

Hyelm
(Limited by Guarantee)



Hyelm
(Limited by Guarantee)

Report and Financial Statements for the Period Ended
30 September 2014

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 Charity Commission No. 215575.

Hyelm
(Limited by Guarantee)

**Report and Financial Statements for the Period Ended
30 September 2014**

Contents

	Page
Members, Senior Staff, Advisors and Bankers	1
Report of the Board	2-13
Independent Auditor's Report	14-15
Income and Expenditure Account	16
Balance Sheet	17
Cash Flow Statement	18
Notes to the Financial Statements	19-32

Hyelm
(Limited by Guarantee)

Members, Senior Staff, Advisors and Bankers

Board

Chair	Susan Parsonage
Honorary Treasurer	Howard Webb
Ordinary Members	Rebecca Begej Graham Briscoe Lee Buss Keith Douglas (Chief Executive) Charlotte Paxton Alex Sutton – to 18 December 2013 Helen Taylor Bryony Willett Wayne Willis Paul Orrett – from 26 April 2014

Senior Staff

Chief Executive & Company Secretary	Keith Douglas
Director of Operations	Simon Wright
Director of Finance	Mark Sharman

Auditors

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

Principal Investment Advisors

Savills
33 Margaret Street
London
W1G 0JD

Principal Bankers

Barclays Bank 28 Hampstead High Street Hampstead London NW3 1QB	Allied Irish Bank 10 Berkeley Square London W1J 6AA
--	---

Registered Office

43-51 New North Road
London
N1 6JB

Hyelm

(Limited by Guarantee)

Report of the Board

The Board presents its report and audited financial statements for the period ended 30 September 2014.

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 as set out in the Statement of Recommended Practice 'Accounting by Registered Social Landlords' ('SORP' – Update 2010).

Change in Accounting Date.

During the course of the year, the Board agreed to change the accounting reference date from the 15 October to 30 September. As a result, the accounting period to the 30 September 2014 is 2 weeks less than that in previous years.

Review of the Period and Future Plans

During the course of the year high levels of occupancy and operational income were maintained.

The Board is pleased to report that the deficit of £121,417 for the period (2013: deficit £558), out-performed business plan budget and forecasts, principally due to high occupancy levels.

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%.

In accordance with the objectives of the Strategic Plan 2012-2015 – *Making a Real Difference*, the Board considered the future of Arthur West House. Although the property was well maintained and occupancy levels remained high, it was recognised that the design of the accommodation no longer met the requirements of our target customer base. The Board therefore determined that Arthur West House should be sold, with the proceeds being reinvested in accommodation that more suits the accommodation needs of the young people that the Group was established to provide accommodation for.

During the course of the year, the Arthur West House property was marketed for sale with completion of the sale taking place on the 10 October 2014, shortly after the financial year end. As a result of the planned closure, accommodation levels reduced toward the end of the year in readiness for the sale with a resultant reduction in income compared to the previous year. The funds generated from the sale are to be used to fund new accommodation and future growth.

Hyelm

(Limited by Guarantee)

Report of the Board

Board

Following a review of Governance arrangements during 2011/12 the Board adopted and now complies with the recommendations of the National Housing Federations Code of Governance 2010. A recommendation to the Board will be made in March 2015 to adopt the revised version of the Code of Governance as published in January 2015. The Board has also adopted, and is compliant with, the National Housing Federation Code of Conduct issued in 2012. Hyelm is a member of the Federation.

During 2011/12 a comprehensive Board and Board members appraisal process was implemented which led the adoption of a governance development plan which is reviewed and updated annually.

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

Lee Buss Wayne Willis

Value for money

Introduction

The Hyelm Group is committed to finding ways to provide excellent services whilst at the same time seeking to reduce costs and improve efficiency.

Achieving Value for Money (VFM) is a fundamental element of our objective to become a top quartile performing organisation.

We see VFM as the process of delivering savings and improving quality by simplifying everything that we do and by achieving a balance between costs, quality and results.

This statement outlines our approach to achieving VFM in meeting our objectives with reference to our financial, social and environmental returns.

VFM is about maximising the impact of each pound spent to improve the quality of the services that we provide to our residents and to others who benefit from the services provided by us.

The purpose of our VFM drive is to develop a better understanding (and better articulation) of costs and results so that we can make more informed, evidence-based choices. This is a process of continuous improvement.

VFM doesn't mean we only do the cheapest things, but we need to get better at understanding what is driving our costs and make sure that we are getting the desired quality at the lowest price.

Given that our activities are ultimately funded by our residents, we need to be more innovative in how we assess value and we need to get better at articulating what results we are achieving with our residents' money.

Increased transparency and accountability in our operations will help us to drive our VFM agenda. All staff need to be prepared to explain their VFM decisions.

Hyelm

(Limited by Guarantee)

Report of the Board

How We Deliver VFM

VFM is embedded within our business in the following ways:

Governance

Board members' duties include reviewing the efficiency of our operations and our VFM performance as well as ensuring compliance with the regulatory VFM standard.

The Board discusses our VFM Policy and Statement at least annually and reviews the operational and financial performance of the business quarterly.

