



**Report and Financial Statements**

**For the Year ended 31 March 2025**

Companies House Number 01618610

Charity Commission Number 284839

Regulator of Social Housing Number H1696

Contents	Pages
Reference and Administrative Details	3
Chair's Report	4
Strategic Report from the Board of Trustees	5 – 16
Independent Auditor's Report	17 – 20
Statement of Comprehensive Income	21
Statement of Financial Position	22
Statement of Changes in Reserves	23
Statement of Cash Flows	24
Notes Forming Part of the Financial Statements	25 – 43



## Reference and Administrative Details

### Board of Trustees

Sarah Butler  
Lee Davies  
Mary Davies  
Melanie Davis, Chair of OPC  
Paul Featherstone  
Kelvin MacDonald, Chair of the Board  
Gerald Main  
Andrew Rose, Chair of FARC  
Lawrence Santcross  
Angeline Walker

### Governance Committee

Melanie Davis, Chair of OPC  
Kelvin MacDonald,  
Chair of the Board  
Andrew Rose, Chair of FARC

### Finance, Audit and Risk Committee

Andrew Rose, Chair of FARC  
Sarah Butler  
Lee Davies  
Mary Davies  
Lawrence Santcross

### Operations & Personnel Committee

Sarah Butler  
Melanie Davis, Chair of OPC  
Paul Featherstone  
Kelvin MacDonald,  
Chair of the Board  
Gerald Main  
Angeline Walker

### Remuneration Committee

Sarah Butler  
Melanie Davis, Chair of OPC  
Paul Featherstone  
Kelvin MacDonald,  
Chair of the Board  
Andrew Rose, Chair of FARC

### Executive Management

David Chaffey  
Chief Executive

Jo Berry  
Head of Business Development

Sunil Desai  
Director of Finance & Resources

Nikki Homewood  
Director of Advice & Support Services

Rachael Kenny  
Director of Mental Health & Support Services

Daniel O'Connell  
Director of People, Safety & Learning

### Company Secretary & Registered Office

Sunil Desai  
144 London Road  
Brighton  
BN1 4PH

### Principal Solicitors

DMH Stallard LLP  
1 Jubilee Street  
Brighton  
East Sussex  
BN1 1GE

### Bankers

Royal Bank of Scotland  
PO Box 300  
Brighton  
East Sussex

### Auditors

Beever and Struthers  
150 Minories  
London  
EC3N 1LS

# Chair's Report for the year ended 31 March 2025

## Chair's Report

The statistics in the annual report tell many stories. They tell of a small but truly excellent organisation that delivers a wide range of housing, mental health, homeless, addiction, recovery, advice, employment support and housing services that are linked not only in the pathways that they provide for our clients and tenants but by the humanity and sheer professionalism with which they are delivered.

They tell the story of a charity whose work lies at the heart of national priorities, homelessness, supporting people back into work, providing housing, tackling addiction, debt and immigration advice. Yet it struggles financially to do so due to lack of funding. They tell a story of Government spending priorities that have the effect of hitting hardest those whom the state should consider most in need of support. This was exemplified by East Sussex County Council having to make a very significant funding cut to our Floating Support Service that has prevented so much homelessness.

They tell a story of people whose lives have been changed by the work that we do. They tell a story of a way of working across all that we do that involves deep understanding, patient support and a deep well of knowledge and experience. They tell a story of an amazing staff whose expertise and commitment are not, as yet, matched by the remuneration that we can afford to give them.

They tell the story of a Board – all acting entirely voluntarily – a Chief Executive and an Executive Management Team who together have identified and faced up to a range and an intensity of historic and current challenges and who have embarked on a programme of sometimes very painful actions to place BHT Sussex on a sound financial basis that means it can continue its extraordinary work into the future.

When looking at those statistics, I always look for one in particular. In the year covered by this report, our welfare advisers raised £4,063,042 (up by over £922k since last year) in income for 519 clients. This to me seems like throwing a pebble in a pool. The ripples going outward affect not only our clients in so many ways but their loved ones and the groups with whom they interact.

Other key statistics are also up since last year – we had a underlying year-end surplus of £101k (previous year it was a deficit) before gains from property disposals; we supported 10,683 clients and tenants up from 10,374 last year; 1,838 people were supported by our community Mental Health services in West Sussex (previously was 1,751), and we continue to prevent homelessness in over 2,300 cases.

This is the final year that I write this Chair's Report. BHT Sussex has chosen a new Chair, Jon Rosser, and the regrets that I have in standing down are eased by knowing that my successor has all the qualities needed, and more, to lead the organisation through its challenges and to guide Board Members, the Chief Executive and Executive Management Team in achieving the stability that BHT Sussex needs and so richly deserves.

I do leave with genuine regrets – I have served the mandatory nine years – but with such powerfully positive memories. I have benefitted so much from meeting our clients, our tenants and our staff. Being the Chair has changed me significantly for the better and I have no doubt that BHT Sussex will thrive in fulfilling its aim of Inspiring Change Across Sussex.

