

# Brighton & Hove Seaside Community Homes Limited

TRUSTEES'/DIRECTORS' REPORT  
AND FINANCIAL STATEMENTS

for the year ended

31 March 2024



# Brighton & Hove Seaside Community Homes Limited

## LEGAL AND ADMINISTRATIVE INFORMATION

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### DIRECTORS

J D Allen  
C J Carlisle (Chair)  
C I El-Shabba  
L J Holden  
M A Jasper  
E M Loughran  
C Moquet  
K M Pickett  
P S Woodgate

CHIEF EXECUTIVE OFFICER     S Bulbeck

COMPANY NUMBER                06861227

CHARITY NUMBER                1133436

REGISTERED OFFICE  
AND OPERATIONS ADDRESS     Unit F, Hove Technology Centre  
St Joseph's Close  
Hove  
East Sussex  
BN3 7ES

AUDITOR                         Chariot House Limited,  
44 Grand Parade  
Brighton  
East Sussex  
BN2 9QA

SOLICITORS                      Trowers & Hamlin  
3 Bunhill Row  
London  
EC1Y 8YZ

BANK                              Santander UK Plc  
2 Triton Square  
Regent's Place  
London  
NW1 3AN

FINANCIAL ADVISORS           RSM Corporate Finance LLP  
6<sup>th</sup> Floor  
25 Farringdon Street  
London  
EC4A 4AB

# Brighton & Hove Seaside Community Homes Limited

## TRUSTEES' AND DIRECTORS' REPORT

For the year ended 31 March 2024

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The trustees, who are also directors of the charity for the purposes of the Companies Act, present their annual report and the financial statements for the year ended 31 March 2024.

The trustees confirm that these accounts comply with current statutory requirements, the Financial Reporting Standard applicable in the U.K. and Republic of Ireland (FRS102) (effective from 1 January 2019) following the Charities SORP, and with the terms of the company's Memorandum and Articles of Association under which it is governed. The trustees have had due regard to the public benefit guidance published by the Charity Commission.

### STRUCTURE

The charity is a company limited by guarantee and registered under the Companies Act 2006, registration number 06861227, and is governed by a Memorandum and Articles of Association that determine its legal framework. It is a registered charity, number 1133436. The company was incorporated on 27 March 2009 and is registered in England and Wales. It was registered as a charity on 4 January 2010. The charity is a Public Benefit Entity.

### TRUSTEES

The following trustees have held office since 1 April 2023:

J D Allen	(Appointed 30/06/23)
C J Carlisle	
C I El-Shabba	
L J Holden	(Appointed 12/05/23)
M A Jasper	(Appointed 12/05/23)
E L Loughran	(Appointed 19/06/23)
M B Mears	(Resigned 12/06/23)
C Moquet	
A Phillips	(Resigned 1/6/23)
K M Pickett	(Appointed 06/07/23)
G Williams	(Resigned 18/4/23)
P S Woodgate	

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### BOARD OF TRUSTEES (DIRECTORS)

The board of trustees is responsible for the strategic direction, governance, and performance monitoring of the organisation. It meets six times per year. Under the requirements of the Memorandum and Articles of Association, board members are comprised of Brighton & Hove City Councillors, Council Tenants, and Independents. To be quorate there must be at least five board members present when board decisions are made. The day-to-day management of the organisation is delegated to the Chief Executive.

#### RECRUITMENT AND APPOINTMENT OF TRUSTEES (DIRECTORS)

Councillor board members are appointed by Brighton & Hove City Council (BHCC). The council has the right to appoint and remove the council board members independent of any rights council company members may have. Council Tenants may serve three terms of three years. They are elected to the board as a result of selection by council tenant area panels. Independents are recruited by way of open advertisement and may serve three terms of three years. They are recruited for their technical expertise in relevant areas such as housing, law, development, finance, and human resources. All trustees receive an induction briefing with reference to relevant documents including external guidance and are encouraged to attend training in relation to their responsibilities as a trustee. All trustees give their time voluntarily and receive no benefits.

