

# HYELM

*Housing the future of London*

**(Consolidated Accounts)**

**(Limited by Guarantee)**

**Report and Financial Statements for the Year Ended**

**30 September 2023**

HYELM is a company limited by guarantee, registration No. 00244598, and is registered with the Regulator of Social Housing No. HO312. HYELM is charitable and is registered with the Charity Commission No. 215575.

**HYELM**  
**Report and Financial Statements for the year ended**  
**30 September 2023**

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# **HYELM**

## **Report and Financial Statements for the year ended 30 September 2023**

### **Members, Senior Staff, Advisors and Bankers**

#### ***Board***

Chair	Vanessa James
Vice Chair	Ruth Goldfeather to 22 August 2023 Joanne Foster from 22 August 2023
Ordinary Members	Joanne Foster Joel Inbakumar Rhiannon Meredith Andrew Brainin Febechi Chukwu Christopher Forster to 31 January 2023 Simon Wright

#### ***Senior Staff***

Chief Executive  
Director of Finance & Company Secretary

Simon Wright  
Martin Grundy

#### ***Auditors***

Moore Kingston Smith LLP  
9 Appold Street  
London  
EC2A 2AP

#### ***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**

## **Report and Financial Statements for the year ended 30 September 2023**

### **Report of the Board**

#### **Report of the Board**

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 2018).

#### **Review of the Period**

The Board reports a deficit of £1,211,961 for the year to 30 September 2023 (2022: surplus £113,575). The surplus achieved in 2022 was due to the recovery of monies in relation to the Fire Safety work which is being undertaken to the Old Street building. Without these monies an operating deficit of £200k would have been incurred. The operating deficit in 2023 is higher at £289k and this is mainly due to the cost of roofing repairs, increased utility and health and safety costs.

The enhanced fire safety measures at the Old Street building have continued to be in place whilst arrangements are made for the remediation works to be carried out. The second phase of these works is now underway and the programme of works is likely to last another 2 years until all the works are satisfactorily completed. The cost of the fire safety works and enhanced fire safety measures during the year was £567,123 increasing the total cost incurred to date to £2,205,596.

Following the termination last year of the construction contract on the site in Colindale, opportunities for the redevelopment of the site have continued to be explored. Whilst a plan for this site is being developed site holding costs of £283k have been incurred and as these do not add to the value of the site they have been expensed in the year. Additional costs have also been incurred in reviewing the potential to add additional bedrooms to the Old Street site and as this project does not currently seem viable these costs have also been expensed during the year.

#### **Legal Status**

The HYELM Group comprises HYELM, a Company Limited by Guarantee and which does not have share capital, The Ames House Trust, a charity established under Trust Deed, and Arthur West House Limited, a private limited company which is a wholly owned subsidiary of HYELM.

HYELM is a non-profit making concern registered as a Charity and a Registered Provider under the Housing Acts. The Ames House Trust is accounted for as a branch of HYELM due to a uniting direction in place with the Charity Commission.

The consolidated accounts show the financial position of The Group as a whole, and for the Association which includes HYELM and The Ames House Trust.

#### **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 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 2018).

#### **Future Plans**

The Board has adopted a strategic plan – *Making a real difference* – for the period 2019-2022. The strategic plan focuses on three key activities:

- Our development programme,
- Our existing operation
- Our communities and people.

***Our Development programme*** – The Group's objective is to develop and provide high standards of affordable, rented accommodation, facilities and services for a further 250 young people in two or more new housing schemes in London. The first phase of the development programme was on the Colindale

# HYELM

## Report and Financial Statements for the year ended 30 September 2023

### Report of the Board

site on which it was planned to provide accommodation for 156 young people. The construction project on this site was terminated in 2022 and future plans for the site will continue to be explored during 2024.

***Our Existing operation*** – The Group’s objective is to continue to provide high standards of contemporary, affordable rented accommodation at the Old Street Scheme, whilst remaining a financially sound organisation with efficient systems providing effective controls.

***Our communities and people*** – The Group’s objective is to provide positive, stable, safe environments for our housing schemes. During the year a number of social events have been organised to further develop a sense of community and have supported residents in securing new accommodation when they feel ready to move on. We have met with all our residents during the year to discuss their individual needs including move on accommodation, maintenance issues, any issues with mould and more recently, the change in our complaints procedure.

#### **Board**

The Board has reviewed the recommendations of the National Housing Federations Code of Governance 2020. With the exception that the Board has decided not to establish a separate audit committee the Board complies with the Code. It is felt that given the size of the organisation, audit issues can be dealt with by the Board and no separate audit committee is required. 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.

HYELM has implemented a comprehensive Board and Board members appraisal process and a governance development plan which is reviewed and updated annually.

In accordance with the Articles of Association, the Chair, Vanessa James is required to stand down at the 2024 Annual General Meeting but remains eligible for re-election for a second term of three years. In addition new Ordinary Board members David Capel, Jon Clowes and Jay Doshi are required to be elected for a first term of three years at the 2024 Annual General Meeting.

#### **VALUE FOR MONEY STATEMENT 2024**

##### **Introduction**

##### **The Value for Money Standard 2018**

The 2018 Value For Money Standard published in April 2018 requires that Registered Providers must:

- Clearly articulate their strategic objectives.
- Have an approach agreed by their board to achieving value for money in meeting these objectives and demonstrate their delivery of value for money to stakeholders.
- Through their strategic objectives, articulate their strategy for delivering homes that meet a range of needs.
- Ensure that optimal benefit is derived from resources and assets and optimise economy, efficiency and effectiveness in the delivery of their strategic objectives.

The Standard requires that that Registered Providers must demonstrate:

- A robust approach to achieving value for money – this must include a robust approach to decision making and a rigorous appraisal of potential options for improving performance.
- Regular and appropriate consideration by the board of potential value for money gains – this must include full consideration of costs and benefits of alternative commercial, organisational and delivery structures.
- Consideration of value for money across their whole business and where they invest in non-social housing activity, they should consider whether this generates returns commensurate to the risk involved and justification where this is not the case.
- That they have appropriate targets in place for measuring performance in achieving value for money in delivering their strategic objectives, and that they regularly monitor and report their performance against these targets.

It is also a requirement that Registered Providers must annually publish evidence in the statutory accounts to enable stakeholders to understand the provider’s:

- Performance against its own value for money targets and any metrics set out by the Regulator, and how that performance compares to peers.

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## **Report and Financial Statements for the year ended 30 September 2023**

### **Report of the Board**

- Measurable plans to address any areas of underperformance, including clearly stating any areas where improvements would not be appropriate and the rationale for this.

The Hyelm Group is committed to finding ways to provide excellent services whilst at the same time seeking to reduce costs and improve efficiency. To ensure that we can measure efficiency gains and to provide meaningful comparisons with other organisations providing similar services, the Board has adopted the 2018 Value for Money Standard for Registered Providers of Social Housing.

#### **How We Deliver Value For Money**

Although The Hyelm Group does not provide social housing – the Old Street development provides a mix of accommodation on intermediate and affordable rents for young people on low incomes - the Value For Money standard provides a framework for measuring performance in a consistent manner.

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, and measures performance using the metrics included within the 2018 Value for Money Standard.