Thank you, Board Members, thank you David Chaffey, thank you Executive Management Team, thank you to all the BHT Sussex staff, thank you to all our tenants and to all our inspirational clients.



**Kelvin MacDonald, Chair of the Board**

**Date: 22/09/25**

# Strategic Report from the Board of Trustees for the year ended 31 March 2025

## Report of the Board of Trustees

The Board of Trustees (The Board) are pleased to present their Annual Report and the Financial Statements of BHT Sussex for the year ended 31 March 2025.

### Aims And Objectives

BHT Sussex is a progressive and highly valued, charitable organisation delivering a unique blend of interlinked projects and services. We empower people to overcome homelessness, poverty, addiction and mental ill health by working in partnership across Sussex with local councils, the NHS and voluntary organisations. Our Mission is 'Combatting Homelessness, Creating Opportunities, Promoting Change'. We have updated our Strategic Plan for 2024-2026, which outlines three Strategic Objectives:

- Sustainability: We are committed to securing both the environmental and the financial future of BHT Sussex. Over the past fifty years, we have developed high-quality services across Sussex, valued by clients, tenants and stakeholders. We continue to invest in 'mission critical' services such as our groundbreaking legal and housing advice work and the First Base Day Centre.
- Quality: Renowned for excellence, BHT Sussex works collaboratively with staff, clients, tenants, commissioners and stakeholders to maintain and increase the quality of services across Sussex.
- Growth: To meet rising demand, we aim to expand our services, launch innovative projects and generate annual surpluses that support our sustainability and quality commitments. This includes exploring options for investment in our housing stock and staff to benefit clients and tenants.

### Our Business Model

Our business model is based on five core principles:

- Recruiting and Retaining Quality Employees: We maintain a skilled workforce capable of delivering excellent services. Our employment terms and conditions attract high-quality applicants, and we retain key staff despite sector-wide recruitment challenges. Although turnover has been higher than anticipated, no underlying negative causes have been identified. We continue to hold Investors in People Gold accreditation, and we aim to achieve Platinum. Two strategic roles – Head of Health and Safety and Head of Asset Management – have been successfully created and filled.
- Maximising Income Streams: Rents and service charges accounted for over 41% of our income. Void rent loss increased to 10.4% above our target of 5.5%, due to referral challenges and service reconfiguration in Supported Housing. Staffing underspends helped offset the impact. Net Rent Arrears stood at 5.49% (£537k) as of 31 March 2025, better than the forecast of 5.8% (£567k).

Despite the cost-of-living crisis, performance in Housing Services and Supported Housing remained strong. While high levels of bad debt write offs can disguise poor performance in rent collection, bad debts write offs to 31 March 2025 were lower: Supported Housing £34k (2024: £73k), Housing Services £0k (2024: £14k). Most income streams met targets, though Legal Services income was £769k, below the £944k target due to fewer clients and court referrals.

## Strategic Report from the Board of Trustees (continued) for the year ended 31 March 2025

---

- Delivering Value for Money: We focus on Social Value (SV) and Value for Money (VfM) for continuous improvement through a SV and VfM Framework. Regular monitoring includes service usage, income and expenditure, and strategic and operational key performance indicators. Our SV and VfM Statement ensures outcomes remain clients and tenant focused.
- Maintaining Liquidity: Our cash balance as of 31 March 2025 was £2.2m, (2024: £2.7m), consistently meeting our minimum target of £2.2m. A key challenge over the next five years is generating sufficient funds to meet the £550k annual investment needs outlined in our Asset Management Strategy.
- Securing Profitable Growth: We continue to increase our turnover and retain contracts. Our plans include expanding our services across Sussex, increasing housing provision, and reaching more clients and tenants.

### **Financial Results**

A net operating surplus of £463k (2024: £221k) was generated during the year, which includes a gain from the disposal of a property that had become unviable for our service needs. Increasing our surplus remains a priority to strengthen financial viability, invest in current and future services, and continue investing in our properties.

Income: Total income reached £18.1m (2024: £17.4m), driven by higher contract and rental income, excluding the proceeds from the property sale.

Expenditure: Total expenditure was £18.0m (2024: £17.6m), which was £700k less than expected. Whilst void loss remained a concern this was partly offset by lower employee and repairs and maintenance costs.

Despite sector-wide increases in rent arrears due to the cost-of-living crisis and the increased uptake of Universal Credit (UC), BHT Sussex maintained stable arrears levels. There was a modest increase among clients and tenants who migrated to UC, but this risk was successfully mitigated through a refocusing of employee resources.

