

**Company Number: 00244598**

# **Hyelm**

**(Limited by Guarantee)**

## **Report and Financial Statements**

**15 October 2012**

Hyelm is a company limited by guarantee, registration No. 00244598, and is registered with the Homes and Communities Agency No. HO312. Hyelm is charitable and is registered with the Charities Commission No. 215575.

# **Hyelm**

(Limited by Guarantee)

## **Report and Financial Statements 15 October 2012**

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# Hyelm

(Limited by Guarantee)

## Members, Senior Staff, Advisors and Bankers

### **Board**

Chair

Susan Parsonage – Appointed 19<sup>th</sup> December 2012  
Arvinda Gohil – resigned 19<sup>th</sup> December 2012

Honorary Treasurer

Howard Webb

Ordinary Members

Lee Buss  
Patricia Whitehouse – retired 28<sup>th</sup> April 2012  
Gillian Drew – retired 28<sup>th</sup> April 2012  
Keith Douglas (Chief Executive)  
Wayne Willis – appointed 28<sup>th</sup> April 2012  
Rebecca Begej – appointed 19<sup>th</sup> June 2012  
Tunji Faleye  
Robin Park – resigned 28<sup>th</sup> January 2013  
Alex Sutton  
Bryony Willett  
Richard Lorimer – retired 28<sup>th</sup> April 2012  
Martin Welch – retired 28<sup>th</sup> April 2012

### **Senior Staff**

Chief Executive & Company Secretary  
Director of Operations  
Director of Finance

Keith Douglas  
Simon Wright  
Mark Sharman – appointed 1<sup>st</sup> February 2013

### **Auditors**

Grant Thornton UK LLP  
Chartered Accountants  
202 Silbury Boulevard  
Central Milton Keynes  
MK9 1LW

### **Principal Investment Advisors**

Deutsche Bank  
BNY Mellon House  
Ingrave Road  
Brentwood  
Essex CM15 8TG

### **Principal Bankers**

Barclays Bank  
28 Hampstead High Street  
Hampstead  
London NW3 1QB

Allied Irish Bank  
10 Berkeley Square  
London W1J 6AA

### **Registered Office**

Arthur West House  
79 Fitzjohns Avenue  
Hampstead  
London NW3 6PA

# **Hyelm**

**(Limited by Guarantee)**

## **Report of the Board**

The Board presents its report and audited financial statements for the year ended 15 October 2012.

### **Legal Status**

Hyelm is a Company Limited by Guarantee and does not have share capital. It is a non-profit making concern registered as a Charity (The Hyelm Group) and a Registered Provider under the Housing Acts.

### **Principal Activity and Public Benefit**

Hyelm provides high standards of affordable accommodation, services and facilities in homely environments for London's key workers, now referred to as priority groups, and for young people on low to moderate incomes who are coming to or are in the capital to work or to study.

The Board confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Hyelm's aims and objectives and in formulating future plans.

### **Format of Financial Statements**

The Board is pleased to present its report and financial statements based on a limited company format and in accordance with accounting requirements by legislation and the Statement of Recommended Practice 'Accounting by Registered Social Landlords' (Update 2010) ('SORP').

### **Review of the Year and Future Plans**

During the year, Hyelm continued to achieve its aim of providing a high standard of affordable accommodation to key workers and young people on low to moderate incomes who are coming to or are in the capital to work or to study.

Levels of operational income and high levels of occupancy were maintained.

The Board is pleased to report that the deficit of £21,814 for the year (2011: deficit £90,872), out-performed business plan budget and forecasts, principally due to high occupancy levels which have been sustained during the first 3 months of 2012/13.

The planned deficit relates to depreciation of property assets in accordance with our business plan, with performance being better than projected.

The Old Street development, which was completed in March 2008, was financed from our cash-backed reserves, capital grant of £3m from the Homes and Communities Agency and a loan of £6.736m from Allied Irish Bank. The interest rate on this loan has been fixed for the 30 year term at a rate of 5.5%.

Parts of our Arthur West House, Hampstead property are now more than 30 years of age. Accordingly, it is the aim of the Board to begin to consider the future of the property during the forthcoming year in accordance with its recently adopted Strategic Plan 2012-2015 *Making a Real Difference*.