Value For Money is embedded within our business in the following ways:

#### ***Governance***

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

The Board discusses our Value For Money 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 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 effective use is made of our resources each year to strengthen our capacity to develop new homes and enhance our services.

#### ***Procurement***

We continuously seek to obtain Value For Money 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 Strategic Plan is to achieve top quartile performance for financial strength and quality of services. The Board reviews performance information on a regular basis.

We have set ourselves the challenge of benchmarking our performance against that of other organisations that provide similar services within the social housing sector and not for profit housing sectors.

Comparative analysis is based on information provided by HouseMark, Acuity's clients in London and other publicly available information.

# **HYELM**

## **Report and Financial Statements for the year ended 30 September 2023**

### **Report of the Board**

#### ***Resident Focus***

Improving resident engagement and obtaining regular feedback in relation to our services are key objectives for the life of our Strategic Plan.

Acuity is commissioned to undertake an independent satisfaction survey of our residents on an annual basis and collect data on their opinions of, and attitudes towards, HYELM and the services we provide. Their survey has been designed using the new Tenant Satisfaction Measures from the Regulator of Social Housing.

#### ***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. Salary and benefits packages are reviewed every three years. The review includes a benchmarking exercise to ensure that the salaries and benefits that staff receive are comparable with our peer group.

In 2020 as part of our longer term strategy we reviewed our staffing structure to ensure that the right number of appropriately skilled staff will be in place to manage a growing organisation. The structure will be further reviewed as needs change.

#### ***Our Strategic Plan***

The Strategic Plan focuses on three key activities:

##### ***1. Our development programme***

Part funded by the sale proceeds of our Hampstead property, we will further develop and expand our accommodation, services and facilities to help meet increasing demand and changing needs.

More specifically, we will

- Consider how the site we own in Colindale can be best used to meet our development objectives.
- Research, adopt and begin to implement strategies for future growth and for the development of additional accommodation alongside our consideration of the Colindale site.

##### ***2. Our existing operation***

Throughout the delivery of our development programme we will continue to manage our existing operation in an efficient and effective manner.

More specifically we will

- continue to provide high standards of contemporary affordable rented accommodation facilities and services at our Old Street scheme that reflect the needs and expectation of those whom we set out to house.
- Continue to be a financially sound organisation with efficient systems providing effective controls that reflect our requirements. Maximising value will continue to underpin our work.
- Use new technologies, IT and modern methods of communication to the optimum and cost-effective extent in our operation and in the delivery of our offer in a way that best meets the needs of young people.
- Secure suitable funding as needed to fund our strategic objectives.
- Offer a great place to work, attracting and retaining the most talented staff and Board members.

##### ***3. Our communities and people***

We will promote positive stable safe environments in our housing schemes, ensuring that the sense of place and family and the supportive communities that we promote, which are so fundamental to what we do, are kept as we move from old to new.

More specifically we will:

- Involve our residents closely in drawing up our plans and managing our affairs
- Work with local community groups, training providers and employers to provide opportunities to enable young people to grow through further personal training and development

# **HYELM**

## **Report and Financial Statements for the year ended 30 September 2023 Report of the Board**

- Develop strong and productive partnerships with a range of key strategic partners to ensure that we help those who are in greatest need.
- Deliver a programme of social and learning events and community development activities, making best use of our communal facilities as well as those within the local areas in which we operate, engaging our residents with the wider community.
- Work with each young person during their stay to help them move on when they are ready.
- Actively encourage our residents to contribute to our communities and our organisation in a positive way once they have left our accommodation.

### **Progress against the objectives within the Strategic Plan**

#### **Our development programme**

Regarding our **development programme**, 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 bed-spaces of modern accommodation within Greater London by 2019. The provision of new accommodation is a key objective of the longer term strategy adopted by the Board.

The property, sold in 2014, generated a receipt of £30.05 million, some £6 million above the maximum forecast sale price. The sale proceeds were apportioned between HYELM and The Ames House Trust, which had a leasehold interest in Arthur West House. The amount received by HYELM amounted to £24,115,125, with the balance of £5,934,875 being received by The Ames House Trust.

As we develop our plans for the development programme, a key focus will be ensuring that we deliver a value for money solution and maximise the return on our investment. Whilst the Board recognises that the provision of low cost, but affordable accommodation will not generate a 'market return', a number of financial targets have been agreed, which must be achieved before any scheme proceeds ensuring that the scheme is profitable, and the value of the investment is maintained.

In September 2018, we purchased a development site in north London for the provision of 156 bed spaces – good progress towards our target of 250 bed spaces and had started development work on this site. However, delays in obtaining relief from the Community Infrastructure Levy from the London Borough of Barnet meant that this project could not proceed as planned. During the period of the delay construction costs increased significantly, interest rates increased and the proposed funders withdrew from the project and as a consequence the financial targets agreed for the scheme could no longer be met and the construction contract was terminated.

Other options for the development of the Colindale site in partnership with other organisations are under consideration and a decision on the future use of the site to support the HYELM strategic development objectives will be taken during 2024.

During the year the Board has also undertaken a feasibility study into increasing the number of units on the Old Street site. The feasibility study indicates that there is scope to construct another 26 bed spaces but increased fire safety requirements means that the cost of providing these units is not a viable financial proposition.

#### **Our ongoing operations**

Our Old Street scheme is now fifteen years old. It was built to comply with, the then, Eco Homes standards and achieved a Very Good rating in this regard.

During the course of the financial years 2023/24 to 2025/26, we will be carrying out major works at our Old Street scheme to remedy fire safety issues that were identified following investigations carried out following the Grenfell tragedy in June 2017. In addition to fire safety issues, a number of additional defects were identified dating back to the construction of the building, and these defects will be remedied concurrently with the fire safety issues. The costs if this work will be met, at least in part, by monies received from our insurers and the original contractor.

To ensure best value for money, competitive tenders were sought, and value tested. The works will be undertaken over a three-year period to minimise disruption to our residents and the loss of rent income.



# **HYELM**

## **Report and Financial Statements for the year ended 30 September 2023**

### **Report of the Board**

Following the completion of the remedial works 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.

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 year to 30 September 2023 the following goods and services were tendered:

- Gas and electricity supplies;
- Insurance cover;
- Works to upgrade the apartments and communal living spaces;
- Development services.

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

Old Street provides accommodation for young people at the beginning of their careers ensuring that they are accommodated in low cost, quality accommodation in a secure environment. Of the units available 74 bed-spaces provide intermediate rent accommodation for priority group workers. The remaining 51 bed spaces are provided for non-priority group workers. The Hyelm Group endeavours to provide rented accommodation to tenants which provides value for money when compared with rent charged for comparable properties. To ensure that the rent represents good value for money, the Board has approved a policy of linking all rents to no more than 80% of the market rate.

The use of the space on the ground floor of the building continues to be reviewed. The office accommodation market declined during the Covid pandemic and lettings have not returned to previous levels so much of the accommodation has been vacant during the financial year.

In the longer term this space in addition to the other vacant office space on the ground floor is being included in the feasibility study for providing additional permanent accommodation units within the building and this is an opportunity that will be explored further on completion of the remedial fire safety works.