Financial Management

We operate a robust budgeting process that sets out the financial parameters within which our organisation is required to work in order to deliver improvements in the services that we provide to our residents and others who work with us.

The business planning process helps to ensure that our resources and assets are used in the most appropriate ways to deliver our objectives.

Our budget and business plan targets are structured to ensure that the most effective use of our resources is made through efficiency gains year on year with increasing levels of surplus strengthening our capacity to develop new homes and enhance our services.

Procurement

We continuously seek to obtain VFM from our suppliers and look to rationalise contracts and re-tender when necessary to ensure that the services that we receive from them meet and deliver our business objectives.

Where appropriate, we undertake an options appraisal process to ensure that there is a robust business case for investment/divestment decisions and that returns are optimised.

Managing Performance

We continually review our performance and benchmark ourselves against our peer groups. A key objective of our forthcoming 2016-2019 Business Plan will be to achieve top quartile performance for financial strength and quality of services. The Board reviews performance information at each meeting.

We have set ourselves the challenge of benchmarking our performance against that of our peers within the social housing sector.

Comparative analysis is based on information provided by HouseMark, the BM320 benchmarking group of smaller housing associations in London, the HCA (such as the 2013 Global Accounts of Housing Providers) and other publicly available information.

Resident Focus

Improving resident engagement and obtaining regular feedback in relation to our services are key objectives.

We have an established Resident Panel at our Old Street scheme that engages with our management team on a variety of topics.

Hyelm

(Limited by Guarantee)

Report of the Board

During 2014/15, we will consult with the Panel on topics such as the VFM offered by the rent and service charges that we levy as well as issues relating to the design of the new accommodation to be provided at our new development schemes, ensuring that the accommodation and services that we provide match the expectations of our residents.

Our People

Our staff are critical to the organisation for the delivery of services to our residents. Providing training and support to our staff is essential to ensure that we maximise their capability.

Assessing our VFM Performance

Our Regulator, the Homes and Communities Agency (HCA), is looking for assurances from housing associations through their VFM Statements that they, in the main, have a clear and strategic approach to VFM.

The Regulatory Framework that was published in April 2012 included a VFM Standard, which requires registered providers to articulate and deliver a comprehensive and strategic approach to achieving VFM in meeting their objectives.

Boards should undertake a VFM Self-assessment annually, which must be published six months after the financial year end and will normally be flagged up in the annual report, and (in fuller form) in the audited accounts, as well as being accessible on the registered provider's website.

The Statement should be capable of demonstrating to stakeholders how the Standard is being met in a way that is both transparent and accessible.

It should also set out how VFM is being achieved in the delivery of the stated purposes and objectives of the organisation and demonstrate an understanding of the return on the organisation's assets when measured against its objectives.

Registered providers should set out the absolute and comparative costs of delivering specific services. They should also evidence the VFM gains that have been and will be made and how these have and will be realised over time.

The Cost and Quality of Services Provided

The Board takes assurances on VFM from a number of sources, including benchmarking information provided by the BM320 group and the Skills Projects Benchmarking (SPBM) group of larger small housing associations.

The results of a number of performance indicators are shown in the various tables that follow in this Self-assessment.

Our Return on Organisational Assets and our Strategy for Optimising Future Returns

We have a process of clearly accounting for our organisational assets and, where possible, putting a value on what we have, the most obvious example being our housing stock.

Hyelm

(Limited by Guarantee)

Report of the Board

We adopted a strategy in 2013/14 to dispose of one of our existing properties, Arthur West House, with a view of using its capital receipt to develop and manage a further 250 units of modern accommodation within Greater London by 2019.

The property was subsequently sold on the 10th October 2014 and generated a receipt of £30.05 million, some £6 million above the maximum forecast sale price.

Our Old Street scheme is nearly seven years old. Resident satisfaction levels continue to remain high. In addition, it was built to comply with, the then, Eco Homes standards and achieved a Very Good rating in this regard.

Our forward plans for our Old Street scheme include provision for the regular maintenance and refurbishment of the property to ensure that it continues to provide high standards of affordable accommodation that meet the expectation of our residents.

We have taken comfort from historically low levels of void loss and arrears, which compare very favourably with those within the sector. Our future investment in our properties will ensure that demand for our accommodation is such that our void levels are maintained at their current low levels.

In terms of the value of our stock, our Old Street scheme would have the potential to generate £1.288 million per year at market rent levels (compared to the current £0.800 million at social rent levels).

One of our projects for 2014/15 is to look at ways of maximising the 'return' from this asset whilst maintaining rents at levels that are affordable for our client groups. The main focus of this will be in relation to our communal spaces, which are currently underutilised.

Benchmarking – Quality and Cost

Resident Satisfaction	Benchmark: Peer group upper quartile	Benchmark: Housemark upper quartile	Hyelm 2012/13	Hyelm 2013/14
% of residents satisfied or very satisfied with our services	96%	89%	100%	100%
% of residents satisfied or very satisfied with repairs and maintenance	99%	85%	Data not available	100%
% of residents satisfied or very satisfied on VFM for rent	89%	85%	Data not available	Data not available

Although we regularly survey our residents to establish their levels of satisfaction with the overall service that we provide (as shown in the table above), we widened our survey during 2013/14 to include more specific data on levels of satisfaction with our repairs and maintenance service.