# Hyelm

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## Report of the Board

### Board

During the course of the year an extensive review was undertaken to ensure that the Board and governance arrangements reflect best practice. Following the review, the Board has adopted and now complies with the principal recommendations of the National Housing Federation's most recent codes on best governance practise and conduct. Hyelm is a member of the Federation. A detailed review of the organisations performance against the new regulatory standards of the Homes and Communities Agency was also carried out during the year and full compliance with these standards has been achieved where necessary.

In addition, a comprehensive Board and Board members appraisal process was put in place during the year. This led to the adoption of a governance development plan, which is now being implemented.

The implementation of the NHF code of governance has resulted in a number of changes to the Board membership during the course of the year.

The Board also reviewed the structure of the Board and at its Annual General Meeting held in April 2012 agreed to abolish the positions of President and Vice President.

In accordance with the Articles of Association, the following Board members are required to stand down at Annual General Meeting, but will remain eligible for re-appointment to the Board.

Susan Parsonage                  Rebecca Begej

### Officer's Insurance

As a fully subscribed member of the National Housing Federation, the Company receives indemnity insurance to safeguard voluntary Board members and senior executive staff.

### Key Policies and Strategies

#### Reserves Policy

The vast majority of reserves are currently held in the revenue reserve.

Designated reserves are also maintained with funds earmarked for the following specific purposes:

- Future developments.
- Non-accommodation activities such as the provision of sporting, recreational and social facilities.

The Development fund represents funds available to meet future development expenditure. Each year, investment and similar income less development expenditure incurred, is transferred to the Development fund.

Any surplus income from the provision of non-accommodation activities is returned to the Activities fund.

#### Treasury Management

Our surplus cash is currently held on interest bearing bank accounts with Barclays Bank.

#### Rent

Increases take into account the income of our residents, charges levied by competing organisations and are in line with guidance from the Homes and Communities Agency.

# **Hyelm**

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## **Report of the Board**

### **Statement on Internal Controls Assurance**

Hyelm is a small Association and there is no regulatory requirement for the Board to publish a statement on internal controls assurance, but it has decided to do so.

The Board acknowledges its responsibilities for the system of internal controls and for reviewing its effectiveness, having regard to the objectives of, and risks facing, the Association.

The Board has received the Chief Executive's annual report and has conducted its annual review of the effectiveness of the system of internal control which is designed to provide reasonable, not absolute, assurance. The Board confirms that there are ongoing processes for maintaining sound systems of internal control and for managing significant risks. These processes have been in place throughout the year under review, up to the date of signing the financial statements, and they are regularly reviewed by the Board.

### **NHF Codes of Governance and Conduct**

During the course of the year, the Board reviewed its compliance with the NHF Code of Governance (revised 2010) and the new NHF Code covering Standards of Conduct. We are pleased to report that the group complies with the principal recommendations of the NHF code of governance (revised). A review of risk management procedures will be undertaken during 2012-13 to ensure such procedures are operating effectively. The Association has published a new Governance Manual which provides a comprehensive manual of policies, procedures and guidance notes for all areas covered by the Code and has published a statement on all its accountability mechanisms.

### **Statement of the Board's Responsibilities**

The Companies Act requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus of the company for that period. In preparing those financial statements, the Board is required to:

1. Select suitable accounting policies and apply them consistently;
2. Make judgements and estimates that are reasonable and prudent; and
3. Follow applicable United Kingdom accounting standards and the Statement of Recommended Practice 'Accounting by Registered Social Landlords' (Update 2010).

The Board is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable it to ensure that the financial statements have been prepared in accordance with the Companies Acts 2006 and comply with the requirements of the Housing Act 1996 and the Registered Social Landlords General Determination 2006.

It is 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.

# Hyelm

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## Report of the Board

### Going concern

After making enquiries, the Board has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

### Auditors

Grant Thornton UK LLP have expressed their willingness to continue in office as auditors and a resolution for their re-appointment will be proposed at the forthcoming annual general meeting.

### Disclosure of information to Auditors

At the date of making this report, each of the company's directors, as set out on page 3, confirm the following:

- So far as each director is aware, there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware; and
- Each director has taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

The Report of the Board was approved by the Board on the 19<sup>th</sup> March 2013 and signed on its behalf by:



Susan Parsonage  
Chair



Keith Douglas  
Chief Executive

# **Hyelm**

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## **Independent Auditors Report**

### **Independent auditor's report to the members of Hyelm**

We have audited the financial statements of Hyelm for the year ended 15 October 2012 which comprise the income and expenditure account, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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.

