfies those requirements. There are no recommendations requiring a Council decision to be made and there are no further legal implications arising from this report.

5.2 **Finance (JS) –** This report has been prepared in conjunction with Financial Services and there are no further comments to add.

5.3 **Equalities (GE) –** There are no diversity or equalities implications arising from this report.

5.4 **Climate Change** (JW) - There are no direct climate change implications arising from the recommendations in this report. The ongoing management of the Council's property portfolio have implications for energy use, carbon emissions and climate resilience. The reforecast (para 4.4) is an opportunity to assess the portfolio's energy performance, climate-related risks, and associated costs.

6. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officers prior to the meeting:

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Appendices:

Appendix A: Oportunitas Ltd Board Meeting 03 November 2026 – Board Paper Oportunitas Ltd Audited Statement of Accounts to 31 March 2026 & Oportunitas Ltd Statement of Accounts and Directors' Report for the financial year ending 31 March 2026

Appendix B: Oportunitas Ltd Board Meeting 03 November 2026 – Q2 Financial Update Report for 2026/27