During 2014/15, we will also survey our residents to establish their levels of satisfaction with the VFM that we provide in the rents that we charge. These levels can then be compared with those of other providers of a similar size and in similar locations.

An important element of this survey will be to understand why, if there is any significant degree of dissatisfaction, and to establish how our performance could be improved in terms of the services that we provide in exchange for the rents that we charge.

In all cases, our target will be to maintain or improve upon current levels of satisfaction, but always to keep our performance within the upper quartile.

Hyelm

(Limited by Guarantee)

Report of the Board

Finance

Other Measures	Benchmark: Peer group upper quartile	Benchmark: Housemark upper quartile	Our Performance 2012/13	Our Performance 2013/14
% of repairs fixed on first visit - Hyelm	99.8%	96.1%	100%	100%
% of repairs fixed on first visit – Old Street scheme only	99.8%	96.1%	100%	100%
Average re-let time (days) – Old Street scheme only	14	17	0	2
Current rent arrears – Hyelm	2.21%	1.52%	0.27%	0.33%
Current rent arrears – Old Street scheme only	2.21%	1.52%	0.27%	0.55%
% of void losses – Hyelm	0.40%	0.47%	0.10%	0.40%
% of void losses – Old Street scheme only	0.40%	0.47%	0.00%	0.20%
Weekly operating cost per property - Hyelm	£74.04	No data available	£82.40	£82.65
Weekly operating cost per property – Old Street only	£74.04	No data available	£103.73	£95.25
Operating costs as % of turnover - Hyelm	74.0%	70.6%	82.52%	88.25%
Operating costs as % of turnover - Old Street scheme only	74%	70.6%	77.16%	70.67%
Management Costs per property - Hyelm	n/a	n/a	£24.95	£25.45
Management Costs per property - Old Street scheme only	n/a	n/a	£27.70	£25.60
Management costs as % of turnover - Hyelm	n/a	n/a	24.99%	27.18%
Management costs as % of turnover - Old Street scheme only	n/a	n/a	20.60%	18.99%

Average re-let times: Demand for accommodation at our Old Street scheme remains high and there is a relatively low turnover of residents. However, re-let times have increased during 2013/14. This was due primarily to difficulties that were experienced in securing referrals for our accommodation from our new strategic partners in a timely manner. We will work closely with our partners over the forthcoming year to improve the efficiency of the referrals procedure.

Percentage of void losses: The increase in void losses during 2013/14 reflected the increase in re-let times. The challenge in future years will be minimise void losses, particularly as the building 'ages'. A rolling programme of essential maintenance and refurbishment will be necessary to maintain appropriate standards of accommodation.

Weekly operating costs per property – Hyelm: The weekly operating costs for Hyelm for the period to 30 September 2014 amounted to £82.40 compared to the peer group benchmark of £74.04. An element of the additional costs related to the provision of a catering service at Arthur West House, which is included in the rent payable by residents. However, this is offset by the fact that there was no depreciation charge on Arthur West House. Following the sale of Arthur West House in October 2014, the primary comparison will be the operating costs relating to the Old Street scheme.

Weekly operating costs per property – Old Street: The weekly operating costs per property in the period to 30 September 2014 amounted to £95.25, 28% higher than the upper quartile of the benchmarking group. Whilst it is recognised that we provide a service that is different to many of our peers, work will be undertaken during 2014/15 in conjunction with the BM320 benchmarking group to understand the nature

Hyelm

(Limited by Guarantee)

Report of the Board

and cost of the difference. As part of that process, we will be benchmarking a number of our core costs including insurance, central staffing, audit, IT services and HR costs.

Weekly management costs per property: Overall, there was a slight increase in weekly management costs during the period to 30 September 2014. The increase largely relates to 'one off' costs such as redundancies and professional fees relating to the closure of Arthur West House. The management costs per unit for Old Street reduced during the period from £27.70 to £25.60, largely as a result of underspends against budgeted training and professional fees.

Rate of Return on Assets

	2012	2013	2014
	£'s	£'s	£'s
Deficit for the year	(21,814)	(558)	(121,417)
Average total assets (net of grant)	13,869,765	13,711,953	13,499,102
Return on assets	-0.16%	0.00%	-0.90%

During the period ending 30 September 2014, the Board agreed that Arthur West House should be sold, with the proceeds being used to fund the development of new accommodation.

As a result, there was a budgeted reduction in income levels during the months prior to the closure of the property.

Whilst income was reduced, a significant element of our cost base is fixed with the result that the return on assets was reduced compared to previous years. This is also reflected in the return on capital employed as demonstrated in the following table.

	2012	2013	2014
	£'s	£'s	£'s
Earnings before interest and tax	340,565	364,928	228,058
Capital Employed (net of grant)	13,275,468	13,263,520	13,127,898
Return on capital employed	2.57%	2.75%	1.74%

It is considered that return on capital employed gives a better measure of our underlying financial performance as it excludes depreciation and interest payable from the performance measure.