### **Respective responsibilities of the board and the auditor**

As explained more fully in the Statement of Board's Responsibilities set out on page 5, the board is responsible for the preparation of the financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the board; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatement or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 15 October 2012 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- are in compliance with the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements.



# Hyelm

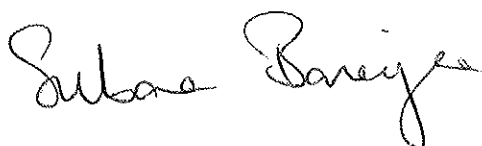
(Limited by Guarantee)

## Independent Auditors Report

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

We have nothing to report in respect of the following matters where 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.



Subarna Banerjee  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Milton Keynes

~~19<sup>th</sup> March 2013:~~

26/3/13

**Hyelm**  
(Limited by Guarantee)

**Income and Expenditure Account**  
for the year ended 15 October 2012

	Note	2012 £	2011 £
Turnover: continuing operations	2	2,148,425	2,049,066
Operating costs	2,3	<u>(1,807,860)</u>	<u>(1,775,957)</u>
Operating surplus : continuing operations	2,4	<b>340,565</b>	<b>273,109</b>
Interest receivable and similar income	7	7,086	5,304
Interest payable	8	(369,465)	(369,285)
<b>Deficit for the financial year</b>		<b><u>(21,814)</u></b>	<b><u>(90,872)</u></b>

The notes on pages 12 to 23 form part of these accounts.

There are no recognised gains and losses other than those included in the income and expenditure account.

All activities relate to continuing operations.

Historical cost surpluses and deficits were identical to those shown in the income and expenditure account.

The financial statements were approved by the Board on the 19th March 2013.

  
Susan Parsonage  
Chair

  
Keith Douglas  
Chief Executive

# Hyelm

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Company Number: 00244598

## Balance Sheet

as at 15 October 2012

	Note	2012 £	2011 £
<b>Fixed assets</b>			
Housing properties	9	16,678,793	16,882,093
Social housing grant		(5,317,182)	(5,317,182)
		<b>11,361,611</b>	<b>11,564,911</b>
Other fixed assets	10	463,179	493,392
<b>Current assets</b>			
Stocks	11	5,806	7,509
Debtors	12	157,871	94,073
Cash at bank and in hand		1,934,087	1,684,091
		<b>2,097,764</b>	<b>1,785,673</b>
<b>Creditors</b>			
Amounts falling due within one year	13	(647,086)	(548,094)
<b>Net current assets</b>		<b>1,450,678</b>	<b>1,237,579</b>
<b>Total assets less current liabilities</b>		<b>13,275,468</b>	<b>13,295,882</b>
<b>Creditors</b>			
Amounts falling due after one year	14	6,703,800	6,702,400
<b>Capital and reserves</b>			
Members' capital subscriptions	15	95	95
Designated reserves	16	90,641	91,096
Revenue reserve	16	6,480,932	6,502,291
<b>Total funds</b>	17	<b>13,275,468</b>	<b>13,295,882</b>

The notes on pages 12 to 23 form part of these accounts.

The financial statements were approved by the Board on the 19th March 2013.

  
Susan Parsonage  
Chair

  
Keith Douglas  
Chief Executive

**Hyelm**  
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**Cash Flow Statement**  
for the year ended 15 October 2012

	Note	2012 £	2011 £
Net cash inflow from operating activities	18	<u>712,963</u>	<u>654,490</u>
<b>Returns on Investments and Servicing of Finance</b>			
Interest received		5,074	5,304
Donations received		2,012	-
Interest payable		<u>(369,465)</u>	<u>(369,285)</u>
		<u>(362,379)</u>	<u>(363,981)</u>
<b>Capital Expenditure and Financial Investments</b>			
Purchase of other fixed assets		<u>(100,588)</u>	<u>(12,306)</u>
		<u>(100,588)</u>	<u>(12,306)</u>
<b>Financing</b>			
Movements in Members' subscriptions		<u>-</u>	<u>(170)</u>
		<u>-</u>	<u>(170)</u>
<b>Increase in cash</b>		<u><u>249,996</u></u>	<u><u>278,033</u></u>

The notes on pages 12 to 23 form part of these accounts.