The supply of electricity, gas and insurances are retendered annually to ensure best value is obtained, for both HYELM and our residents.

Implementation of the Government's Future Homes Standard is designed to improve energy efficiency within buildings to help to reduce energy consumption. We will review the requirements of the Future Homes standard to see what improvements can be made to reduce our energy costs and provide VFM for our residents by reducing their energy service charges costs.

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## Report and Financial Statements for the year ended 30 September 2023

### Report of the Board

#### Our communities and people

As part of our strategy in relation to **Our communities and people** the revisions to our staffing structure and job profiles has enabled us to:

- Deliver business as usual;
- Provide support for our two major projects (Development in Colindale and Fire Defect work);
- Effectively manage organisational risks;
- Manage building safety in line with Hackett review recommendations.

Overall, there are very good levels of satisfaction with the services provided by HYELM, with all but two of the Tenant Satisfaction Measures, as prescribed by the Regulator of Social Housing, scoring above the median level of our peers. Eight out of ten residents are satisfied with the overall service provided by HYELM (80%). Satisfaction is highest for HYELM's staff being friendly and approachable (92%), providing equal treatment (89%), being easy to deal with (87%), treating residents fairly and with respect (84%), the upkeep of the communal areas and the time taken to complete repairs (both 84%).

On the other hand, satisfaction is lowest for rent being value for money (45%), which is the same level of satisfaction with the handling of complaints (45%).

Compared to last year satisfaction has increased in three areas including overall satisfaction (up 4%), service charge being value for money (up 3%) and the time taken to complete repairs (up 8%). Satisfaction has decreased in all other areas. We believe this is generally due to the disruption caused by the extensive refurbishment works currently being carried out within the property.

Comparing HYELM against Acuity's clients that are based in London, almost all ratings are above the median – the only exception being the positive contribution made to the neighbourhood which is in the bottom quartile. Aside from the positive contribution made to the neighbourhood, the repairs service (second quartile) and the handling of ASB (second quartile), all measures for HYELM are in the top quartile.

Following the feedback received, over the coming year we will further review our complaints handling processes, our repairs and maintenance service, how we will monitor and deal with cleanliness issues within the residents communal kitchens and laundry facilities.

Some of the other measures we monitor are summarised in the table below

<b>Other Measures</b>	<b>Benchmark: Peer group median</b>	HYELM 2020/21	HYELM 2021/22	<b>HYELM 2022/23</b>
Current rent arrears	2.11%	0.3%	0.4%	1.7%
Average re-let time (days)	31	41.5	39.04	65.17
% of void losses	1.3%	11.68%	10.95%	12.10%

Our rent arrears figures, although still below the median for our benchmark group, are moving up slightly and we think this is due to the general economic situation and the increasing levels of rent. We have also experienced some delays in the Courts system where we unfortunately have had to take action to evict tenants with significant rent arrears. The delays in the Court system allow rent arrears for tenants with little means of payment to build up further and we are reviewing our processes to see how we can take earlier action in appropriate cases.

We have taken comfort from historically low levels of void loss and arrears, which have compared very favourably with those within the sector. The increase in voids over the last 3 years is a result of the need to provide vacant accommodation for contractors to carry out the fire safety works referred to above and this has also had an impact on our average re-let times.

# HYELM

## Report and Financial Statements for the year ended 30 September 2023

### Report of the Board

#### Finance

The accounts for the year ending 30 September 2023 have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers.

Following the sale of Arthur West House in 2014, HYELM only provides accommodation at its Old Street property. This is a mix of private rented accommodation and grant supported intermediate rent accommodation that is tenanted by priority group workers.

Following the disposal of the Arthur West House site, management costs per unit increased as central costs previously allocated to the property have been retained but are supporting the development programme, which will provide new accommodation on a number of sites.

#### Reporting against the 2018 Value for Money Standard

The Hyelm Group has adopted the reporting requirements of the 2018 Value for Money Standard.

#### Metric 1 – Reinvestment

	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	<b>actual</b>	<b>actual</b>	<b>actual</b>	<b>actual</b>
<b>Reinvestment %</b>	0.9%	6.32%	10.12%	2.86%

Following the sale of the Hampstead property, HYELM has only the Old Street scheme in operation. Delays in gaining planning approval and relief from the Community Infrastructure Levy for the Colindale scheme resulted in delays to the building programme, thus investment was less than planned for 2018/19 and 2019/20. Scheme investment increased in 2020/21 and 2021/22 but as progress on this scheme has now been paused the reinvestment percentage for 2022-23 has reduced.

#### Metric 2 – Supply

Unlike many large Registered Providers, Hyelm does not have an annual development programme. Our investment in property relates to a specific scheme and therefore the supply metric is not a relevant measure of performance.

#### Metric 3 – Gearing

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	<b>actual</b>	<b>actual</b>	<b>actual</b>
<b>Gearing</b>	-35.45%	-40.16%	-27.18%

Hyelm currently has one loan from Allied Irish Bank. Our investment in the new development will be funded at least in part by Hyelm's cash reserves, thus as the value of housing properties increase as the development programme progresses gearing will decrease. On completion of our new developments Hyelm will have additional capacity for borrowing to support the development of additional accommodation and complete our strategic objective of providing further accommodation.

#### Metric 4 – Earnings before Interest Tax Depreciation and Amortisation – Major Repairs Included

The EBITDA MRI (Earnings before Interest Tax Depreciation and Amortisation – Major Repairs Included) interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates against interest payments (the measure avoids any distortions stemming from the depreciation charge). The need to provide vacant accommodation for the fire safety and remedial works, has led to a reduction in rent income, which coupled with higher management cost has led to a decrease in the interest cover in the periods 2019/20 and 2020/21. During 2021/22 the level of interest cover increased significantly due to the recovery of monies for the fire safety works from our insurers and the original building contractor, but this was a one off receipt and the figures for 2022-23 reflect the earlier trend.

# HYELM

## Report and Financial Statements for the year ended 30 September 2023

### Report of the Board

	2019/20 actual	2020/21 actual	2021/22 actual	2022/23 actual
<b>EBITDA MRI</b>	112.48%	100.03%	1037.1%	121.59%

#### EBITDA to Debt Service Cost

Our facility agreement with AIB requires Hyelm to achieve a ratio of EBITDA to Debt Service Costs of a minimum of 1:1. The ratio measures our ability to fund the repayment of capital and interest payable on the outstanding loan from current income generated by Hyelm.

During the 2019/20 year this ratio was not achieved as shown in the table below. As with EBITDA MRI above, reduced rent income and the impact of the Covid pandemic in 2019/20 led to reduction in interest cover reducing the indicator marginally below the level required by the facility agreement. As a result, a revised method of calculating the EBITDA ratio has been agreed with AIB until the completion of the fire safety works. The revised method of calculation permits the balance held in the AIB reserve account to be added to the earnings figure when calculating the ratio. Using the revised method of calculation, the EBITDA ratio for the year ended 30 September 2023 is in excess of the bank requirements.

	2019/20 actual	2020/21 actual	2021/22 actual	2022/23 actual
EBITDA - AIB	1:0.96	1:4.09	1:12.29	1:22.33

#### Metric 5 – Headline residential housing cost per unit

The unit cost metric assesses the headline social housing cost per unit as defined by the Regulator. Although The Group is not a provider of social housing, the social housing cost per unit is the benchmark against which Hyelm chooses to measure performance.