# Brighton & Hove Seaside Community Homes Limited

## TRUSTEES' AND DIRECTORS' REPORT

For the year ended 31 March 2024

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### REMUNERATION OF SENIOR STAFF

The pay of senior staff is set by the board of trustees. In view of the nature of the charity, the complexity of its financial model and the expertise required, the trustees benchmarked against senior housing roles in the public sector.

### PARTNERSHIPS

The company works in partnership with Brighton & Hove City Council to deliver services that effectively address homelessness in Brighton & Hove. The partnership is a key factor in the success of the organisation so far and is essential to continuing provision of suitable sub-market rented housing for homeless people.

### PUBLIC BENEFIT

The Charities Act 2011 requires all charities to consider explicitly how their charitable aims are carried out for the public benefit. The board of trustees must:

- ensure that they carry out the aims of Brighton & Hove Seaside Community Homes for the public benefit;
- have regard to the Charity Commission's guidance on public benefit; and
- report on Brighton & Hove Seaside Community Homes' public benefit in the trustees' annual report.

The board of trustees has considered these requirements alongside the company's charitable purpose and its activities, all of which are detailed in this report. It is satisfied that the company has charitable aims that are carried out for the public benefit, in particular:

- the benefits to individuals and families are clear and in line with the company's charitable objectives;
- the beneficiaries are entirely appropriate to the aims; and
- there is no private benefit.

### BENEFICIARIES

The company commenced its main activities on 1 November 2011, and at the time of writing this report the company has acquired and refurbished 499 properties, which have been subsequently let to homeless single people or homeless families.

### RISK MANAGEMENT AND INTERNAL CONTROLS

The board of trustees is responsible for ensuring that the company operates effectively and achieves its objectives. The board acknowledge their ultimate responsibility for ensuring that the company has in place a sound system of internal controls that are appropriate to the various business environments in which it operates.

These controls focus on the significant risks that threaten the company's ability to meet its objectives and provide reasonable assurance with respect to:

- the reliability of key information and performance indicators used within the company or for publication;
- the maintenance of proper records;
- the safeguarding of assets against unauthorised use or disposal; and
- the company's compliance with relevant laws and regulations.

The board are confident that procedures are in place that effectively identify risks that might prevent the company achieving its objectives and that these procedures manage such risks and mitigate their effects. The company has management arrangements, resources, skills, and systems that are appropriate to the circumstances, scale and scope of its operations and ensures that its activities are backed by proper systems of assurance for internal control.

The major risks, to which the company is exposed, as identified by the trustees, have been reviewed and systems or procedures have been established to manage those risks.

The company's risk management and risk identification activities provide assurance that the company is focusing on and identifying the key risks that threaten the attainment of the company's business objectives. Activities comprise:

# Brighton & Hove Seaside Community Homes Limited

## TRUSTEES' AND DIRECTORS' REPORT

For the year ended 31 March 2024

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- the maintenance of a risk register
- an annual review of financial controls
- a quarterly review of the principal risks and uncertainties that the company faces;
- the establishment of policies, systems, and procedures to mitigate those risks; and
- the implementation of procedures designed to minimise or manage any potential impact on the company should those risks materialise.

These activities have identified that the key financial risk for the company is meeting its loan covenants set out in its Facility Agreement. The key element of managing this risk is close monitoring and review of the company's performance against the financial model agreed with its lender, by senior management and financial advisors, ensuring that there are sufficient funds to cover the company's future financial commitments.

Attention has also been focussed on non-financial risks arising from Health & Safety responsibilities. These risks are managed by monitoring the performance of the managing agent through key performance indicators to ensure compliance with Health & Safety legislation. Specifically focussing on Gas Safety, Electrical Safety, Fire Safety, Asbestos Management, Legionella Management and Damp, Mould & Condensation.

The board recognises that performance indicators have an important role in assurance by allowing the board to assess whether the organisation is meeting its objectives. Key performance indicators are reported to board meetings.

### OBJECTIVES AND ACTIVITIES

#### PRINCIPAL ACTIVITIES

The principal activities of the company are the redevelopment and refurbishment of empty properties and the ongoing provision of sub-market rented accommodation for homeless people or those threatened with homelessness.