# **Hyelm**

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## **Notes to the Financial Statements**

15 October 2012

### **1. ACCOUNTING POLICIES**

#### **Accounting Basis**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice 'Accounting by Registered Social Landlords' (Update 2010) ('SORP') and comply with the accounting requirements of the Registered Social Landlords General Determination 2006.

Hyelm is the sole corporate trustee of The Ames House Trust ("Ames House") which is an unincorporated charitable trust operating in London. Ames House is, therefore, a quasi-subsidary undertaking of Hyelm under FRS 5 criteria.

The financial statements only present information about the company and do not contain information relating to the group as a whole. The company is not required to prepare group accounts under section 248 of the Companies Act 2006 because the group qualifies as small-sized and is not an ineligible group.

#### **Accounting Policies**

The Board has reviewed the company's accounting policies and is satisfied that they are appropriate.

#### **Turnover**

Turnover comprises rental income from residents receivable in the year, income from the provision of sporting, recreational or social facilities and costs recharged to Ames House for management services relating to the management by Hyelm of the leasehold property owned by Ames House.

#### **Housing Properties**

Housing properties are principally properties available for rent and are stated at cost less social housing grant and depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Improvements are works which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property in the business. Only the direct overhead costs associated with new developments or improvements are capitalised.

#### **Depreciation of Housing Properties**

Freehold land is not depreciated.

Depreciation is charged so as to write down the net book value of housing properties to their estimated residual value on a straight-line basis, over their estimated useful economic lives in the business. The depreciable amount is assessed on an annual basis and is arrived at on the basis of original cost, less residual value. While it is the company's policy to depreciate housing properties, the cost of the Arthur West House, Hampstead property has been financed by social housing grant to the extent that the net cost of the property after deduction of the social housing grant and taking into account the expected remaining economic life of the property, results in an annual depreciation charge which is not deemed material.

# Hyelm

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## Notes to the Financial Statements

15 October 2012

### 1. ACCOUNTING POLICIES (Continued)

#### Depreciation of Housing Properties (Continued)

Depreciation is being charged in respect of the recently opened Old Street property using component accounting methodology to write down the cost of the major components over their anticipated useful economic life. The rates used are:

Roofs	30 years
Lifts	30 years
Windows & External Doors	15 years
Internal Doors	15 years

The remaining costs are depreciated to a residual value of nil over 50 years, being the anticipated useful life of the building.

#### Impairment

Assets are reviewed for impairment on an annual basis. Where there is evidence of impairment, fixed assets are written down to the recoverable amount. Any such write down would be charged to operating surplus.

#### Social Housing Grant

Social housing grant (SHG) is receivable from the Homes and Communities Agency and is utilised to reduce the capital costs of housing properties. The amount of SHG receivable is calculated on a fixed basis depending on the size, location and type of housing property. SHG due from the Homes and Communities Agency or received in advance is included as a current asset or liability. SHG received in respect of revenue expenditure is credited to the income and expenditure account in the same period as the expenditure to which it relates.

SHG is subordinated to the repayment of loans by agreement with the Homes and Communities Agency. SHG released on sale of a property is normally available to be recycled to a Recycled Capital Grant Fund and included in the balance sheet in Creditors. When SHG is actually repayable on the balance sheet date it is included in Creditors in the normal way.

#### True and Fair Override

Under the requirements of the SORP, Capital Grants are shown as a deduction from the cost of the housing properties (note 9). This is a departure from the rules under the Companies Act 2006 and in the opinion of the Board is a relevant accounting policy, comparable to those adopted by other Registered Providers, which has been adopted to give a true and fair view.

#### Other Tangible Fixed Assets and Depreciation

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. The principal annual rates for other assets are:

Fixtures and fittings	10% - 25%
Computer Equipment	20%

# **Hyelm**

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## **Notes to the Financial Statements**

**15 October 2012**

### **1. ACCOUNTING POLICIES (Continued)**

#### **Current Asset Investments**

Where these are held, they are stated at market value.

#### **Investment Income**

Interest from Certificates of Deposit and Fixed Interest Bonds is accounted for on a receivable basis.

Dividend income is accounted for on a received rather than receivable basis. The difference is not material to the accounts.

#### **Interest Payable**

Interest is capitalised on borrowings to finance developments.

Other interest is charged to the income and expenditure account during the year.

#### **Loan Issue Costs**

Loan Issue Costs reflect arrangement fees payable in respect of loan facilities. Loan issue costs are amortised over the term of the respective loan facility and offset against loan balances within creditors.