	2019/20 actual	2020/21 actual	2021/22 actual	2022/23 actual
Costs overall	£7,271	£6,113	£7,673	£9,575
per week	£110.20	£117.24	£147.15	£183.64

The increase in cost in 2019/20 reflects the increased expenditure associated with the Covid pandemic. In 2020/21 costs were lower due to reduced staffing levels. In 2021/22 staffing levels were increased to the previous norm. In 2022/23 costs have increased due to higher utility prices, repair work needed to the roof and lifts and the costs associated with the 5 yearly fixed wire test.

#### Metric 6 – Operating Margin

The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account. Increasing margins are one way to improve the financial efficiency of a business. The operating margin for 2021/22 reflected the recovery of monies to fund the fire safety works at Old Street and in 2022/23 the margin has reduced to previous levels.

	2019/20 actual	2020/21 actual	2021/22 actual	2022/23 actual
<b>Operating Margin</b>				
Overall	-0.69%	1.95%	69.58%	-16.42%

#### Metric 7 – Return on Capital Employed (ROCE)

This metric compares operating surplus to total assets less current liabilities and is a measure assess the efficient investment of capital resources. The 2022/23 return figure shown in the table below reflects the deficit incurred during the year.

	2019/20 actual	2020/21 actual	2021/22 actual	2022/23 actual
<b>ROCE</b>	-0.02%	0.06%	0.44%	-0.63%

# **HYELM**

## **Report and Financial Statements for the year ended 30 September 2023**

### **Report of the Board**

#### **Value For Money for 2022/23**

HYELM remains in a period of transition and the Value for Money metrics will reflect this until the new developments come on stream and the fire safety works at the Old Street building are completed. During this period the Value for money metrics will be measured against budgets and business plans and future reports will reflect this approach. When the development programme is complete and the remedial works at Old Street are finished, it is our aim to be in the top quartile for both financial and operational performance, and to see our performance improve each year.

We will be undertaking further work over the next year to support our aim of improving value for money for our existing residents by:

- Re-tender for the supply of electricity, gas, and insurances.
- Review the elements that make up the service charges that our residents pay to ensure that they remain as affordable as possible for those whom we set out to house.

#### **Officer's Insurance**

The Group has in place 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 unrestricted reserve fund which at the Balance sheet date totalled £24,111,749. The Board is committed to investing in new accommodation to house young people on low to moderate incomes and will apply the majority of its' free reserves, together with the Endowment Fund in pursuit of this objective. The Board will maintain a free reserve balance equivalent to 3 months operational expenditure to manage the day-to-day fluctuations in cash flow and operational risks.

A small proportion of reserves are currently held in a designated reserves for non-accommodation activities such as the provision of sporting, recreational and social facilities. Any surplus income from the provision of non-accommodation activities is returned to the Activities fund.

##### Treasury Management

Following the sale of Arthur West House, the Treasury Management Policy was reviewed and updated to include the key recommendations of CIPFA's "Treasury Management in the Public Services: Code of Practice". (The Code), as described in Section 4 of that Code.

##### Rent

Increases take into account the income of our residents, charges levied by competing organisations and are in line with guidance from the Regulator of Social Housing.

#### **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 1 October 2020 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**

## **Report and Financial Statements for the year ended 30 September 2023 Report of the Board**

- Board approved whistle-blowing policies and anti-theft and corruption policies.
- A regular programme of independent internal audit.
- 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 Executive Team'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 which reported that no significant control issues had been identified.

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

We are pleased to report that (with the exception of the items noted on page 3) The Group complies with the principal recommendations of the NHF code of governance 2020 and is compliant with the NHF Code of Conduct 2012. HYELM 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) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022. 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.

### **Statement of Compliance**

The directors have undertaken an assessment of compliance with the governance and financial viability standard as required by the Accounting Direction 2022. The directors can confirm that no evidence of non-compliance has been identified since the last report. In preparing the strategic report the directors have followed the principles set out in the Statement of Recommended Practice for Registered Social Landlords (SORP 2018).



# **HYELM**

## **Report and Financial Statements for the year ended 30 September 2023**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF HYELM**

#### **Opinion**

We have audited the financial statements of Hyelm (the 'company') for the year ended 30 September 2023 which comprise the Group Statement of Comprehensive Income, the Group Statement of Changes in Reserves, the Group Statement of Financial Position, the Group Statement of Consolidated Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted the UK and Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of The Group's and the parent charitable company's affairs as at 30 September 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 the Financial Reporting Standard Applicable to the UK and Republic of Ireland, the Housing and Regeneration Act 2008 and the Accounting Direction for Registered Providers of Social Housing 2022; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# **HYELM**

## **Report and Financial Statements for the year ended 30 September 2023**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF HYELM**

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees 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 Trustees' Annual Report and from preparing a strategic report.

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

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

#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud

# **HYELM**

## **Report and Financial Statements for the year ended 30 September 2023**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF HYELM**

identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are The Housing and Regeneration Act 2008 and the Accounting Direction for Registered Providers of Social Housing 2022, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

**HYELM**  
**Report and Financial Statements for the year ended 30 September 2023**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF HYELM**

**Use of our report**

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 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

*Moore Kingston Smith LLP*

Andrew Stickland (Senior Statutory Auditor)

18 March 2024

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street  
London  
EC2A 2AP

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

# HYELM

## Report and Financial Statements for the year ended 30 September 2023

### Statement of Comprehensive Income for the year ended 30 September 2023

	Note	Group		Association	
		2023	2022	2023	2022
		£	£	£	£
Turnover	2	1,412,644	4,766,710	1,461,535	4,822,419
Operating expenditure	2	(1,701,564)	(1,466,787)	(1,701,564)	(1,466,787)
Other income		-	-	-	-
Operating surplus / (deficit)	3	<b>(288,920)</b>	<b>3,299,923</b>	<b>(240,029)</b>	<b>3,355,632</b>
Loss relating to Fire Safety works	10	(567,123)	(366,270)	(567,123)	(366,270)
Abortive development costs		(364,444)	(2,510,398)	(364,444)	(2,510,398)
Interest receivable	4	438,023	49,224	438,023	49,224
Interest and financing costs	5	(429,497)	(358,903)	(429,497)	(358,903)
Movement in fair value of financial instruments		-	-	-	-
Surplus / (deficit) before and after tax		<b><u>(1,211,961)</u></b>	<b><u>113,575</u></b>	<b><u>(1,163,070)</u></b>	<b><u>169,284</u></b>

The notes on pages 21 to 37 form part of these financial statements.

There are no recognised gains and losses other than those included in the Statement of Comprehensive Income.

All activities relate to continuing operations.

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022. These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved by the Board on 5 March 2024.