Our loan facility with AIB is based on an agreement that, in the early years of our Old Street scheme, after charging interest and depreciation, the scheme will generate an accounting loss.

The return on capital employed demonstrates that earnings increased between 2012 and 2013, indicating improved profitability.

During the period to 30 September 2014, and prior to the closure of Arthur West House, there was a reduction in income at Arthur West House, although not all costs could be reduced during the same period, which resulted in a reduction in the return on capital.

All costs associated with Arthur West House have now ceased and future performance reporting will reflect this.

	2012	2013	2014
Debt per unit managed	£18,726	£18,654	£18,694
Operating margin	19.30%	17.47%	11.75%
Interest cover to EBITDA	1.78:1	1.84:1	1.50:1
Gearing ratio	56.39%	56.17%	56.87%

Hyelm

(Limited by Guarantee)

Report of the Board

The debt per managed unit has fallen during the accounting period leading to 30 September 2014 as repayments of principal are made in respect of the AIB loan facility that supported the development of the Old Street Scheme.

Our Arthur West House property was debt free and the sale of the property has reduced the number of bed spaces that we provide from 358 to 125. The debt per unit managed will, therefore, increase in future years prior to the completion of the new accommodation that we propose to construct.

Procurement

In order to ensure that we achieve best value for money from the goods and services that we procure, Standing Orders are in place that require competitive quotations to be sought for low value goods, and for formal tendering procedures to be enacted for more valuable services.

During the course of the period to 30 September 2014 the following goods and services were tendered:

- Gas and electricity supplies for both our Old Street and Arthur West House schemes.
- Internal Audit.
- Statutory audit.
- The appointment of marketing agents in relation to the sale of Arthur West House.
- The appointment of lead consultants to assist in the management of our development programme.
- The appointment of solicitors to lead on the sale of Arthur West House.

Where possible, we make use of procurement exercises that have been undertaken by other organisations to ensure that best value has been obtained.

An example relates to the procurement of marketing agents for the disposal of Arthur West House, where we utilised the procurement framework established by the Cabinet Office for the procurement of a suitable firm for the provision of such services.

By utilising this framework, which had already satisfied EU procurement legislation and ensured that competitive prices were in place, we were able to avoid the high costs associated with a tendering process of this nature, and were able to secure a 'better than framework' price by promoting a competitive process amongst those suppliers that were included within the framework structure.

During the current year, we have also been able to take advantage of a procurement exercise previously undertaken by Peabody, (a large national housing association) to appoint architects to provide us with services in relation to our development programme, knowing that the firm selected had already been market tested for both quality and price. We, therefore, avoided the costs associated with following a separate EU procurement process on our own.

Social Value for Money

The main area in which we deliver social VFM relates to the provision of affordable accommodation as a social landlord.

Having sold Arthur West House, we plan to invest in excess of £30 million during the next 3 years to provide approximately 250 high quality units of affordable accommodation for young people.

The provision of such affordable accommodation generates a number of other social values that, through the work of a number of independent researchers, have been 'costed' with an estimated cash value being ascribed to each of the values.

Examples of the 'cash value' benefit to those under 25 years of age resulting from the affordable accommodation that we provide is shown in the table below:

Hyelm

(Limited by Guarantee)

Report of the Board

Valuation	Description	Annual 'Cash Value' per person
Job Specific Skills	This valuation is the average value to an individual of acquiring new skills from training at their employment or at a job centre.	£1,291
Belonging in a neighbourhood	This valuation is the average value to an individual of feeling like they belong in their neighbourhood.	£9,409
Living in a good place	This valuation is the average value to an individual of living in a neighbourhood that they think is a 'good place to live'	£1,048
Active in tenants groups	This valuation is the average value to an individual of being active in a tenants' or residents' association group.	£4,870
Ability to pay for housing	This valuation is the average value to an individual of being able to pay for their accommodation.	£4,408
Fear of Crime	This valuation is the average value to an individual of not being worried about being a victim of crime.	£1,721

Extrapolating the above across all residents at our Old Street scheme would generate a total social value of £2.84 million per annum.

We also employ two apprentices. The social value of employing apprentices has also been costed as follows:

Valuation	Description	Annual 'Cash Value' per person
Apprenticeships	This valuation is the average value to an individual of participating in an apprenticeship scheme.	£1,048

The G320 group of smaller housing associations in London, of which we are a member, recognises that there is further scope for greater consideration and reporting on the estimated 'cash value' of the social value work that its members do.

The group, therefore, aims to carry out further research and work in this area during the forthcoming year.

The social value that we deliver can then be compared to the actual money that we spend in relation to delivering projects and to determine if VFM is being achieved.

VFM for 2014/15

It is our aim to be in the top quartile for both financial and operational performance, and to see our performance improve each year.

In order to achieve our objective, we will need to be able to measure our performance and, where appropriate, to measure our performance against that of our peers, to enable us to see what we do well, why our performance differs, and how we can improve our performance and provide better VFM.

As a result, we will be undertaking further work over the next year to support our aim of achieving our target. We will:

- o Agree a new, more appropriate, set of key performance indicators to measure our performance on a regular basis.
- o Benchmark a number of our core services, e.g. IT Services, internal and statutory audit, central staffing, insurance and HR costs.
- o Widen the scope of engagement with our Resident Panel and extend resident survey feedback, in particular, on levels of satisfaction with the VFM that our rent and service charge levels provide.