#### **Liquid Resources**

Liquid Resources are readily disposable current asset investments.

#### **Pensions**

Hyelm employees are encouraged to take out Personal Pension Plans and after a minimum service period and subject to the employee contributing a minimum of 5% of basic salary, the Company will make contributions up to a maximum of 7.5% of basic salary (Chief Executive 10%).

#### **Members' Capital Subscriptions**

Members have historically paid a single subscription of £1, due and payable on the first day of the month after they have been admitted to the membership. This requirement was rescinded at the Annual General Meeting held on the April 2012. Balances held will be repaid to members on request.

#### **Stock**

Stock is calculated at the lower of cost or net realisable value.

#### **VAT**

Following the opening of the Old Street property, Hyelm is now subject to VAT partial exemption rules.

#### **Development Fund**

The development fund represents funds available to meet future development expenditure which falls within the company's objectives.

#### **Club Activities Fund**

The club activities fund supports expenditure in respect of non-accommodation activities such as the provision of sporting, recreational and social facilities.

Any surplus achieved through the provision of such activities is returned to the fund.

# Hyelm

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## Notes to the Financial Statements

15 October 2012

### 2. TURNOVER, OPERATING COSTS AND OPERATING DEFICIT

Housing accommodation 290 units (2011:290 units)

	2012			2011	
	Turnover	Operating costs	Operating surplus	Turnover	Operating surplus
	£	£	£	£	£
<b>Key Worker/Priority Groups &amp; General Needs housing</b>					
Housing accommodation (note 3)	1,784,602	1,440,223	344,379	1,697,006	267,034
<b>Other housing activities</b>					
Management services (note 25)	343,736	320,761	22,975	310,918	226
Other income	20,087	46,876	-26,789	41,142	5,849
Development costs not capitalised	-	-	-	-	-
	<u>363,823</u>	<u>367,637</u>	<u>-3,814</u>	<u>352,060</u>	<u>6,075</u>
	<u>2,148,425</u>	<u>1,807,860</u>	<u>340,565</u>	<u>2,049,066</u>	<u>273,109</u>

Management services relates to costs recharged to The Ames House Trust for services relating to the management by Hyelm of the leasehold property owned by The Ames House Trust.

### 3. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS ON SOCIAL HOUSING LETTINGS

	2012		2011	
	General Needs Housing	Supported Housing	Total	Total
	£	£	£	£
Turnover - Net Rent Receivable	821,866	962,736	1,784,602	1,697,006
Services	239,960	512,492	752,452	731,760
Management	166,941	255,215	422,156	446,393
Bad Debts	2,924	957	3,881	1,376
Day to day maintenance	14,768	32,489	47,257	47,143
Cyclical maintenance	-	11,177	11,177	-
Depreciation on housing properties	203,300	-	203,300	203,300
Operating costs	<u>627,893</u>	<u>812,330</u>	<u>1,440,223</u>	<u>1,429,972</u>
Operating surplus	<u>193,973</u>	<u>150,406</u>	<u>344,379</u>	<u>267,034</u>
Voids	-	-	-	-

General Needs accommodation is provided at our Old Street Scheme for priority workers and young people on moderate incomes. Supported housing income is generated from the Arthur West House scheme where a range of support services are provided to young people to enable them to live independently.



**Hyelm**  
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**Notes to the Financial Statements**  
15 October 2012

**4. OPERATING SURPLUS FOR THE YEAR**

	2012 £	2011 £
<b>Operating surplus for the year is after charging:</b>		
Depreciation on tangible, owned fixed assets	<u>329,109</u>	<u>325,296</u>
Loss on disposal of tangible fixed assets	<u>4,992</u>	<u>0</u>
<b>Auditor's remuneration:</b>		
Auditor's remuneration inclusive of VAT:		
In their capacity as auditors	<u>9,083</u>	<u>9,083</u>
For non-audit services	<u>1,523</u>	<u>2,490</u>

**5. DIRECTORS AND MEMBERS**

	2012 £	2011 £
Emoluments of the Company's Chief Executive, & Director of Operations including pension contributions	<u>101,306</u>	<u>92,535</u>
Emoluments of the Chief Executive, who was the highest paid "Director", excluding pension contributions	<u>60,938</u>	<u>59,355</u>

No emoluments were paid to members of the Board during the year. Expenses paid during the year to members of the Board amounted to £6,384 (2011: £2,545).

