

**BRENT CO-EFFICIENT LIMITED**

**REPORT & FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2025**

**COMPANY REGISTRATION NO. 06437388**

**CHARITY REGISTRATION NO. 1205045**

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**BOARD AND ADVISORS****The Board**

Neal Ackral  
Mark Batchelor (Chair)  
John Edwards  
Brett Raymond-Barker  
Guy Flynn (resigned 23 August 2024)

**Secretary**

Zoe Ollerearnshaw (resigned 9 September 2024)  
Melanie O'Riordan (appointed 9 September 2024)

**Registered Office**

30 Park Street  
London  
SE1 9EQ  
Tel: 020 3207 2600  
Web: [www.hyde-housing.co.uk](http://www.hyde-housing.co.uk)

**Bankers**

Barclays Bank Plc  
1 Churchill Place  
London  
E14 5HP

**Independent Auditors**

BDO LLP  
Chartered Accountants and Statutory Auditors  
55 Baker Street  
London  
W1U 7EU

**Internal Auditors**

Beevers & Struthers  
150 Minories  
London  
EC3N 1LS

**Solicitors**

Crowell & Moring  
199 Bishopsgate  
London  
EC2M 3TY

## TRUSTEES' REPORT

### Introduction

The trustees present their Trustees' Report (which includes the Strategic Report and Directors Report) and financial statements for the year ended 31 March 2025, which have been prepared in accordance with the Charities SORP (FRS 102), the Companies Act 2006 and the Charities Act 2011, and applicable accounting standards in the United Kingdom.

### Objectives and activities

The Charitable Company (the "Charity" or "Company") was incorporated as a company limited by guarantee on 26 November 2007 and registered as a charity with the Charity Commission for England and Wales on 3 October 2023. The purpose of Brent Co-Efficient Limited as set out in its memorandum of association is to carry out for the public benefit as follows:

- The business of providing housing, accommodation, and assistance to help house people and associated facilities and amenities and services for poor people or for the relief of aged, disabled, handicapped (whether physically or mentally) or chronically sick people, and
- To further such general charitable objects as may be determined by the Directors.

The Charity is a wholly owned subsidiary of Hyde Housing Association Limited ("the Group" or "Hyde"), a registered provider of social housing. In December 2008, a 20 year agreement was signed with the London Borough of Brent ("the Council") to develop 384 dwellings through a social housing Non-Housing Revenue Account Private Finance Initiative (PFI). This PFI is an alternative to social housing grant-funded development. Of the 384 dwellings, 20 were developed for the Council with the remaining 364 dwellings remaining in the ownership of Hyde.

A financial model was established in accordance with the agreement at the time the Charity began trading. In accordance with the financial model, turnover is recognised as proportion of the unitary charge payments and management income in the form of base revenue payments from the Council. The unitary charge is the income received from the Council in return for the Charity managing the construction and subsequently managing the affordable housing dwellings. The base revenue payment is income received from the Council in lieu of rental income which is directly passed on to the Council.

### Financial Review and achievements during the year

Income from charitable activities was £4.6m (2024: £4.0m) and charitable expenditure was £4.0m (2024: £3.6m), with net income before derivative movements of £1.05m (2024: £0.5m) which was aligned with the financial model. Overall profit for the year was £3.1m (2024: Profit £4.8m), which was largely impacted by the valuation of derivative financial instruments.

The Charity has creditors greater than one year of £118.3m (2024: £120.8m) and debtors greater than one year of £120.3m (2024: £122.1m). The senior debt and intercompany loan repayments will be met and offset by amounts due from Hyde Housing Association Limited under the residual value agreement at the end of the agreement. Derivative financial instruments are held at fair value, which were valued at a net £6.3m (2024: £8.1m). The large valuation movements during the year reflects the volatility in valuing long term derivative financial instruments.

As performance was aligned with the financial model, the Charity achieved its objectives for the year, which was to deliver on the PFI contract in partnership with the Council and Hyde. In addition to this financial performance, the Trustees also monitor operational performance against on matters relating to health & safety, building safety, asset management and the relationship with the Council. Performance was in-line with operational objectives for the year.