Hyelm

(Limited by Guarantee)

◦ Report of the Board

- Compare our void management processes with those of our peer group to ensure we are following/utilising best practice.
- Set clear operational and performance targets to be included in our budgets and business plans for 2015/16 and beyond.

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 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 in interest bearing bank and money market accounts.

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.

Statement on Internal Controls Assurance

The Board acknowledges its responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the company is ongoing and has been in place throughout the period commencing 16th October 2013 up to the date of approval of the report and financial statements.

Key elements of the control framework include:

- Board approved terms of reference and delegated authorities for all sub committees of the Board
- Clearly defined management responsibilities for the identification, evaluation and control of significant risks
- Robust strategic business planning processes, with detailed financial budgets and forecasts
- Formal recruitment, retention, training and development policies for all staff
- Established authorisation and appraisal procedures for significant new initiatives and commitments
- Regular reporting to the appropriate committee on key business objectives, targets and outcomes

Hyelm

(Limited by Guarantee)

Report of the Board

- Board approved whistle-blowing policies and anti-theft and corruption policies
- Board approved fraud policies, covering prevention, detection and reporting, together with recoverability of assets
- Regular monitoring of loan covenants and requirements for new loan facilities.

A fraud register is maintained and reviewed by the Board on a regular basis. During the year no frauds were reported.

The Board has received the Chief Executive's annual review of the effectiveness of the system of internal controls which are designed to provide reasonable, not absolute, assurance. The Board has also received the annual report of the internal auditor.

NHF Codes of Governance and Conduct

We are pleased to report that the group complies with the principal recommendations of the NHF code of governance 2010 (revised) and is compliant with the NHF Code of Conduct 2012. A review of risk management procedures was 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. Policies and procedures are reviewed by the management team in accordance with a published timetable (or according to need) and all significant changes are reported to the Board.

Statement of the Board's Responsibilities

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

Company Law requires the board to prepare financial statements for each financial year. Under that law the Board has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under that 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 and profit or loss of the company. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers, have been followed, subject to any material departures disclosed and explained in the financial statements.;
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the company will continue in business.

The directors are 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 comply with the Companies Acts 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.

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
(Limited by Guarantee)

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.

Disclosure of information to Auditors

At the date of making this report, each of the company's directors, as set out on page 1, confirm the following:

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

In preparing this report, the directors have taken advantage of the small companies exemption provided by section 415A of the Companies Act 2006 in respect of the report of the Board and strategic report.

The Report of the Board was approved by the Board on the 3 March 2015 and signed on its behalf by:



Susan Parsenage
Chair



Keith Douglas
Chief Executive

Hyelm

(Limited by Guarantee)

Independent Auditor's Report

Independent auditor's report to the members of Hyelm

We have audited the financial statements of Hyelm for the period ended 30 September 2014 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 charitable 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 charitable 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 charitable company and the charitable 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 12, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2014 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2012; and
- have been prepared in accordance with the requirements of the Companies Act 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)

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,
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors report and strategic report.

Grant Thornton UK LLP

Jennifer Brown
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

3 MARCH 2015

Hyelm
(Limited by Guarantee)

**Income and Expenditure Account
for the period ended 30 September 2014**

	Note	Period to 30/09/2014 £	Year to 15/10/2013 £
Turnover: continuing operations	2	2,112,398	2,263,340
Operating costs	2,3	<u>(1,884,340)</u>	<u>(1,898,412)</u>
Operating surplus : continuing operations	2,4	228,058	364,928
Interest receivable and similar income	7	4,788	6,688
Interest payable	8	(354,263)	(372,174)
Deficit for the financial year		<u>(121,417)</u>	<u>(558)</u>

The notes on pages 19 to 32 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 3 March 2015.


Susan Parsonage
Chair


Keith Douglas
Chief Executive

Hyelm

(Limited by Guarantee)

Company Number: 00244598

Balance Sheet as at 30 September 2014

	Note	As at 30/09/2014 £	As at 15/10/2013 (Restated) £
Fixed assets			
Housing properties	9	13,857,041	14,051,987
Social housing grant		<u>(3,000,000)</u>	<u>(3,000,000)</u>
		10,857,041	11,051,987
Other fixed assets	10	386,985	474,135
Current assets			
Properties held for sale net of Grant	11	146,760	146,760
Stocks	12	2,149	5,995
Debtors	13	166,054	273,036
Cash at bank and in hand		<u>1,926,652</u>	<u>1,976,438</u>
		2,241,615	2,402,229
Creditors			
Amounts falling due within one year	14	<u>(389,477)</u>	<u>(680,379)</u>
Net current assets		1,852,138	1,721,850
Total assets less current liabilities		<u>13,096,164</u>	<u>13,247,972</u>
Creditors			
Amounts falling due after one year	15	6,646,471	6,676,862
Designated reserves	16	103,058	95,951
Revenue reserve	16	<u>6,346,635</u>	<u>6,475,159</u>
Total funds	17	6,449,693	6,571,110
		<u>13,096,164</u>	<u>13,247,972</u>

The notes on pages 19 to 32 form part of these accounts.