The company has achieved and continues to seek to achieve these objectives by raising investment, leasing council stock in need of refurbishment; refurbishing it to Decent Homes Standards and then utilising it for the purposes of the charitable objectives of the company as set out below. BHCC have been able to re-invest the capital receipt received for the leases into refurbishing 100% of its own housing stock up to Decent Homes Standards.

#### CHARITABLE OBJECTIVES

The objects for which the company is established are:

- to provide for rent houses or hostels and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means;
- to provide for aged, disabled (whether mentally or physically) or chronically sick persons in need thereof houses or hostels and any associated amenities specifically designed or adapted to meet the disabilities and requirements of such persons;
- to provide services, advice or assistance upon terms appropriate to their means to aged, disabled (whether mentally or physically) or chronically sick persons in need thereof and providing any associated amenities specially designed or adapted to meet the disabilities and requirements of such persons;
- the relief of poverty amongst the residents of the local authority area in which the company owns or manages housing stock;
- the advancement of education, training or retraining, particularly among unemployed people and providing unemployed people with work experience; and
- the maintenance, improvement or provision of public amenities for the public benefit in the interests of regeneration in areas of social and economic deprivation in the administration area of the council.

#### EQUALITIES AND INCLUSION

The company operates equal opportunity policies and procedures in all aspects of its work. By implementing these policies and procedures the company seeks to ensure that it does not discriminate against any person or other organisation on the grounds of race, disability, nationality, gender, sexuality, age, religion, responsibility for

# Brighton & Hove Seaside Community Homes Limited

## TRUSTEES' AND DIRECTORS' REPORT

For the year ended 31 March 2024

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dependents, unrelated criminal activities, being HIV positive or having AIDS status, or any other matters which cause a person to be treated with injustice.

The company seeks to follow best professional practice in relation to equal opportunities and to comply with all relevant legislation as well as statutory and other official guidance and codes of practice.

### ACHIEVEMENTS AND PERFORMANCE

The company commenced its main activities on 1 November 2011 when it leased its first batch of sixty-one properties. Since that time, it has leased, refurbished, and brought back into use four hundred and ninety-nine empty homes, many of which were a blight on the community, attracting anti-social behaviour and vandalism. The initial investment of £28.5M brought all company housing up to Decent Homes Standards and the capital receipt received by BHCC allowed the council to do the same with its own housing stock.

The leasing and refurbishment of these properties provides a good quality, home for local single people and families who may otherwise be housed in unsuitable temporary accommodation, or in Bed & Breakfast, or in either of these outside of Brighton & Hove, away from a household's support networks and services such as GP's and local schools. All the company's properties are let at sub-market rents and are self-contained, meaning beneficiaries do not have to share bathroom and cooking facilities with other households.

The company is the largest residential leaseholder of council properties in the city and provides over 25% of the temporary housing used by BHCC for people in housing need. It has housed 1,467 households since trading began, and successfully moved-on 107 tenants into social housing in 2023/24. The average length of stay for these tenants was three years and five months.

The company has appointed a managing agent to manage the properties on its behalf and agreed a set of key performance indicators to ensure its service is delivered to a high standard. These are provided and reviewed on a monthly and quarterly basis.

### FINANCIAL REVIEW

The company's principal financial instruments comprise bank balances, trade debtors, trade creditors and loans to the company. The main purpose of these instruments is to finance the company's operations.

The company received £5,294,240 (2023: £5,160,484) in revenue and had £5,456,705 (2023: £5,332,059) outgoings in 2023/24, and the result of the year was net expenditure of £162,465 (2023: £171,575).

The company has a forty-year business plan to cover the financing and management of its current leasing programme. While the company currently has a deficit of reserves this will gradually reverse in line with the projections from the detailed financial model which underpins the forty-year business plan, and a significant surplus is anticipated at the end of the project. The trustees are pleased to report that the business plan and the financing arrangement with Santander indicate appropriate funding for the company to operate.

As a result of the assurance given by the robust financial forecast within the detailed financial model (which is subject to additional external review and auditing) the board are satisfied that the company has adequate resources to continue to operate for the foreseeable future. On this basis the principle of a going concern has been operated in the preparation of the financial statements.