**Vanessa James**  
Chair

**Simon Wright**  
Chief Executive

## HYELM

### Report and Financial Statements for the year ended 30 September 2023

#### Statement of Changes in Reserves for the year ended 30 September 2023

Group	General Reserve	Designated Reserves	Endowment Fund	Total
	£	£	£	£
<b>Balance at 1 October 2021</b>	25,346,275	97,937	6,108,483	31,552,695
Surplus / (Deficit) for the year	111,577	-	1,998	113,575
Transfer to designated reserves	-	-	-	-
<b>Balance at 30 September 2022</b>	<b>25,457,852</b>	<b>97,937</b>	<b>6,110,481</b>	<b>31,666,270</b>
Surplus / (Deficit) for the year	(1,346,103)	-	134,142	(1,211,961)
Transfer from designated reserves	-	-	-	-
<b>Balance at 30 September 2023</b>	<b>24,111,749</b>	<b>97,937</b>	<b>6,244,623</b>	<b>30,454,309</b>

#### Association

	General Reserve	Designated Reserves	Endowment Fund	Total
	£	£	£	£
<b>Balance at 1 October 2021</b>	25,365,275	97,937	6,108,483	31,571,695
Surplus / (Deficit) for the year	167,286	-	1,998	169,284
Transfer to designated reserves	-	-	-	-
<b>Balance at 30 September 2022</b>	<b>25,532,561</b>	<b>97,937</b>	<b>6,110,481</b>	<b>31,740,979</b>
Surplus / (Deficit) for the year	(1,297,212)	-	134,142	(1,163,070)
Transfer from designated reserves	-	-	-	-
<b>Balance at 30 September 2023</b>	<b>24,235,349</b>	<b>97,937</b>	<b>6,244,623</b>	<b>30,577,909</b>

**HYELM**  
**Report and Financial Statements for the year ended 30 September 2023**

**Statement of Financial Position as at 30 September 2023**  
**Company No: 00244598**

The financial statements were approved by the Board on 21 March 2023.

	Note	Group		Association	
		2023	2022	2023	2022
		£	£	£	£
<b>Fixed assets</b>					
Property, plant and equipment	8	26,483,834	26,181,483	26,618,189	26,305,606
Other tangible fixed assets	9	320,435	76,286	320,435	76,286
		<b>26,804,269</b>	<b>26,257,768</b>	<b>26,938,624</b>	<b>26,381,891</b>
<b>Current Assets</b>					
Investments	11	-	-	100,000	100,000
Debtors	12	116,195	97,471	129,115	80,572
Cash and cash equivalents		14,326,444	18,126,219	14,290,830	18,098,863
		<b>14,442,639</b>	<b>18,223,690</b>	<b>14,519,945</b>	<b>18,279,435</b>
<b>Creditors: Amounts falling due within one year</b>	13	(3,022,722)	(4,808,265)	(3,110,783)	(4,913,423)
Net current assets		11,419,917	13,415,425	11,409,162	13,366,012
<b>Total assets less current liabilities</b>		<b>38,224,186</b>	<b>39,673,193</b>	<b>38,347,786</b>	<b>39,747,903</b>
<b>Creditors: amounts falling due after more than one year</b>	14	(7,769,877)	(8,006,924)	(7,769,877)	(8,006,924)
<b>Total net assets</b>		<b>30,454,309</b>	<b>31,666,270</b>	<b>30,577,909</b>	<b>31,740,979</b>
<b>Reserves</b>					
Unrestricted fund		24,111,749	25,457,852	24,235,349	25,532,561
Designated fund	18	97,937	97,937	97,937	97,937
Endowment fund	19	6,244,623	6,110,481	6,244,623	6,110,481
<b>Total Reserves</b>		<b>30,454,309</b>	<b>31,666,270</b>	<b>30,577,909</b>	<b>31,740,979</b>



**Vanessa James**  
Chair



**Simon Wright**  
Chief Executive

**HYELM**  
**Report and Financial Statements for the year ended 30 September 2023**

**Statement of Cash Flows for the year ended 30 September 2023**

Group	Note	2023 £	2022 £
<b>Net cash generated from operating activities</b>	20	(140,385)	5,554,862
Purchase of tangible fixed assets		(2,930,730)	(3,314,164)
Costs of fire safety work		(567,123)	(366,270)
Interest received		438,023	49,224
		<b>(3,059,830)</b>	<b>(3,631,210)</b>
<b>Cash flow from financing activities</b>			
Interest paid		(429,497)	(358,903)
Repayment of borrowings		(170,063)	(159,542)
		(599,560)	(518,445)
Net change in cash and cash equivalents		(3,799,775)	1,405,207
Cash and cash equivalents at beginning of year		18,126,219	16,721,012
<b>Cash and cash equivalents at end of year</b>		<b>14,326,444</b>	<b>18,126,219</b>

# **HYELM**

## **Notes to the Financial Statements for the year ended 30 September 2023**

### **1. Accounting Policies**

#### **Company Information**

Hyelm is a limited company domiciled and incorporated in England and Wales. The registered office is 43-51 New North Road, London, N1 6JB.

#### **Accounting Basis**

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

The charitable company is a public benefit entity for the purposes of FRS 102.

Arthur West House Limited is a wholly owned subsidiary of Hyelm, the company having been incorporated on 16 July 2015. The principal activity of the company is to carry out development activities on behalf of The Hyelm Group.

Hyelm is the sole corporate trustee of The Ames House Trust ("Ames House") which was an unincorporated charitable trust operating in London and is accounted for as a branch of Hyelm in accordance with the policy guidance "E14 – Preparing limited charities' accounts".

The company is required to prepare group accounts under section 248 of the Companies Act 2006 and these financial statements present information relating to the company and group.

The financial statements are prepared in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

#### **Accounting Policies**

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

#### **Going concern**

After making enquiries, the Board has a reasonable expectation that The Group 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.

#### **Turnover and revenue recognition**

Turnover comprises rental income from residents' receivable in the year and income from the provision of sporting, recreational or social facilities.

Rental income is recognised on the execution of tenancy agreements. Other income is recognised as receivable on the delivery of services provided.

#### **Housing Properties**

Housing properties are principally properties available for rent and are stated at cost less 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.



# HYELM

## Notes to the Financial Statements for the year ended 30 September 2023

### Depreciation of Housing Properties

Hyelm separately identifies the major components which comprise its housing properties, and charges depreciation so as to write down the cost of each component to its estimated residual value on a straight-line basis, over its estimated useful economic lives in the business.

The Group depreciates the major components of its housing properties over the following periods:

Main structure	50 years
Roofs	30 years
Lifts	30 years
Windows & External Doors	15 years
Internal Doors	15 years
Electrical and mechanical equipment	10-15 years

Freehold land is not depreciated.

### 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% - 33%

Gains or losses arising on the disposal of other tangible fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the surplus/deficit of the year.

### 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, or to depreciated replacement cost. Any such write down is charged to the operating surplus.

### Social Housing Grant

Social housing grant (SHG) is receivable from the Homes and Communities Agency (the HCA), local authorities, and other government organisations. Government grants received for housing are recognised in income and expenditure over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

Government grants received in respect of revenue expenditure is credited to the income and expenditure account over the same period as the expenditure to which they relate once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received.

Grants due from government agencies or received in advance are included as current assets or liabilities.

Government grants received for housing purposes are subordinated to the repayment of loans by agreement with the Homes and Communities Agency. SHG released on sale of a property may be repayable but is normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position in Creditors.