The financial statements were approved by the Board on 3 March 2015.

The restatement arose as a result of the reclassification of Social Housing Grant for Arthur West House which was previously shown under Housing Properties rather than Properties held for sale.


Susan Parsonage
Chair


Keith Douglas
Chief Executive

Hyelm
(Limited by Guarantee)
Cash Flow Statement
for the period ended 30 September 2014

	Note	Period to 30/09/2014 £	Year to 15/10/2013 £
Net cash inflow from operating activities	18	<u>354,760</u>	<u>604,942</u>
Returns on Investments and Servicing of Finance			
Interest received	7	4,788	6,688
Interest payable	8	<u>(354,263)</u>	<u>(372,174)</u>
		(349,475)	(365,486)
Capital Expenditure and Financial Investments			
Additions to housing properties	9	-	(40,436)
Purchase of other fixed assets	10	<u>(39,523)</u>	<u>(143,879)</u>
		(39,523)	(184,315)
Financing			
Repayment of loans	19	<u>(15,548)</u>	<u>(12,790)</u>
		(15,548)	(12,790)
(Decrease) / Increase in cash		<u>(49,786)</u>	<u>42,351</u>

The notes on pages 19 to 32 form part of these accounts.

Hyelm

(Limited by Guarantee)

Notes to the Financial Statements for the period ended 30 September 2014

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 Direction for Private Registered Providers of Social Housing 2012.

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-subsiidiary 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. The accounting policies applied are in line with previous years except that social housing grant associated with assets held for sale are also now recognised as part of the asset held for sale as opposed to within the tangible fixed assets. This has been adjusted for the 2013 figures however no change has been required to the reserves and therefore no prior year adjustment note is shown.

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.

Hyelm

(Limited by Guarantee)

Notes to the Financial Statements for the period ended 30 September 2014

1. Accounting Policies (continued)

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.

Depreciation of Housing Properties (continued)

Depreciation is being charged in respect of the 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.

Hyelm

(Limited by Guarantee)

Notes to the Financial Statements for the period ended 30 September 2014

1. Accounting Policies (continued)

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%

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 28 April 2012. Balances held will be repaid to members on request.

Stock

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

Hyelm
(Limited by Guarantee)

**Notes to the Financial Statements for the period ended
30 September 2014**

1. Accounting Policies (continued)

VAT

Due to the nature of the business undertaken during the course of the year, Hyelm was 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

(Limited by Guarantee)

Notes to the Financial Statements for the period ended 30 September 2014

2. Turnover, operating costs and operating deficit

Housing accommodation 290 units (2013: 290 units)

	Period to 30/09/2014			Year to 15/10/2013	
	Turnover	Operating costs	Operating surplus	Turnover	Operating Surplus
	£	£	£	£	£
Key Worker/Priority Groups & General Needs housing					
Housing accommodation (note 3)	1,749,507	1,543,979	205,528	1,865,083	325,746
Other housing activities					
Management services (note 25)	340,953	304,772	36,181	368,393	34,601
Other income	21,938	35,589	(13,651)	29,864	4,581
Development costs not capitalised	-	-	-	-	-
	<u>362,891</u>	<u>340,361</u>	<u>22,530</u>	<u>398,257</u>	<u>39,182</u>
	<u>2,112,398</u>	<u>1,884,340</u>	<u>228,058</u>	<u>2,263,340</u>	<u>364,928</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.

Hyeim

(Limited by Guarantee)

Notes to the Financial Statements for the period ended 30 September 2014

3. Turnover, operating costs and operating surplus on social housing lettings

			Period to 30/09/2014	Year to 15/10/2013
	General Needs Housing £	Supported Housing £	Total £	Total £
Turnover - Net Rent Receivable	879,075	870,432	1,749,507	1,865,083
Services	240,996	584,836	825,832	810,243
Management	166,990	308,494	475,484	466,193
Bad Debts	-	-	-	280
Day to day maintenance	18,358	29,359	47,717	37,453
Cyclical maintenance	-	-	-	21,868
Depreciation on housing properties	194,946	-	194,946	203,300
Operating costs	621,290	922,689	1,543,979	1,539,337
Operating surplus	257,785	(52,257)	205,528	325,746
Voids	1,566	-	1,566	-

General Need's 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.

4. Operating surplus for the year

	Period to 30/09/2014 £	Year to 15/10/2013 £
Operating surplus for the year is after charging:		
Depreciation on housing properties	194,945	203,300
Depreciation on tangible, owned fixed assets	126,674	132,923
Total depreciation	321,619	336,223
Loss on disposal of tangible fixed assets	-	-
Auditor's remuneration:		
Auditor's remuneration exclusive of VAT:		
In their capacity as auditors	8,650	9,350
For non-audit services	4,195	4,195

Hyelm

(Limited by Guarantee)

Notes to the Financial Statements for the period ended 30 September 2014

5. Directors and Members

	Period to 30/09/2014 £	Year to 15/10/2013 £
Emoluments of the Company's Chief Executive, Director of Finance & Director of Operations including pension contributions.	<u>145,477</u>	<u>141,576</u>
Emoluments of the Chief Executive, who was the highest paid "Director", excluding pension contributions	<u>58,764</u>	<u>60,542</u>
Contributions to the Chief Executive's personal pension plan	<u>5,696</u>	<u>5,935</u>

No members of staff were paid more than £60,000 other than the Chief Executive.