### RESERVES POLICY

The long-term financial plan and projections prepared have anticipated reserves, although these are in deficit at present and will be for some time to come. However, the board is keen to designate part of the charity's cash funds to be used for cash reserves and in the light of the main risks to the organisation has decided to set aside three months overheads and operating costs plus redundancy costs for such a purpose. The generation of these reserves will enable the charity to continue to support the delivery of organisational objectives providing working capital funding for running costs as well as a buffer for unforeseen expenditure, variations in cash flow which will ensure that the company can continue service the debt and comply with all debt covenants.

# Brighton & Hove Seaside Community Homes Limited

## TRUSTEES' AND DIRECTORS' REPORT

For the year ended 31 March 2024

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### FUTURE PLANS

Having completed its programme to lease and refurbish properties for the use by homeless single people and homeless families, the company's focus is concentrated on ensuring the success of the programme in terms of ongoing quality of accommodation and service delivery, tenant engagement in terms of improving their environments and well-being, and on consolidating its partnership work and relationships with its key stakeholders. Future strategic direction will see the company focus its efforts on acquiring further properties to meet housing need in the Brighton & Hove area. It has produced a set of proposals for consideration by its key stakeholder and remains open to further opportunities to provide other services within its charitable objects. However, future plans to acquire further properties have been, and are likely to continue to be delayed by, the decision-making processes and timescales of stakeholders and institutions, access to finance and possibly property market conditions.

In addition to its core activity the company continues to strengthen its infrastructure and capacity to ensure sufficient support and systems are in place to further its charitable objects.

The company is also focused on ensuring that tenants are provided with a meaningful voice. Tenant Engagement activities aim to enable tenants to scrutinise and feedback on the services they receive, participate in activities that enrich their lives, and provide opportunities for training, improving their environments and increasing their well-being.

Additionally the company maintains a clear focus on the health & safety of its tenants, ensuring that the company and its managing agent take all necessary steps to comply with legislation and good practice in the management and provision of its homes.

The coming year will see the company invest in providing Housing-Related Support for tenants impacted by the welfare-benefit cap with a view to mitigating its impact on households.

### TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Brighton and Hove Seaside Community Homes Limited for the purposes of company law) are responsible for preparing the Trustees' and Directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, of the company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 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.



# Brighton & Hove Seaside Community Homes Limited

## TRUSTEES' AND DIRECTORS' REPORT

For the year ended 31 March 2024

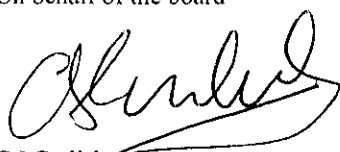
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### STATEMENT OF DISCLOSURE TO AUDITOR

The directors who are in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

On behalf of the board



C J Carlisle

DIRECTOR/TRUSTEE

Date: 28<sup>th</sup> August 2024

# REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BRIGHTON & HOVE SEASIDE COMMUNITY HOMES LIMITED

## Opinion

We have audited the financial statements of Brighton & Hove Seaside Community Homes Limited (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## 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 Auditors responsibilities for the audit of the 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 sufficient 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

## Opinion 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BRIGHTON & HOVE SEASIDE COMMUNITY HOMES LIMITED

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

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 a Report of the Independent Auditors 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 the 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:

Based on our understanding of the charity and its activities, and through discussion with the trustees and management, we identified the principal risks of material misstatement both at the financial statement level and at the assertion level.

We considered these risks in the light of various factors including the level of complexity, subjectivity, uncertainty, potential management bias, fraud, materiality and any other relevant factors. We considered the extent to which these would have a material impact on the financial statements and designed our audit work accordingly. Our procedures included the following:

- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud, and reviewed significant or unusual transactions to identify their underlying supporting rationale
- We inspected the minutes of meetings of those charged with governance, and made direct enquiries of management and the board of trustees concerning the charity's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates were indicative of a potential bias and tested significant transactions that were unusual or those outside the normal course of business.

# REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BRIGHTON & HOVE SEASIDE COMMUNITY HOMES LIMITED

We also

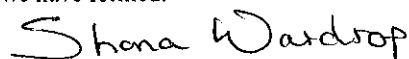
- Discussed and reviewed the charity's business model and forward planning to assess going concern
- communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- Carried out substantive testing on income and expenditure
- Re-performed reconciliations of control accounts, and recalculated items such as depreciation

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of management bias by the trustees that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

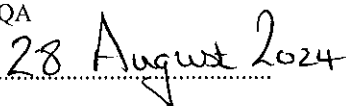
## Use of our report

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Shona Wardrop CA (Senior Statutory Auditor)  
for and on behalf of Chariot House Limited  
Chartered Accountant and Statutory Auditor  
44 Grand Parade  
Brighton  
East Sussex  
BN2 9QA

Date:



# Brighton & Hove Seaside Community Homes Limited

## STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2024

	Notes	2024 £	2023 £
INCOME AND ENDOWMENTS FROM:			
Charitable activities		5,121,028	5,108,291
Investment Income		173,212	52,193
	15	<u>          </u>	<u>          </u>
Total		5,294,240	5,160,484
EXPENDITURE ON:			
Charitable activities	11	(5,456,705)	(5,332,059)
		<u>          </u>	<u>          </u>
NET EXPENDITURE		(162,465)	(171,575)
RECONCILIATION OF FUNDS:			
TOTAL FUNDS BROUGHT FORWARD		(7,092,409)	(6,920,834)
		<u>          </u>	<u>          </u>
TOTAL FUNDS CARRIED FORWARD		(7,254,874)	(7,092,409)
		<u>          </u>	<u>          </u>

The deficit for the year arises from the charitable company's continuing operations.

The statement of financial activities includes all gains and losses recognised in the year.

# Brighton & Hove Seaside Community Homes Limited

## BALANCE SHEET

As at 31 March 2024

Company Registration No. 06861227

	Notes	2024 £	2023 £
FIXED ASSETS			
Tangible assets	3	20,728,138	21,497,847
CURRENT ASSETS			
Debtors	4	764,124	765,780
Cash at bank and in hand		4,623,261	4,387,499
		<u>5,387,385</u>	<u>5,153,279</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	5	(810,256)	(712,312)
NET CURRENT ASSETS		<u>4,577,129</u>	<u>4,440,967</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		25,305,267	25,938,814
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	6	(32,560,141)	(33,031,223)
NET LIABILITIES		<u>(7,254,874)</u>	<u>(7,092,409)</u>
UNRESTRICTED FUNDS			
Deficiency		<u>(7,254,874)</u>	<u>(7,092,409)</u>
TOTAL DEFICIENCY	8	<u>(7,254,874)</u>	<u>(7,092,409)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 11 to 20 were approved by the board of directors and authorised for issue on 28<sup>th</sup> August 2024 and are signed on its behalf by:

C J Carlisle

DIRECTOR/TRUSTEE



# Brighton & Hove Seaside Community Homes Limited

## STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

		2024	2023
	Note	£	£
CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	13	603,252	605,213
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of fixed assets		-	(802)
CASH USED IN INVESTING ACTIVITIES		-	(802)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayments of borrowing		(367,490)	(342,204)
Cash inflows from new borrowing		-	-
NET CASH PROVIDED BY FINANCING ACTIVITIES		(367,490)	(342,204)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD		235,762	262,207
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD		4,387,499	4,125,292
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD		4,623,261	4,387,499

# Brighton & Hove Seaside Community Homes Limited

## ACCOUNTING POLICIES

For the year ended 31 March 2024

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### BASIS OF ACCOUNTING

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The functional currency of the company is pounds sterling because that is the currency of the economic environment in which it operates. All figures have been rounded to the nearest pound.

As the company has net liabilities, the directors have considered whether it is appropriate to prepare the financial statements on the basis that the company is a going concern. As long-term funding has been secured, the directors consider it appropriate to adopt the going concern basis for the preparation of its financial statements.

### INCOMING RESOURCES

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Rental Income is accounted for on the basis of monies receivable during the year.

Interest income is recognised when it is probable that the economic benefits will flow to the charity and the amount of revenue can be measured reliably.

### TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	Over the life of the lease
Computer equipment	3 years on a straight-line basis
Furniture, fixtures and fittings	3 years on a straight-line basis

Depreciation is calculated for a full year in the year of acquisition of the asset.