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

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant that has been allocated to the component is released to the income and expenditure account. Upon disposal of the associated property, The Group is required to recycle these proceeds and recognise them as a liability.

### Employees Benefits

Short term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

# **HYELM**

## **Notes to the Financial Statements for the year ended 30 September 2023**

### **Debtors**

Short term debtors are measured at transaction price, less any impairment.

### **Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, deposits on call with banks, other short-term investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

### **Creditors**

Short term trade creditors are measured at the transaction price. The loan from Allied Irish Bank is considered to be a basic financial instrument and has therefore been included within the accounts at amortised cost.

### **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**

The Group does not provide a defined benefit pension scheme. Employees are, subject to eligibility, automatically enrolled into the NEST pension scheme to which employees contribute 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%). Hyelm's contributions to employees' personal pension schemes are expensed as they occur.

### **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.

### **VAT**

The Group charges Value Added Tax (VAT) on some its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by The Group and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

### **Development Fund (designated reserve)**

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

### **Club Activities Fund (designated reserve)**

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**

## **Notes to the Financial Statements for the year ended 30 September 2023**

### **Financial Instruments**

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

Financial instruments are recognised in the Group's balance sheet when the company becomes party to the contractual provisions of the instrument.

#### **Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

#### **Classification of financial liabilities**

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

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, bank loans, loans from Group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

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

#### **Judgments and key sources of estimation uncertainty**

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

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

In preparing these financial statements judgements have been made in respect of the accounting treatment of the fire safety works which are not considered enhance the carrying value of the Od Street property and have therefore been written off in the Statement of Comprehensive income.

# HYELM

## Notes to the Financial Statements for the year ended 30 September 2023

### 2. Particulars of turnover, operating costs and operating surplus

Group	The Group 2023			The Group 2022		
	Turnover £	Operating costs £	Operating deficit £	Turnover £	Operating costs £	Operating deficit £
<b>Letting of residential accommodation</b>	<b>1,270,730</b>	<b>1,554,971</b>	<b>(284,241)</b>	<b>1,162,645</b>	<b>1,338,067</b>	<b>(175,422)</b>
<b>Other residential accommodation activities</b>						
Other income	90	-	90	-	-	-
	<b>90</b>	<b>-</b>	<b>90</b>	<b>-</b>	<b>-</b>	<b>-</b>
Non-residential accommodation activities	141,824	146,593	(4,769)	3,604,065	128,720	3,475,345
	<b>1,412,644</b>	<b>1,701,564</b>	<b>(288,920)</b>	<b>4,766,710</b>	<b>1,466,787</b>	<b>3,299,922</b>
	<b>Association 2022</b>			<b>Association 2021</b>		
	<b>Turnover £</b>	<b>Operating costs £</b>	<b>Operating deficit £</b>	<b>Turnover £</b>	<b>Operating costs £</b>	<b>Operating deficit £</b>
<b>Letting of residential accommodation</b>	<b>1,270,730</b>	<b>1,554,971</b>	<b>(284,241)</b>	<b>1,162,645</b>	<b>1,338,067</b>	<b>(175,422)</b>
<b>Other residential accommodation activities</b>						
Other income	90	-	90	-	-	-
	<b>90</b>	<b>-</b>	<b>90</b>	<b>-</b>	<b>-</b>	<b>-</b>
Non-residential accommodation activities	190,715	146,593	44,122	3,659,774	128,720	3,531,054
	<b>1,461,535</b>	<b>1,701,564</b>	<b>(240,029)</b>	<b>4,822,419</b>	<b>1,466,787</b>	<b>3,355,631</b>

## HYELM

### Notes to the Financial Statements for the year ended 30 September 2023

2 (ii) Particulars of income and expenditure from the letting of intermediate and sub market rent accommodation  
Housing accommodation 125 bed spaces (2020: 125 bed spaces)

Group and Association	2023			2022		
	Private Rented £	Intermediate Rent £	Total £	Private Rented £	Intermediate Rent £	Total £
Rent receivable net of identifiable service charges	407,511	584,870	992,381	389,741	559,366	949,107
Service Charge income	89,086	129,263	218,349	62,644	90,895	153,538
Other revenue grants - SHG released	-	60,000	60,000	-	60,000	60,000
<b>Turnover from the letting of residential accommod:</b>	<b>496,597</b>	<b>774,133</b>	<b>1,270,730</b>	<b>452,385</b>	<b>710,260</b>	<b>1,162,645</b>
Management	186,876	268,208	455,084	185,520	266,262	451,781
Service charge costs	125,810	180,566	306,376	79,545	114,165	193,711
Other service costs	100,365	144,046	244,411	72,231	103,668	175,899
Routine maintenance	21,893	31,422	53,315	35,107	50,387	85,493
Planned maintenance	56,555	81,169	137,724	21,452	30,788	52,241
Major repairs expenditure	-	-	-	-	-	-
Bad debts	24,131	-	24,131	19,275	-	19,275
Depreciation on housing properties	137,125	196,805	333,930	147,694	211,973	359,667
Other costs	-	-	-	-	-	-
<b>Operating costs on residential lettings</b>	<b>652,755</b>	<b>902,216</b>	<b>1,554,971</b>	<b>560,825</b>	<b>777,243</b>	<b>1,338,067</b>
<b>Operating surplus / (loss) on residential lettings</b>	<b>(156,158)</b>	<b>(128,083)</b>	<b>(284,241)</b>	<b>(108,440)</b>	<b>(66,983)</b>	<b>(175,422)</b>
<b>Void Losses</b>	<b>16,812</b>	<b>147,090</b>	<b>163,902</b>	<b>24,953</b>	<b>106,801</b>	<b>131,754</b>

# HYELM

## Notes to the Financial Statements for the year ended 30 September 2023

3. Operating Surplus/(Deficit)	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
<b>Operating surplus/(deficit) for the year is after charging:</b>				
Depreciation on housing properties	333,930	359,667	333,930	359,667
Depreciation on tangible, owned fixed assets	50,300	33,036	50,300	33,036
	<b>384,230</b>	<b>392,703</b>	<b>384,230</b>	<b>392,703</b>
<b>Auditor's remuneration (excluding VAT)</b>				
Fees payable for financial statements audit	20,100	18,100	20,100	18,100
Fees payable for audit of subsidiaries	2,600	2,475	-	-
<b>Total audit Services</b>	<b>22,700</b>	<b>20,575</b>	<b>20,100</b>	<b>18,100</b>
- Tax compliance services	1,560	1,560	810	810
<b>Total non-audit services</b>	<b>1,560</b>	<b>1,560</b>	<b>810</b>	<b>810</b>
<b>4. Interest receivable and other income - Group and Association</b>				
	<b>2023</b>	<b>2022</b>		
	£	£		
Interest receivable and similar income	438,023	49,224		
Less: Notional RCGF interest (note 16)	-	-		
	<b>438,023</b>	<b>49,224</b>		
<b>5. Interest and financing costs - Group and Association</b>				
	<b>2023</b>	<b>2022</b>		
	£	£		
Loans and bank overdrafts	328,536	339,059		
Amortisation of loan issue costs	1,400	1,400		
Notional RCGF interest (note 16)	99,561	18,444		
	<b>429,497</b>	<b>358,903</b>		