No emoluments were paid to members of the Board during the year. Expenses paid during the year to members of the Board amounted to £1,437 (2013: £1,790).

6. Employee information

	Period to 30/09/2014 Number	Year to 15/10/2013 Number
The average monthly number of employees (including the Chief Executive) expressed in full time equivalents.	<u>17</u>	<u>17</u>
Employee Costs:	£	£
Wages and salaries	457,399	431,563
Social security costs	41,266	41,868
Other pension costs	9,902	9,130
	<u>508,567</u>	<u>482,561</u>

7. Interest receivable and similar income

	Period to 30/09/2014 £	Year to 15/10/2013 £
Interest receivable from investments	<u>4,788</u>	<u>6,688</u>

Hyelm
(Limited by Guarantee)

**Notes to the Financial Statements for the period ended
30 September 2014**

8. Interest payable and similar charges

	Period to 30/09/2014 £	Year to 15/10/2013 £
Loans	<u>354,263</u>	<u>372,174</u>

9. Tangible fixed assets – housing properties

	Freehold housing properties held for letting £
Cost	
At 16 October 2013	<u>15,169,479</u>
At 30 September 2014	<u>15,169,479</u>
Depreciation	
At 16 October 2013	1,117,492
Charged during year	<u>194,946</u>
At 30 September 2014	<u>1,312,438</u>
Cost less Depreciation	
At 15 October 2013	14,051,987
At 30 September 2014	<u>13,857,041</u>
Social Housing Grant	
Restated at 16 October 2013 and at 30 September 2014	<u>3,000,000</u>
Net Book Value	
At 30 September 2014	<u>10,857,041</u>
At 15 October 2013	<u>11,051,987</u>

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

	Period to 30/09/2014 £	Year to 15/10/2013 £
Freehold land and buildings	<u>10,857,041</u>	<u>11,051,987</u>

No Development or finance costs were capitalised in the year (2013: Nil).

Hyelm

(Limited by Guarantee)

Notes to the Financial Statements for the period ended 30 September 2014

10. Other tangible assets

	Accommodation Furniture & Equipment £	Computer Equipment £	Total £
Cost at 16 October 2013	1,340,482	134,223	1,474,705
Additions	19,519	20,004	39,523
Cost at 30 September 2014	<u>1,360,001</u>	<u>154,227</u>	<u>1,514,228</u>
Depreciation at 16 October 2013	916,988	83,582	1,000,570
Charged during year	110,089	16,584	126,673
Depreciation at 30 September 2014	<u>1,027,077</u>	<u>100,166</u>	<u>1,127,243</u>
Net book value			
At 30 September 2014	<u>332,924</u>	<u>54,061</u>	<u>386,985</u>
At 15 October 2013	<u>423,494</u>	<u>50,641</u>	<u>474,135</u>

11. Properties held for sale

Following the decision of the Board to dispose of Arthur West House, the asset was transferred from fixed assets to properties held for sale at the 15 October 2014.

	Period to 30/09/2014 £	Year to 15/10/2013 (Restated) £
Properties held for sale	2,463,942	2,463,942
Associated Social Housing Grant	<u>(2,317,182)</u>	<u>(2,317,182)</u>
	<u>146,760</u>	<u>146,760</u>

Restated to show Social Housing Grant on Arthur West House

12. Stocks

	Period to 30/09/2014 £	Year to 15/10/2013 £
Bar stocks and food	<u>2,149</u>	<u>5,995</u>

Hyelm
(Limited by Guarantee)

**Notes to the Financial Statements for the period ended
30 September 2014**

13. Debtors

	Period to 30/09/2014 £	Year to 15/10/2013 £
Rent arrears	5,136	5,787
Other debtors and prepayments	160,918	267,249
	<u>166,054</u>	<u>273,036</u>

14. Creditors: Amounts falling due within one year

	Period to 30/09/2014 £	Year to 15/10/2013 (Restated) £
Bank loan repayments	31,733	15,548
Due to Ames House	149,129	309,084
Advance payment of rent	61,141	60,948
Other creditors and accruals	147,474	294,799
	<u>389,477</u>	<u>680,379</u>

Restated to show amounts due to the Ames House Trust separately and to disclose loan balance due within one year.

Hyelm

(Limited by Guarantee)

Notes to the Financial Statements for the period ended 30 September 2014

15. Creditors: Amounts falling due after one more than one year

	Period to 30/09/2014 £	Year to 15/10/2013 £
Bank loans	6,675,929	6,707,662
Loan issue costs	(29,458)	(30,800)
	<u>6,646,471</u>	<u>6,676,862</u>

The loan from Allied Irish Bank (GB) is secured by a legal charge over the Old Street development and is repayable within 30 years. The loan bears a fixed interest rate of 5.5% over the whole term, with capital payments having commenced during the year to 15th October 2013.