Small items of equipment under £250 in cost are not capitalised and are written off in the year of purchase.

### OPERATING LEASES

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

### RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. All expenditure including support costs and governance costs are allocated or apportioned to the applicable expenditure headings, as noted below:

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office and governance costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they are allocated on a basis consistent with the use of the resources.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees. Where they cannot be directly attributed to particular headings they are allocated on a basis consistent with the use of the resources.

### VAT

As the company's turnover consists of rental income which is exempt from VAT the company is unable to recover VAT suffered on expenditure. The expenditure headings are shown net of VAT while irrecoverable VAT is included in total under its own expenditure heading.



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## ACCOUNTING POLICIES

For the year ended 31 March 2024

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### LIABILITIES

Liabilities are classified according to the substance of the contractual arrangement entered into and are stated at their nominal amount.

### FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost.

### CASH AT BANK AND IN HAND

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### DEVELOPMENT COSTS

Costs of legal and professional fees will be capitalised where they are directly attributable to the organisation's initial programme of transfer of properties from Brighton & Hove City Council.

Legal and professional fees and other costs incurred in the running of the company are not capitalised to the cost of the properties but written off in the period the costs are incurred.

### PENSION CONTRIBUTIONS

The charity makes pension contributions on behalf of eligible employees into personal pension plans. The charity's contribution is restricted to the contributions disclosed in Note 7.

### FUND ACCOUNTING

The charity has no restricted or endowment funds. All funds are, therefore, unrestricted and can be used in accordance with the charitable objects at the discretion of the trustees.

# Brighton & Hove Seaside Community Homes Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

1	NET OUTGOING RESOURCES FOR THE YEAR	2024	2023
		£	£

Net outgoing resources is stated after charging:

Depreciation of tangible assets

- Owned assets	2,012	2,098
- Leased assets	767,697	767,697
Operating lease rentals	9,914	9,540

## 2 TAXATION

The company is a registered charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

## 3 TANGIBLE FIXED ASSETS

	Leasehold Land and buildings	Computer equipment etc.	Total
	£	£	£
<b>COST</b>			
At 1 April 2023	29,498,181	33,179	29,531,360
Additions	-	-	-
Disposals	-	-	-
At 31 March 2024	29,498,181	33,179	29,531,360
<b>DEPRECIATION</b>			
At 1 April 2023	8,002,677	30,836	8,033,513
Charge for the year	767,697	2,012	769,709
Disposals	-	-	-
At 31 March 2024	8,770,374	32,848	8,803,222
<b>NET BOOK VALUE</b>			
At 31 March 2024	20,727,807	331	20,728,138
At 31 March 2023	21,495,504	2,344	21,497,847

4	DEBTORS	2024	2023
		£	£
	Trade debtors	391,773	391,773
	Other debtors and prepayments	372,351	374,007
		764,124	765,780

# Brighton & Hove Seaside Community Homes Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

5	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2024	2023
		£	£
	Trade creditors	206,192	208,806
	Taxation and social security	-	-
	Other creditors	134,616	137,650
	Loan - Santander	469,448	365,856
		<u>810,256</u>	<u>712,312</u>
6	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2024	2023
		£	£
	Other creditors - Brighton and Hove City Council	2,266,508	2,268,142
	Loan - Santander	30,293,633	30,763,081
		<u>32,560,141</u>	<u>33,031,223</u>
	An analysis of the maturity of Loan - Santander is given below:	2024	2023
		£	£
	Amounts falling due in more than one year, but less than two years:	<u>581,808</u>	<u>469,448</u>
	Amounts falling due between two and five years:	<u>2,516,625</u>	<u>2,120,655</u>
	Amounts falling due in more than five years:	<u>27,195,200</u>	<u>28,172,978</u>

The other creditors due to the Brighton and Hove City Council are repayable when funds become available which as a result of current cash flow forecasts will not be within twelve months of the date of the approval of these financial statements.