**6. EMPLOYEE INFORMATION**

	2012 Number	2011 Number
The average monthly number of employees (including the Chief Executive) expressed in full time equivalents.	<u>17</u>	<u>17</u>
<b>Employee Costs:</b>	£	£
Wages and salaries	383,514	420,040
Social security costs	36,920	39,100
Other pension costs	<u>8,362</u>	<u>2,116</u>
	<u>428,796</u>	<u>461,256</u>

**Hyelm**  
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**Notes to the Financial Statements**  
15 October 2012

**7. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2012 £	2011 £
Interest receivable from investments	5,074	5,304
Donations	<u>2,012</u>	<u>0</u>
	<b><u>7,086</u></b>	<b><u>5,304</u></b>

**8. INTEREST PAYABLE AND SIMILAR CHARGES**

	2012 £	2011 £
Loans	<u>369,465</u>	<u>369,285</u>

No interest was capitalised on development borrowings during the year (2011: Nil).

**9. TANGIBLE FIXED ASSETS - HOUSING PROPERTIES**

	Freehold Housing £
<b>Cost</b>	
At 16 October 2011	17,592,985
Additions	-
At 15 October 2012	<b><u>17,592,985</u></b>
<b>Depreciation</b>	
At 16 October 2011	710,892
Charged during year	<u>203,300</u>
At 15 October 2012	<b><u>914,192</u></b>
<b>Cost less Depreciation</b>	
At 15 October 2011	16,882,093
At 15 October 2012	<b><u>16,678,793</u></b>
<b>Social Housing Grant</b>	
At 16 October 2011 and at 15 October 2012	<b><u>5,317,182</u></b>
<b>Net Book Value</b>	
At 15 October 2012	<b><u>11,361,611</u></b>
At 15 October 2011	<b><u>11,564,911</u></b>

No Development or Finance costs were capitalised in the year (2011: Nil).

Housing properties book value, net of depreciation and grants comprises:

	2012 £	2011 £
Freehold land and buildings	<b><u>11,361,611</u></b>	<b><u>11,564,911</u></b>

# Hyelm

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## Notes to the Financial Statements

15 October 2012

### 10. OTHER TANGIBLE ASSETS

	Accommodation Furniture & Equipment £	Computer Equipment £	Total £
Cost at 16 October 2011	1,200,484	69,267	1,269,751
Additions	96,093	4,495	100,588
Disposal	(39,513)	-	(39,513)
<b>Cost at 15 October 2012</b>	<b><u>1,257,064</u></b>	<b><u>73,762</u></b>	<b><u>1,330,826</u></b>
Depreciation at 16 October 2011	712,395	63,964	776,359
Charged during year	120,287	5,522	125,809
Disposal	(34,521)	-	(34,521)
<b>Depreciation at 15 October 2012</b>	<b><u>798,161</u></b>	<b><u>69,486</u></b>	<b><u>867,647</u></b>
<b>Net book value</b>			
At 15 October 2011	<u>488,089</u>	<u>5,303</u>	<u>493,392</u>
At 15 October 2012	<u>458,903</u>	<u>4,276</u>	<u>463,179</u>

### 11. STOCKS

	2012 £	2011 £
Bar, food & bed linen	<u>5,806</u>	<u>7,509</u>

### 12. DEBTORS

	2012 £	2011 £
Rent arrears	1,857	7,110
Other debtors	<u>156,014</u>	<u>86,963</u>
	<b><u>157,871</u></b>	<b><u>94,073</u></b>

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## Notes to the Financial Statements

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### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Advance payment of rent	57,020	37,721
Other creditors and accruals	<u>590,066</u>	<u>510,373</u>
	<u>647,086</u>	<u>548,094</u>

### 14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012	2011
	£	£
Bank loans	6,736,000	6,736,000
Loan issue costs	<u>(32,200)</u>	<u>(33,600)</u>
	<u>6,703,800</u>	<u>6,702,400</u>

The loan from Allied Irish Bank (GB) is secured by a legal charge over the housing properties at Old Street and Arthur West House and is repayable within 30 years. The loan bears a fixed interest rate of 5.5% over the whole term, with capital payments commencing in 2012.