### Future aims and objectives

The Charity intends to continue the activity of delivering dwellings via a 20-year PFI contract ending in 2028.

### Financial Review

The Statement of Financial Activities for the past two years are summarised below:

	2025 £'000	2024 £'000
<b>Incoming resources</b>		
Incoming resources	12,341	11,871
Resources expended	(11,284)	(10,577)
Fair value movements	2,005	3,500
	<b>3,062</b>	<b>4,794</b>

## TRUSTEES' REPORT (CONTINUED)

### Reserves Policy

Reserves are maintained in line with the expectations of the Financial Model with no separate amount of reserves specified to be separately maintained or deemed to be restricted or designated. Free reserves are working capital amounts which exclude the impact of loans, derivatives and the finance debtor. Net reserves of these amounts was £7,736k (2024: £4,296k). These are considered appropriate to meet working capital arrangements.

Loans (£121,163k) are expected to be offset by the finance debtor (£120,344k) once the financial model ends in 2028. Derivatives (net liability position of £6,066k) will be novated to Hyde Housing Association Limited in 2028. Therefore, these amounts, which contribute to an overall negative reserves position, are excluded from free reserves.

### Investment policy and returns

BCE does not have any investments, nor has any plans to make investments as part of its future plans. As a result, does not have an investment policy.

### Trustees and Managing Director

All appointments to the Trustees and Managing Director are made by the Hyde Group. Two Trustees are independent, the remaining three Trustees and Managing Director are employees of the Hyde Group. The skills and experience of the are a combination of the charity sector, housing operations, finance and contract management. As permitted by the Articles of Association, the Trustees have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Trustees have had regard to the Charity Commission's guidance on public benefit. Trustees undergo relevant training once they are appointed as Trustees. The Trustees and Managing Director are not remunerated for their services. Further details are provided in note 6.

### Risk Management

A risk management process to assess risks to the Charity is in place and risk management strategies have been implemented. This includes delegation of authority and segregation of duties as well as the identification and management of risks. The process involves identifying the types of risks that the Charity faces, prioritising them in terms of potential impact, likelihood of occurrence, and identifying the means of mitigating the risks. As part of this process, the Trustees have reviewed the adequacy of the Charity's current internal controls; compliance with guidelines issued by the Charity Commission. The management accounts are presented to the Board on a quarterly basis and coupled with a direct channel of communication with the Directors. This provides a route for reporting of Significant Incidents. As the Charity's activities relate to the contract management of the properties, risks relate to housing operations that are managed by the Hyde Group. There were no significant risks relating to these operations that require reporting during the year.

### Going Concern

The Charity's core activities are undertaken in accordance with the housing management agreement. The operating result excluding fair value movements is in accordance with the underlying financial model. The Charity also has derivative financial instruments to manage its interest payments on debt. The fair value of the derivative drives the net liability balance sheet position. Neither the debt nor derivatives are due for repayment in the going concern period or before 2028. As the Charity is able to meet its interest payments and other operational debts as they fall due for the foreseeable future and at least 12 months after these financial statements are signed, the Directors believe that preparing the Financial Statements on the going concern basis is appropriate.

### Corporate governance

The Charity falls under the wider corporate governance framework of The Hyde Group. The overall governance of the Group and its subsidiaries is found within the Group's annual report and financial statements, which can be found at [www.hyde-housing.co.uk](http://www.hyde-housing.co.uk).

### The Subsidiary Framework

The Charity's board of management at Brent Co-Efficient comprises of five trustees bringing together professional skills and support from the Group and with independent presence. The Board is responsible for the overall strategy and policy of the Charity and meets formally four times a year to consider and monitor performance.

### Internal controls assurance

The Group Board is ultimately responsible for ensuring the Group and Trust establishes and maintains a system of internal control appropriate to the various business environments in which it operates. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Group's internal controls framework is found within the Group's Annual report and financial statements at [www.hyde-housing.co.uk](http://www.hyde-housing.co.uk).

### Related parties

Hyde Housing Association Limited is the only related party. All transactions with Hyde Housing Association Limited were in the ordinary course of business. Transactions and balances are disclosed in note 19.