Brighton and Hove Seaside Homes has a 30-year fixed rate loan facility with Santander which commenced in September 2011. This is accounted for as basic financial instrument. This is secured by a fixed and floating charge on the assets of the company. The amount of the loan was £33 million, which was drawn down over a five-year period. Capital repayments commenced in September 2017 with repayment in full by 31 March 2041. The company is currently paying fixed interest at a rate of 6.1% which will increase to 6.25% in October 2031 until the end of the loan period.

# Brighton & Hove Seaside Community Homes Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

### 7 PENSION AND OTHER POST-RETIREMENT BENEFIT COMMITMENTS

#### DEFINED CONTRIBUTION

	2024	2023
	£	£
Contributions payable by the company for the year	27,538	25,910

### 8 LIABILITIES OF MEMBERS

Under clause 6 of the Memorandum of Association, every Company Member undertakes to contribute such amount as may be required (not exceeding £1) to the Company's assets if it should be wound up while he/she is a Member or within one year after he/she ceases to be a Member, for payment of the Company's debts and liabilities contracted before he/she ceased to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves.

### 9 FINANCIAL COMMITMENTS

At 31 March 2024 the company was committed to making the following future minimum lease payments under non-cancellable operating leases.

	Equipment		Land and Buildings	
	2024	2023	2024	2023
	£	£	£	£
Operating leases which expire:				
Not later than one year	385	1,540	8,000	7,101
Between two and five years	0	385	14,667	0

### 10 RELATED PARTY TRANSACTIONS

	2024	2023
	£	£
Short term creditors owing to Brighton & Hove City Council at the year end	199,969	192,909
Amounts received from Brighton & Hove City Council on the company's behalf in the year	634,497	450,237
Long term creditors owing to Brighton & Hove City Council at the year end	2,266,508	2,268,142
Rental income received in the year from Brighton & Hove City Council as managing agents	5,121,028	5,108,291
Charges in the year from Brighton & Hove City Council for management fees	2,357,272	2,274,099
Repayment of Available Monies to Brighton and Hove City Council	636,131	521,975

There are currently three directors of the company who are also council members of the Brighton and Hove City

# Brighton & Hove Seaside Community Homes Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

11 EXPENDITURE ON CHARITABLE ACTIVITIES	2024	2023
	£	£
Property management fees (See note 10)	2,357,272	2,274,099
Support costs	249,886	212,618
Depreciation	769,709	769,796
Office and general overheads	92,183	80,288
Legal and professional fees	76,144	55,907
Finance costs (Santander Loan)	1,900,792	1,929,789
Audit fee	10,719	9,562
	<u>5,456,705</u>	<u>5,332,059</u>

12 STAFF COSTS AND TRUSTEES' REMUNERATION	2024	2023
	£	£
Salaries	198,807	167,920
Social security	13,472	12,220
Pension contribution	27,538	25,910
	<u>239,817</u>	<u>206,050</u>

The average number of employees for 2024 was 5 (2023: 5) and one employee (2023: one employee) earned more than £60,000, but not more than £100,000.

The total employee benefits of the key management personnel of the charity were £125,264 (2023: £113,760).

None of the Trustees received any emoluments or other payment for their services during either year.

Four trustees were reimbursed expenses during the year of £909 in total (2023: Two trustees, £1,303). These expenses included travelling expenses and stationery.

13 RECONCILIATION ON NET MOVEMENTS IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES	2024	2023
	£	£
Net movement in funds	(162,465)	(171,575)
Add back depreciation charge	769,709	769,796
(Increase)/Decrease in debtors	1,656	18,991
(Decrease)/Increase in creditors	(5,648)	(11,999)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	<u>603,252</u>	<u>605,213</u>

# Brighton & Hove Seaside Community Homes Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

### 14 ANALYSIS OF CHANGES IN NET DEBT

	At start of year	Cash Flows	Other non-cash Changes	At end of year
	£	£	£	£
Cash	4,387,499	235,762	-	4,623,261
Loans falling due within one year	(365,856)	365,856	(469,448)	(469,448)
Loans falling due after more than one year	(33,031,223)	1,634	469,448	(32,560,141)
Total	<u>(29,009,580)</u>	<u>603,252</u>	<u>-</u>	<u>(28,406,328)</u>

### 15 INVESTMENT INCOME

	2024	2023
	£	£
Bank Interest Received	173,212	52,193