	2012	2011
	£	£
Payments due between one and two years	28,337	12,790
Payments due between two and five years	100,566	79,762
Payments due after five years	6,607,097	6,643,448

### 15. MEMBERS CAPITAL SUBSCRIPTIONS

	2012	2011
	£	£
Balance at 16 October 2011	95	265
Subscriptions in the year	-	(170)
Balance at 15 October 2012	<u>95</u>	<u>95</u>

The members do not hold shares and in the event of the Company being wound up the liability of members is limited to £1 each.

# Hyelm

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## Notes to the Financial Statements

15 October 2012

### 16. RESERVES

	Revenue Reserve £	Club Activities £	Development Fund £	Total £
Balance at 16 October 2011	6,502,291	64,388	26,708	6,593,387
(Deficit) for year	(21,814)	-	-	(21,814)
<u>Transfers between funds</u>				
Transfer of deficit on club activities	7,541	(7,541)	-	-
Transfer of surplus investment and other income	(7,086)	-	7,086	-
Balance at 15 October 2012	<u>6,480,932</u>	<u>56,847</u>	<u>33,794</u>	<u>6,571,573</u>

### 17. RECONCILIATION OF MOVEMENT IN TOTAL FUNDS

	2012 £	2011 £
Opening funds	13,295,882	13,385,524
Deficit for the financial year	(21,814)	(90,872)
Loan financing received	1,400	1,400
Movement in Membership Subscriptions	-	(170)
Closing funds	<u>13,275,468</u>	<u>13,295,882</u>

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**Notes to the Financial Statements**  
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**18. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2012 £	2011 £
Operating surplus	340,565	273,109
Loss on disposal of fixed assets	4,992	-
Depreciation of tangible fixed assets	329,109	325,296
Amortisation of loan issue costs	1,400	1,400
	<u>676,066</u>	<u>599,805</u>
<b>Working capital movements</b>		
Debtors	(63,798)	31,197
Creditors	98,992	24,800
Stocks	1,703	(1,312)
<b>Net cash inflow from operating activities</b>	<u>712,963</u>	<u>654,490</u>

**19. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

	2012 £	2011 £
Increase in cash	249,996	278,033
<b>Movement in net funds arising from cash flow</b>	<u>249,996</u>	<u>278,033</u>
<b>Total movement in net funds</b>	249,996	278,033
Net Funds at 16 October 2011	(5,051,909)	(5,329,942)
<b>Net Funds at 15 October 2012</b>	<u>(4,801,913)</u>	<u>(5,051,909)</u>

**20. ANALYSIS OF CHANGES IN NET FUNDS**

	15/10/2011 £	Cashflow £	15/10/2012 £
Cash at bank and in hand	1,684,091	249,996	1,934,087
Loans	(6,736,000)	-	(6,736,000)
<b>Net Funds</b>	<u>(5,051,909)</u>	<u>249,996</u>	<u>(4,801,913)</u>

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**Notes to the Financial Statements**  
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**21. COMMITMENTS**

Capital expenditure commitments are as follows:

	2012	2011
	£	£
Expenditure authorised by the Board, but not contracted	<u>180,200</u>	<u>85,834</u>

Expenditure authorised by the Board but not contracted relates to planned refurbishment and improvements at Arthur West House.

The company had no operating lease commitments at 15 October 2012 (2011: £nil).

**22. CONTINGENT LIABILITIES**

There were no contingent liabilities at 15 October 2012 (2011: £nil).

**23. POST BALANCE SHEET EVENTS**

There have been no events since the year-end that have had a significant effect on the Company's financial position.

**24. LEGISLATIVE PROVISIONS**

Hyelm is incorporated under the Companies Act.

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**Notes to the Financial Statements**  
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**25. THE AMES HOUSE TRUST**

During the financial year to 15 October 2012 the turnover of Ames House, a quasi – subsidiary of Hyelm, was £391,606, (2011: £370,834). The net movement in funds was surplus £27,116 (2011: surplus £34,102), resulting in total capital and reserves of £2,961,439 at 15 October 2012 (2011: £2,934,323).

The sum of £349,806 was payable by Ames House to Hyelm during the year in respect of costs recharged to Ames House for management services relating to the management by Hyelm of the leasehold property owned by Ames House (2011: £332,576).

The sum of £231,160 was due to Ames House at the end of the financial year in respect of rental income collected by Hyelm on behalf of Ames House in accordance with the Management Agreement (2011: £205,966). A sum of £16,282 was owed to Hyelm by the Ames House Trust in respect of the management services provided during the year (2011: £27,531).