## TRUSTEES' REPORT (CONTINUED)

### Statement of trustees' responsibilities

The Directors are responsible for preparing the Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under 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 of the Charity and of the profit or loss of the Charity for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Charity's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Approved by the Board of Trustees and signed on behalf of the Board

A handwritten signature in blue ink, appearing to read 'Mark Bachelor', is enclosed within a thin yellow rectangular border.

Mark Bachelor

Director

Date: 25 September 2025

Company registration no. 06437388

Charity registration no. 1205045

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRENT CO-EFFICIENT LIMITED

### Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2025 and of its incoming resources and application of resources 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.

We have audited the financial statements of Brent Co-Efficient Limited ("the Charitable Company") for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

### 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 the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remain 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.

### Conclusions related 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 Report and Financial Statements, other than the financial statements and our auditor's report 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report, and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

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 misstatement in the Strategic report or the Trustees' report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRENT CO-EFFICIENT LIMITED (CONTINUED)**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities on page 6, 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.

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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

*Extent to which the audit was capable of detecting irregularities, including fraud*

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:

*Non-compliance with laws and regulations*

Based on:

- Our understanding of the Charitable Company and the sector in which it operates;
- Discussion with management and those charged with governance including the Group Audit Committee; and
- Obtaining and understanding of the Charitable Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The Charitable Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be UK tax legislation, Employment Taxes, Health and Safety and the Bribery Act 2010.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Involvement of tax specialists in the audit; and
- Review of financial statement disclosures and agreeing to supporting documentation



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRENT CO-EFFICIENT LIMITED (CONTINUED)***Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance including the Group Audit Committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Charitable Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud;
- Reviewing minutes of meetings of those charged with governance, reviewed internal audit reports and reviewed correspondence with HMRC;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the area most susceptible to fraud to be management override of controls.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Testing a sample of other journal entries throughout the year by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias, including impairment of housing properties, rent arrears provision and CVA/DVA adjustments made to financial instruments

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
D1FB52C82A114D7...

Philip Cliftlands (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

London, UK

Date 25 September 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2025**  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

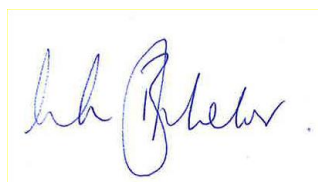
		Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
	Note		
<b>Income from:</b>			
Charitable activities	2	4,644	4,034
Interest Receivable	2	7,697	8,117
<b>Total income</b>		<b>12,341</b>	<b>12,151</b>
<b>Expenditure on:</b>			
Charitable activities	3	(4,027)	(3,572)
Interest Payable		(7,257)	(7,275)
<b>Total Expenditure</b>		<b>(11,284)</b>	<b>(10,847)</b>
Net gains on derivative financial instruments	12	2,005	3,500
<b>Net Income before tax</b>		<b>3,062</b>	<b>4,804</b>
Taxation		-	-
<b>Net Income after tax</b>		<b>3,062</b>	<b>4,804</b>
<b>Net movement in funds</b>		<b>3,062</b>	<b>4,804</b>
Total funds brought forward		(2,211)	(7,015)
<b>Total funds carried forward</b>		<b>851</b>	<b>(2,211)</b>

All gains and losses recognised in the current and prior year are included in the Statement of Financial Activities. All income and expenditure in the current and prior year is derived from continuing activities. All income and expenditure in the current year prior year was unrestricted.

**BALANCE SHEET AT 31 MARCH 2025**

	Note	31 March 2025 £'000	31 March 2024 £'000
Debtors: amounts falling due after more than one year	7	120,344	122,115
<b>Current assets</b>			
Debtors	8	4,483	4,598
Cash at bank and in hand	9	8,468	4,668
Derivative financial asset	12	189	30
<b>Total current assets</b>		<b>13,140</b>	<b>9,296</b>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	10	(8,057)	(4,766)
<b>Net current assets</b>		<b>5,083</b>	<b>4,530</b>
<b>Total assets less current liabilities</b>		<b>125,427</b>	<b>126,645</b>
Creditors: amounts falling due after more than one year	11	(118,321)	(120,755)
Derivative financial liability	12	(6,255)	(8,101)
<b>Total net assets/(liabilities)</b>		<b>851</b>	<b>(2,211)</b>
<b>The funds of the charity</b>			
Unrestricted funds/(deficit)		851	(2,211)
<b>Total charity funds/(deficit)</b>	4	<b>851</b>	<b>(2,211)</b>

The financial statements on pages 10 to 19, which includes the notes to the financial statements, were approved by the Board of Trustees and signed on its behalf.