# HYELM

## Notes to the Financial Statements for the year ended 30 September 2023

### 6. Employees – Group and Association

	<b>2023 Number</b>	<b>2023 FTE</b>	<b>2022 Number</b>	<b>2022 FTE's</b>
Average monthly employees (including the Chief Executive) and expressed as full-time equivalents based on 35 hour week	<u><b>7</b></u>	<u><b>6.6</b></u>	<u><b>6.5</b></u>	<u><b>6.1</b></u>
Administration	4	3.6	4	3.6
Housing	3	3	2.5	2.5
	<u><b>7.0</b></u>	<u><b>6.6</b></u>	<u><b>6.5</b></u>	<u><b>6.1</b></u>

#### Hyelm

	<b>2023</b>	<b>2022</b>
<b>Employee Costs:</b>	<b>£</b>	<b>£</b>
Wages and salaries	214,269	174,988
Social security costs	22,598	20,847
Other pension costs	15,760	13,497
	<u><b>252,627</b></u>	<u><b>209,332</b></u>

#### The Group

	<b>2023</b>	<b>2022</b>
<b>Employee Costs:</b>	<b>£</b>	<b>£</b>
Wages and salaries	300,964	273,227
Social security costs	33,007	30,985
Other pension costs	22,226	19,650
	<u><b>356,197</b></u>	<u><b>323,862</b></u>

### 7. Board members and executive directors – Group and Association

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Emoluments of the Company's Chief Executive & Director of Finance including pension contributions.	<u><b>156,447</b></u>	<u><b>148,053</b></u>
Emoluments of the Chief Executive, who was the highest paid "Director", excluding pension contributions.	<u><b>74,783</b></u>	<u><b>70,745</b></u>
Contributions to the Chief Executive's personal pension plan.	<u><b>5,549</b></u>	<u><b>5,293</b></u>

No members of staff were paid more than £60,000 in the current or previous year other than the Chief Executive (as disclosed above) and the Director of Finance. No emoluments were paid to members of the Board during the year.

Expenses paid during the year to members of the Board amounted to £Nil (2022: £504).

# HYELM

## Notes to the Financial Statements for the year ended 30 September 2023

### 8. Fixed Assets – housing properties – Group

	Housing properties held for letting	Housing properties for letting under construction	Total housing properties
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 October 2022	16,134,648	14,052,245	30,186,893
Work in progress	-	636,281	636,281
Component replacement	-	-	-
Enhancements	-	-	-
<b>At 30 September 2023</b>	<b><u>16,134,648</u></b>	<b><u>14,688,526</u></b>	<b><u>30,823,174</u></b>
<b>Depreciation</b>			
At 1 October 2022	4,005,410	-	4,005,410
Depreciation charged during year	333,930	-	333,930
<b>At 30 September 2023</b>	<b><u>4,339,340</u></b>	<b><u>-</u></b>	<b><u>4,339,340</u></b>
<b>Net book value</b>			
At 30 September 2023	<b><u>11,795,308</u></b>	<b><u>14,688,526</u></b>	<b><u>26,483,834</u></b>
At 30 September 2022	<b><u>12,129,238</u></b>	<b><u>14,052,245</u></b>	<b><u>26,181,483</u></b>

### Fixed assets - housing properties - The Association

	Housing properties held for letting	Housing properties for letting under construction	Total housing properties
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 October 2022	16,134,648	14,176,368	30,311,016
Work in progress	-	646,513	646,513
Component replacement	-	-	-
Enhancements	-	-	-
<b>At 30 September 2023</b>	<b><u>16,134,648</u></b>	<b><u>14,822,881</u></b>	<b><u>30,957,529</u></b>
<b>Depreciation and Impairment</b>			
At 1 October 2022	4,005,410	-	4,005,410
Depreciation charged during year	333,930	-	333,930
<b>At 30 September 2023</b>	<b><u>4,339,340</u></b>	<b><u>-</u></b>	<b><u>4,339,340</u></b>
<b>Net book value</b>			
At 30 September 2023	<b><u>11,795,308</u></b>	<b><u>14,822,881</u></b>	<b><u>26,618,189</u></b>
At 30 September 2022	<b><u>12,129,238</u></b>	<b><u>14,176,368</u></b>	<b><u>26,305,606</u></b>



# HYELM

## Notes to the Financial Statements for the year ended 30 September 2023

### 8. Fixed Assets – housing properties *continued*

#### Expenditure on works to existing properties - The Group and Hyelm

	2023	2022
	£	£
Improvement works capitalised	-	15,377
Components capitalised	-	-
Amounts charged to income and expenditure	-	-
	-	15,377

#### Social housing assistance - The Group and Hyelm

	2023	2022
	£	£
Total accumulated social housing grant received or receivable at 30 September:		
Capital Grant	3,000,000	3,000,000
	<b>3,000,000</b>	<b>3,000,000</b>

#### Housing properties book value net of depreciation

	Group	Association	Group	Association
	2023	2023	2022	2022
	£	£	£	£
Freehold land and buildings	26,483,834	26,618,189	26,181,483	26,305,606

# HYELM

## Notes to the Financial Statements for the year ended 30 September 2023

### 9. Tangible fixed assets - other - The Group and Hyelm

	Furniture & equipment £	Computer equipment £	Total £
<b>Cost at 1 October 2022</b>	678,145	80,765	758,910
Additions	238,273	56,176	294,449
<b>Cost at 30 September 2023</b>	<b><u>916,418</u></b>	<b><u>136,941</u></b>	<b><u>1,053,359</u></b>
<b>Depreciation at 1 October 2022</b>	626,955	55,669	682,624
Charged during year	36,618	13,682	50,300
Eliminated on Disposal	-	-	-
<b>Depreciation at 30 September 2023</b>	<b><u>663,573</u></b>	<b><u>69,351</u></b>	<b><u>732,924</u></b>
<b>Net book value:</b>			
<b>At 30 September 2023</b>	<b><u>252,845</u></b>	<b><u>67,590</u></b>	<b><u>320,435</u></b>
<b>At 1 October 2022</b>	<b><u>51,190</u></b>	<b><u>25,096</u></b>	<b><u>76,286</u></b>

### 10. Costs associated with Fire Safety works

	2023 £	2022 £
Fire Safety Costs	567,123	366,270
<b>Loss in respect of Fire Safety Works</b>	<b><u>567,123</u></b>	<b><u>366,270</u></b>

### 11. Investments

	Group		Association	
	2023 £	2022 £	2023 £	2022 £
Investment in subsidiary	-	-	100,000	100,000
	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>100,000</u></b>	<b><u>100,000</u></b>

Arthur West House Limited is a wholly owned subsidiary of Hyelm. At the 30 September 2023 Hyelm held 100,000 ordinary shares of £1 each (2020: £100,000).