	Period to 30/09/2014 £	Year to 15/10/2013 (Restated) £
Payments due within one year	31,733	15,548
Payments due between one and two years	32,482	31,733
Payments due between two and five years	217,257	158,274
Payments due after five years	6,426,190	6,517,655
	<u>6,707,662</u>	<u>6,723,210</u>

Restated to show loan balance due within one year.

16. Reserves

	Revenue Reserve £	Designated Reserves £	Total £
Balance at 16 October 2013	6,475,159	95,951	6,571,110
Surplus for the year	(121,417)	-	(121,417)
<u>Transfers between funds</u>			
Transfer of surplus on club activities	(2,319)	2,319	-
Transfer of surplus investment and other income	(4,788)	4,788	-
Balance at 30 September 2014	<u>6,346,635</u>	<u>103,058</u>	<u>6,449,693</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. Following changes to the Articles of Association, membership subscriptions are no longer required and existing subscriptions amounting to £95 were transferred to general reserves. Subscriptions are repayable on demand.

Hyelm
(Limited by Guarantee)

**Notes to the Financial Statements for the period ended
30 September 2014**

17. Reconciliation of movement in total funds

	Period to 30/09/2014	Year to 15/10/2013 (Restated)
	£	£
Opening funds	6,571,110	6,571,668
Deficit for the financial year	<u>(121,417)</u>	<u>(558)</u>
Closing funds	<u>6,449,693</u>	<u>6,571,110</u>

Restated to show movement in funds only.

18. Reconciliation of Operating Surplus to Net Cash Inflow from Operating Activities

	Period to 30/09/2014	Year to 15/10/2013
	£	£
Operating surplus	228,058	364,928
Loss on disposal of fixed assets	-	-
Depreciation of tangible fixed assets	321,619	336,223
Amortisation of loan issue costs	<u>1,342</u>	<u>1,400</u>
	551,019	702,551
Working capital movements		
Debtors	106,982	(115,165)
Creditors	(307,087)	17,745
Stocks	<u>3,846</u>	<u>(189)</u>
Net cash inflow from operating activities	<u>354,760</u>	<u>604,942</u>

19. Reconciliation of net cash flow to movement in debt

	Period to 30/09/2014	Year to 15/10/2013
	£	£
(Decrease) / Increase in cash	(49,786)	42,351
Cash flow from decrease in financing	<u>15,548</u>	<u>12,790</u>
Movement in net debt arising from cash flow	(34,238)	55,141
Total movement in net debt	(34,238)	55,141
Net debt at 16 October 2013	<u>(4,746,772)</u>	<u>(4,801,913)</u>
Net debt at 30 September 2014	<u>(4,781,010)</u>	<u>(4,746,772)</u>

Hyelm

(Limited by Guarantee)

Notes to the Financial Statements for the period ended 30 September 2014

20. Analysis of changes in net debt

	Year ended 15/10/2013	Cash flow	Period to 30/09/2014
	£	£	£
Cash at bank and in hand	1,976,438	(49,786)	1,926,652
Loans	(6,723,210)	15,548	(6,707,662)
Net debt	<u>(4,746,772)</u>	<u>(34,238)</u>	<u>(4,781,010)</u>

21. Commitments

Capital expenditure commitments are as follows:

	At 30/09/2014 £	At 15/10/2013 £
Expenditure authorised by the Board, but not contracted:	<u>11,617,920</u>	<u>728,995</u>

Expenditure authorised by the Board but not contracted relates to planned refurbishment at Old Street and expenditure relating to the development programme to provide accommodation to replace Arthur West House that was sold on 10 October 2014.

The company had no operating lease commitments at 30 September 2014 (2013: £nil).

22. Contingent liabilities

There were no contingent liabilities at 30 September 2014 (2013: £nil).

23. Post balance sheet events

In accordance with the agreed Strategic Plan 2012-2015 – *Making a Real Difference*, the Board agreed to sell Arthur West House, with the proceeds of the sale being used to new accommodations and future growth. The sale of Arthur West House completed on the 10 October 2014 and generated a gross receipt of £30,050,000. Of this amount, £5,484,125 related to the leasehold interest owned by the Ames House Trust, a quasi subsidiary of Hyelm, and this element will be accounted for in the Ames House Accounts for the period to 30 September 2015. The balance of £25,015,875 will be accounted for in the Hyelm accounts for the period ending 30 September 2015.

24. Legislative provisions

Hyelm is incorporated under the Companies Act.

Hyelm
(Limited by Guarantee)

**Notes to the Financial Statements for the period ended
30 September 2014**

25. The Ames House Trust

During the financial year to 30 September 2014 the turnover of Ames House, a quasi – subsidiary of Hyelm, was £350,014, (2013: £412,812). The net movement in funds was a deficit of £3,470 (2013: surplus £27,218), resulting in total capital and reserves of £2,985,187 at 30 September 2014 (2013: £2,988,657).

The sum of £340,953 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 (2013: £368,393).

The sum of £149,129 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 (2013: £309,085). A sum of £4,431 was owed to Hyelm by the Ames House Trust in respect of the management services provided during the year (2013: £127,216).