Mark Bachelor  
Director  
Date: 25 September 2025

Company registration no. 06437388  
Charity registration no. 1205045

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	31 March 2025 £'000	31 March 2024 £'000
<b>Cash flows from operating activities:</b>		
<b>Net income for the reporting period</b>	<b>3,062</b>	<b>4,804</b>
Losses on derivative investments	(2,005)	(3,500)
Decrease on debtors	1,886	1,807
Increase/(Decrease) in payables	2,355	(7,310)
<b>Net cash provided by/(used in) operating activities</b>	<b>5,298</b>	<b>(4,199)</b>
<b>Cash flows from investing activities:</b>	<b>-</b>	<b>-</b>
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities:</b>		
Repayments of borrowings	(1,498)	(1,985)
<b>Net cash (used in) financing activities</b>	<b>(1,498)</b>	<b>(1,985)</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>3,800</b>	<b>(6,184)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>4,668</b>	<b>10,852</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>8,468</b>	<b>4,668</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### Basis of preparation and statement of compliance

The financial statements of Brent Co-Efficient Limited (the "Charity", or "BCE") comply with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102) the Charities SORP (FRS 102) (second edition – October 2019), Charities Act 2011, and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments. The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the financial statements of the Charity. The Charity has taken advantage of the exemption contained in FRS 102 and has not disclosed transactions or balances with entities which form part of the Group.

The Charity is a public benefit entity under FRS 102. The Charity is limited by guarantee and was incorporated in England. The registered office is 30 Park Street, London, SE1 9EQ. The Charity is a subsidiary of Hyde Housing Association Limited, a public benefit entity and a private registered provider of social housing incorporated in the United Kingdom. These financial statements are for the Charity and are presented in pounds sterling.

#### Going Concern

The Charity's core activities are undertaken in accordance with the housing management agreement. The operating result excluding fair value movements is in accordance with the underlying financial model. The Charity also has derivative financial instruments to manage its interest payments on debt. The fair value of the derivative drives the net liability balance sheet position. Neither the debt nor derivatives are due for repayment in the going concern period or before 2028. As the Charity is able to meet its interest payments and other operational debts as they fall due for the foreseeable future and at least 12 months after these financial statements are signed, the Directors believe that preparing the Financial Statements on the going concern basis is appropriate.

#### Income

Income is received from the London Borough of Brent in respect of service concession, is recognised in the period the services are performed, and is allocated between turnover and reduction in the balance of, and interest income on, the Intercompany Finance debtor. Turnover is based as a margin on operating and maintenance costs. Remaining income is allocated to financing costs and reducing the balance of Intercompany Finance debtor.

#### Interest

Interest payable and interest receivable is recognised on a payable or receivable basis in the period the interest relates to respectively. Finance debtor interest income is recognised using the effective interest rate of the debtor balance during the year.

#### Grants payable

There are no Grants paid or received by the Charity.

#### Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

#### Charitable expenditure

Charitable expenditure comprises those costs incurred by the Charity in the delivery of activities and services to its beneficiaries. It includes both costs that can be allocated directly to such activities, and those costs of an indirect nature necessary to support them. It is recognised on an accrual's basis. Support costs are governance costs, that are the statutory audit fees. These are disclosed in note 3. Other support costs, such as employee costs, cannot be separately identified. As governance costs are not material, these are not separately disclosed and allocated to the activities of the Charity.