# HYELM

## Notes to the Financial Statements for the year ended 30 September 2023

12. Debtors	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
<b>Due within one year</b>				
Rent and service charge receivable	81,988	54,088	81,988	54,088
Provision for bad and doubtful debts	(74,424)	(45,860)	(74,424)	(45,860)
	7,564	8,228	7,564	8,228
Other debtors	3,146	47,217	3,146	3,917
Due from subsidiary	-	-	34,297	32,537
Prepayments	45,281	29,462	45,281	29,462
VAT due	21,376	6,136	-	-
Accrued income	38,827	6,428	38,827	6,428
<b>Total debtors</b>	<b>116,195</b>	<b>97,471</b>	<b>129,115</b>	<b>80,572</b>

### 13. Creditors amounts falling due within one year - The Group and Hyelm

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Recycled capital grant fund (note 16)	2,504,615	2,405,054	2,504,615	2,405,054
Debt (note 17)	177,874	170,891	177,874	170,891
Loan issue costs	-	-	-	-
Trade creditors	119,431	57,254	105,548	57,254
Rent and service charges paid in advance	38,298	37,864	38,298	37,864
Due to subsidiary (note 24)	-	-	109,587	112,801
Deferred capital grant (note 15)	60,000	60,000	60,000	60,000
Other taxation and social security	15,660	16,267	15,660	16,267
Other creditors	3,546	6,130	3,546	6,130
Accruals and deferred income	103,298	2,054,805	95,655	2,047,162
	<b>3,022,722</b>	<b>4,808,265</b>	<b>3,110,783</b>	<b>4,913,423</b>

### 14. Creditors falling due after more than one year - The Group and Hyelm

	2023	2022
	£	£
Debt (note 17)	5,714,269	5,892,716
Loan issue costs (note 17)	(16,858)	(18,258)
Deferred capital grant (note 15)	2,072,466	2,132,466
	<b>7,769,877</b>	<b>8,006,924</b>

# HYELM

## Notes to the Financial Statements for the year ended 30 September 2023

### 15. Deferred capital grant – Group and Association

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
At 1 October 2022	2,192,466	2,252,466
Released to income in year	(60,000)	(60,000)
<b>At 30 September 2023</b>	<b><u>2,132,466</u></b>	<b><u>2,192,466</u></b>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Amounts to be released within one year	60,000	60,000
Amounts to be released in more than one year	2,072,466	2,132,466
	<b><u>2,132,466</u></b>	<b><u>2,192,466</u></b>

The deferred capital grant relates to the New North Road property and may be repayable in full should the property be sold.

### 16. Recycled capital grant fund – Group and Association

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
At 1 October 2022	2,405,053	2,386,609
Interest accrued (note 4)	99,561	18,444
	<b><u>2,504,614</u></b>	<b><u>2,405,053</u></b>
Repayment of grant	-	-
<b>At 30 September 2023</b>	<b><u>2,504,614</u></b>	<b><u>2,405,053</u></b>

The recycled capital grant arose in the year ended 30 September 2015 on the sale of Arthur West House.

# HYELM

## Notes to the Financial Statements for the year ended 30 September 2023

### 17. Debt analysis – Group and Association

	2023	2022
	£	£
<b>Due within one year</b>		
Bank loans	177,874	170,891
Less: issue costs	-	-
	<b>177,874</b>	<b>170,891</b>
 <b>Due after more than one year</b>		
Bank loans	5,714,269	5,892,716
Less: issue costs	(16,858)	(18,258)
	<b>5,697,411</b>	<b>5,874,457</b>

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 repayments having commenced during the year to 15 October 2013.

	2023	2022
	£	£
Within one year or on demand	177,874	170,891
One year or more but less than two years	291,641	177,874
Two years or more but less than five years	976,852	924,965
Five years or more	4,428,918	4,771,618
	<b>5,875,285</b>	<b>6,045,348</b>

### 18. Designated fund – Group and Association

The Group holds funds designated for development expenditure and for supporting non-accommodation activities for residents such as recreational and social activities. Any surpluses generated are returned to the fund.

	<b>£</b>	
Balance at 1 October 2021	97,937	
Transfers in year	-	
<b>Balance at 30 September 2022</b>	<b>97,937</b>	
 Transfers in year	-	
<b>Balance at 30 September 2023</b>	<b>97,937</b>	

# HYELM

## Notes to the Financial Statements for the year ended 30 September 2023

### 19. Endowment fund – Group and Association

The endowment fund held by The Group is the original endowment to The Ames House Trust to which trading surpluses/deficits and investment gains/losses have been added over the years, together with the proceeds from properties sold.

	<b>£</b>
Balance at 1 October 2021	6,108,483
Surplus for the year	<u>1,998</u>
<b>Balance at 30 September 2022</b>	<b><u>6,110,481</u></b>
Surplus for the year	<u>134,142</u>
<b>Balance at 30 September 2023</b>	<b><u><u>6,244,623</u></u></b>

### 20. Consolidated cash flow from operating activities

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>(Deficit) / Surplus for the year</b>	(288,920)	3,299,923
<b><i>Adjustments for non-cash items</i></b>		
Depreciation/impairment of tangible fixed assets	384,230	392,703
Abortive development costs	(364,444)	(106,350)
(Increase)/decrease in debtors	(18,724)	62,893
(Decrease) / increase in creditors	207,473	1,965,693
Government grants utilised in the year	(60,000)	(60,000)
<b>Net cash generated from operating activities</b>	<b><u>(140,385)</u></b>	<b><u>5,554,862</u></b>

### 21. Capital commitments

The Board have agreed to a programme of remedial fire safety and refurbishment works for the Old Street building. This work is being done on a floor by floor basis and at the year end capital commitments totalling £103,414 had been entered into in respect of these works.

The company had no operating lease commitments at 30 September 2023 (2022: £NIL).

### 22. Post balance sheet events

There are no post balance sheet events to report.

# HYELM

## Notes to the Financial Statements for the year ended 30 September 2023

### 23. Legislative provisions

Hyelm is incorporated under the Companies Act.

### 24. Related parties

Arthur West House limited is a wholly owned subsidiary of Hyelm, a charitable company registered in England and Wales. Hyelm is considered to be the ultimate controlling party. The sum of £109,587 excluding VAT (2022: £112,801) was due to Arthur West House Limited at the end of the financial year in respect of development services provided during the year. The sum of £34,297 was due from Arthur West House Limited in relation to services provided by HYELM to Arthur West House Limited.

### 25. Financial instruments

	<b>Group</b>		<b>Association</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Carrying amount of financial assets measured at amortised cost	<b><u>70,914</u></b>	<b><u>148,098</u></b>	<b><u>83,834</u></b>	<b><u>159,010</u></b>
Carrying amount of financial liabilities measured at amortised cost	<b><u>6,178,157</u></b>	<b><u>6,445,953</u></b>	<b><u>6,266,218</u></b>	<b><u>6,516,533</u></b>

### 26. Operating leases

Residents in Hyelm's properties enter into assured shorthold tenancy agreements with a minimum length of six months. In addition to the residential accommodation provided, Hyelm has leased office accommodation to third parties.

	<b>Group</b>		<b>Association</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Not later than 1 year	<u>30,410</u>	<u>67,716</u>	<u>30,410</u>	<u>67,716</u>
	<b><u>30,410</u></b>	<b><u>67,716</u></b>	<b><u>30,410</u></b>	<b><u>67,716</u></b>

This note shows the committed income under operating lease contracts expected to be earned post year end by Hyelm.