#### VAT

The Charity's VAT affairs are dealt with under a Group registration in the name of Hyde Housing Association Limited. The Charity recovers a proportion of input VAT. Expenditure is therefore shown inclusive of VAT, to the extent that it is not recoverable, with non-attributable input tax recovered being credited against management expenses.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES (CONTINUED)

#### Funds

Unrestricted funds are held to support the Charity in its future charitable objectives and are represented by the investment and other assets. The unrestricted funds are reviewed annually and include both the designated reserves and the fair value reserve. All funds are unrestricted, no funds are designated.

#### Intercompany Finance debtor

The Intercompany Finance debtor is classified as a service concession arrangement and relates to the initial setup and ongoing capital expenditure as permitted under FRS 102. The Charity uses appropriate rate to be applied in order to allocate profiled payments from London Borough of Brent during the project between revenue, and capital repayment of and interest income on the Intercompany Finance debtor.

Payments from the London Borough of Brent are in return for the construction of 364 general needs units and 20 care properties and for the management of these properties. The 20 care properties are owned by the London Borough of Brent. The ownership of the 364 properties is with the parent, Hyde Housing Association Limited. However, the ownership of the 364 properties is conditional upon payment of the Intercompany Finance debtor balance by Hyde Housing Association Limited to the Charity at the end of the project as defined in residual value agreement. Therefore, the balance is an intercompany balance due from the parent.

#### Financial assets

The Charity recognises a financial asset when it gains a contractual right to the asset. The exception is where the financial asset is consideration from customers for services provided. In these cases, the Charity recognises the financial asset when the revenue recognition criteria are met. The Charity removes a financial asset from its Statement of Financial Position when it no longer has a contractual right to the asset, or when the asset is transferred to another party. The Charity's financial assets are classified as loans and receivables and on initial recognition are measured at transaction price. Subsequent to initial recognition the Charity's loans and receivables are measured at amortised cost.

#### Impairment of financial assets

All financial assets are reviewed for indicators of impairment at each reporting date. Such indicators include default in contractual payments, significant financial difficulties of the issuer or debtor, probability of bankruptcy, or prolonged or significant decline in quoted market price. An impairment loss is recognised in the income statement when there is objective evidence that an asset is impaired.

The impairment loss on loans and receivables, which are measured at amortised cost, is the difference between the carrying amount of the asset and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

#### Financial liabilities

The Charity determines the classification of financial liabilities at initial recognition and on any subsequent reclassification event. Financial liabilities are classified into one of two primary categories:

- Derivative financial liabilities at fair value through Statement of Comprehensive Income. These are initially measured at fair value, not including transaction costs. At each Statement of Financial Position date, they are re-measured at fair value. Any change in value is recognised in the Statement of Comprehensive Income within interest payable or receivable. Fair values have been determined using updated SONIA rates as a result of the interest rate benchmark reforms.
- Other financial liabilities are held at amortised cost using the effective interest rate. This includes borrowings, trade payables, accruals and inter-company balances. There have been no changes to the amortised cost measurement in the balance sheet as a result of the interest rate benchmark reforms.

The Charity does not apply hedge accounting therefore no cash flow hedge reserve is recognised.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES (CONTINUED)

#### Significant accounting judgements and estimation uncertainty

The preparation of financial statements requires management to make judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. There are no significant judgements made in applying the Charity's accounting policies. Estimates are those which contain key assumptions concerning the future, and other key sources of estimation uncertainty at the year end, that have a risk of causing adjustments to the carrying amounts of assets and liabilities within the next financial year. The key estimation techniques are as follows:

- **Derivative financial instruments held at fair value:** The fair values are determined based on counterparty estimates or as determined by third party valuers based on available market data and inputs. Management view that variations to the estimates of the short-term financial assets and liabilities valuation do not have the risk of causing material adjustments to their carrying amounts (see note 12 for further details and sensitivities).

### 2. INCOME

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
<b>INCOME FROM CHARITABLE ACTIVITIES</b>		
Management fees	4,644	4,034
Finance income	7,697	8,117
	<b>12,341</b>	<b>12,151</b>

During the financial year, the Charity did not receive or make any donations (2024: £nil). All income from charitable activities relating to management fees and finance income received for performing the services under the PFI agreement with the Council and Hyde.

### 3. EXPENDITURE ON CHARITABLE ACTIVITIES

No grants or donations were paid in the year (2024: £nil). All expenditure on charitable activities is primarily by contractual payments for the delivery of services.

### 4. FUND ACCOUNTING

All funds are unrestricted £851k (2024: -£2,221k), therefore no analysis of movements between funds is necessary.

### 5. AUDITORS' REMUNERATION

The charge for the audit of the financial statements was £16k (2024: £15k) exclusive of VAT. No other services relating to the Charity were performed by the auditors.

### 6. EMPLOYEE INFORMATION AND COSTS

The Charity has no employees (2024: none). Employees' contracts of service are with parent, and the remuneration is included within the parent's financial statements. The management charge payable to the parent includes the costs of these employees but it is not possible to ascertain separately the element of the management charge that relates to staff costs. Management fees including housing services were £1,458k for the year (2024: £1,427k).

The Directors of the Charity are employed by Hyde Housing Association Limited and therefore are remunerated by that organisation. No Director received remuneration in respect of their services to the Charity during the year (2024: £nil).

## NOTES TO THE FINANCIAL STATEMENTS

## 7. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2025 £'000	2024 £'000
Intercompany finance debtor	120,344	122,115
	<b>120,344</b>	<b>122,115</b>

Finance debtor interest income is recognised at annual interest rate of 6% on outstanding Intercompany Finance Debtor balance during the year.

	2025 £'000	2024 £'000
Balance as at 1 April	122,115	123,458
Payments from the London Borough of Brent	(9,020)	(8,725)
Finance income	7,249	7,382
<b>Balance as at 31 March</b>	<b>120,344</b>	<b>122,115</b>

## 8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £'000	2024 £'000
Trade debtors	4,389	3,730
Prepayments	94	-
Amounts due from group undertakings	-	868
	<b>4,483</b>	<b>4,598</b>

## 9. CASH AT BANK AND IN HAND

	2025 £'000	2024 £'000
<b>Cash at bank</b>	<b>8,468</b>	<b>4,668</b>

The funds held are used to settle the Charity's liabilities. All payments and transfers from bank accounts have to be approved by the syndicate agent.



## NOTES TO THE FINANCIAL STATEMENTS

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

	2025	2024
	£'000	£'000
Bank loans	2,416	1,498
Loans from group undertakings	426	408
<b>Total loans falling due within one year</b>	<b>2,842</b>	<b>1,906</b>
Trade creditors	840	1,579
Amounts owed to group undertakings	2,833	461
Other creditors and accruals	1,542	820
	<b>8,057</b>	<b>4,766</b>

Amounts owed to Group undertakings represent intercompany balances which are unsecured, interest free and are settled throughout the year.

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

	2025	2024
	£'000	£'000
Bank loans	82,440	84,857
Loans from group undertakings	35,881	35,898
	<b>118,321</b>	<b>120,755</b>
<b>Analysis of loan maturities:</b>		
Between one and two years	2,115	2,008
Between two and five years	116,206	118,747
More than five years	-	-
	<b>118,321</b>	<b>120,755</b>
Less than one year	2,842	1,906
	<b>121,163</b>	<b>122,661</b>

Loans from Group undertakings are unsecured loans at 5.5% and 10% and are due for repayment between 2025 and 2029 years.

The Bank loan amount represents a Senior Debt facility from Barclays Bank PLC and Norddeutsche Landesbank Girozentrale used for the construction and management of the dwellings in accordance with the agreement with London Borough of Brent. The value of the Senior Debt facility is £100,000,000 and the amount outstanding as at 31 March 2025 is £82.4m (2024: £84.8m). Interest rate swap agreements are in place with Barclays Bank PLC and Norddeutsche Landesbank Girozentrale which are fixed at rates between 3.5% and 4.183% per annum on the outstanding balance.. The Senior Debt interest charged for the year ending 31 March 2025 is £4.7m (2024: £4.8m). See note 12 for further detail on financial instruments.

The Charity's interest rate risk management policy is designed to reduce volatility in cash flows and earnings. Of particular importance is the reduction of potential increases in net interest payable (as a result of adverse movements in short and long term interest rates) to an acceptable level. This is achieved by utilising a combination of vanilla and RPI swaps (see note 12). The RPI swap reduce volatility against rental income of the entity and mature in December 2028. The external loans are fully secured against assets of the Charity and hence no cash collateral calls are expected to be made by the lenders with regard to interest rate swaps. The repayment of £80m of the creditor balance will be one single bullet payment falling due on 18 December 2028. The remaining amount is drawn under an amortising £20m facility, with repayments made every six months, and is due to be fully repaid by 31 March 2028. The loans from Group undertakings include unsecured senior subordinated and subordinated debt from the parent Charity. The Charity was charged interest at a fixed rate of 5.5% and 11.0% per annum respectively until April 2019. The subordinated loan charge then reduced to 10.0% from May 2019 until March 2029. These loans are fully payable in March 2029. Discharge, and payments, of interest and principal in respect of this debt are ranked lower to those in relation to Senior Debt facility at all times until Senior Debt is fully repaid, or at an insolvency event if occurs earlier.

## NOTES TO THE FINANCIAL STATEMENTS

## 12. DERIVATIVE FINANCIAL INSTRUMENTS

	Valuation method	2025 £'000	2024 £'000
<b>Financial assets that are debt instruments measured at amortised cost</b>			
Intercompany finance debtor	Amortised cost	120,344	122,115
Trade debtors	Amortised cost	4,389	3,730
Amounts due from group undertakings	Amortised cost	-	868
		<b>124,733</b>	<b>126,713</b>
<b>Financial liabilities that are measured at amortised cost</b>			
Bank loans	Amortised cost	84,856	86,355
Loans from group undertakings	Amortised cost	36,307	36,306
Trade creditors	Amortised cost	840	1,579
Amounts owed to group undertakings	Amortised cost	2,833	461
Accruals	Amortised cost	1,542	820
		<b>126,378</b>	<b>125,521</b>
<b>Financial liabilities at fair value through statement of comprehensive income</b>			
Derivative financial asset	Fair value	189	30
Derivative financial liability	Fair value	(6,255)	(8,101)

Loans from Group undertakings are unsecured loans at 5.5% and 10%.

The table summarises the amounts charged through the profit & loss from the swaps portfolio

	Profit and loss £'000	Maturity date
<b>Derivative financial instruments:</b>		
Not subject to hedge accounting	2,013	2028 - 2058

**Sensitivities**

*Interest rate swaps:* A 100bp movement in interest rates would impact the fair value by £11.4m

*RPI swaps:* A 1% movement in RPI would impact the fair value by £5.0m.

**13. PROVISIONS FOR LIABILITIES AND CHARGES**

There were no provisions for liabilities and charges during the year (2024: £nil).

**14. CAPITAL AND FINANCIAL COMMITMENTS**

There were no capital and other financial commitments at the balance sheet data (2024: £nil).

## NOTES TO THE FINANCIAL STATEMENTS

### 15. OPERATING LEASES

There were no operating leases held during the year (2024: £nil).

### 16. CONTINGENT LIABILITIES

There were no contingent liabilities at the balance sheet data (2024: £nil).

### 17. CONTROL

The ultimate parent and controlling party, Hyde Housing Association Limited (Hyde), is a housing association incorporated under the Co-operative and Community Benefit Societies Act 2014 which is registered in England and Wales. The composition of the Board of Directors of the Charity is determined by Hyde Housing Association Limited. A copy of Hyde Housing Association Limited's financial statements can be obtained from 30 Park Street, London, SE1 9EQ.

### 18. LIABILITY OF THE MEMBERS

The Charity is a company limited by guarantee without share capital. The liability of the members, including the directors of Brent Co-Efficient, is limited to £1 each.

### 19. RELATED PARTY TRANSACTIONS

Related party balances and transactions are as follows:

	2025 £'000	2024 £'000
Hyde Housing Association Limited – intercompany loan	35,898	36,306
Hyde Housing Association Limited – intercompany creditor	2,727	461
Hyde Housing Association Limited – interest payable	2,507	2,385
Hyde Housing Association Limited – intercompany debtor	120,344	122,115
Hyde Housing Association Limited – management fee recharge	1,458	1,427