Our Financial Position remains healthy with Total Net Assets of £11.3m (2024: £11.7m), supported by Income and Expenditure Reserves of £10.9m (Restated 2024: £10.5m) and Restricted Reserves of £0.5m (2024: £0.4m). A provision has been raised for £0.9m within these accounts for 2024/25 to cover potential refunds of historic over charging of rent. This issue was referred to the Regulator of Social Housing as a potential breach of the Rent Standard and we are actively working with the Regulator to resolve this matter, and this provision has reduced our reserves.

### **Development And Performance**

The Board received quarterly reports monitoring financial and operational performance, including:

- Cash Management - Our cashflows and average cash balances decreased during the year, mainly due to void rent losses. Cash at bank and in hand as at 31 March 2025 was £2.2m (2024: £2.7m).
- Void Rent Loss - Supported Housing: Expressed as a percentage of gross rents, void rent loss was 14.9% (2024: 15.9%), against a target of 7.8%.
- Void Rent Loss - Housing Services: Expressed as a percentage of gross rents, void rent loss was 2.0% (2024: 1.3%), meeting our target of 2.0%.

## **Strategic Report from the Board of Trustees (continued) for the year ended 31 March 2025**

---

- Bad Debts - Supported Housing: Bad debts as a percentage of rents receivable were 0.8% (2024: 0.9%), below the target of 1.5%.
- Bad Debts - Housing Services: Bad debts as a percentage of rents receivable were 0.0% (2024: 0.2%), below the target of 1.5%.
- Gas Safety Certificates: Units with a valid safety certificate stood at 100% (2024: 100%).
- Employee Sickness: Working days lost per FTE employee were 4.9 days (2024: 5.9 days), better than the target of 7.0 days, excluding long term sickness cases.

### **Future Prospects**

Apart from the concern of funding our Asset Management Plans going forward, which our new Head of Asset Management will be addressing, the challenges successfully faced to date due to the cost-of-living crisis demonstrate that BHT Sussex is an organisation that is well governed and well-managed. It also highlights our capacity to adapt operations in response to changing circumstances, including those that could not have been foreseen.

We will continue to seek new opportunities as our communities and the wider economy recover from the financial and psychological impacts of the cost-of-living crisis.

Our employees are our greatest asset, supporting the delivery of both our charitable and strategic objectives. We continue to invest in the recruitment and retention of quality employees at all levels. Like many organisations, we have faced difficulties over the past year, but employees continue to demonstrate dedication and resilience.

Governance arrangements have been reviewed and strengthened in recent years. All governing documents, including our Strategic and Business Plans, have been reviewed and updated.

### **Health And Safety**

Health and Safety remains a key priority. We have a Working Group that looks at strategic health and safety issues, including compliance with the Fire Safety Act 2021 and the 2022 Regulations. Our new Head of Health and Safety will lead further improvements in this area.

Health and Safety is monitored quarterly via our Strategic Risk Register. Throughout the year Health and Safety and Fire Risk Assessments were conducted across all properties, with £254k (2024: £262k) spent on remedial works to enhance fire safety.

Gas Safety Inspections: Performance in the final quarter of 2024/25 was 100% (2024: 100%).

### **Safeguarding**

Following safeguarding failures in some domestic charities and wider failings in international aid agencies, BHT Sussex has reviewed the robustness of its own policies and procedures in these and other areas.

## **Strategic Report from the Board of Trustees (continued) for the year ended 31 March 2025**

---

We maintain strong reporting arrangements, including a widely publicised Whistleblowing Policy and Procedure. Clients and tenants are surveyed on their confidence in our policies and procedures. Safeguarding training is embedded in our employee training programme.

### **Employees**

Our employees are our most valuable resource. Through them, we deliver our strategic objectives, including our highly reputable services. We continue to strengthen our senior capacity with recruitment of a Head of Health and Safety and a Head of Asset Management, enhancing our strategic management capacity going forward. Our ongoing improvements in sickness management have resulted in an average of 4.9 days absence per employee during the final quarter of the year (excluding long term sickness cases), which is 30% below the target of 7 days.

### **Board Membership**

BHT Sussex seeks to appoint and retain Board Members with the skills, knowledge, business acumen, integrity, values and commitment to lead the organisation with drive, ambition and enthusiasm.

We recruit new Board Members through open advertisements and effective use of our sector networks. All new Board Members receive a full induction programme. We have two individuals with lived experience on the Board.

Board Members serve on a voluntary basis and receive out-of-pocket expenses only. No other payments are made to the Chair or individual Board Members. The Board and its Committees undertake annual reviews and appraisals to ensure compliance with the National Housing Federation's Code of Governance 2020. The Chair also conducts individual reviews with each Board Member.

Decision-making responsibilities between the Board and Executive Management Team are clearly defined in our Standing Orders and a separate Financial Levels of Delegated Authority schedule, both reviewed and approved regularly by the Board.

### **Cost-of-living Crisis**

We continue to monitor and adapt to the financial climate shaped by the cost-of-living crisis. Our response has generally been strong, and we have adapted well to the challenges and opportunities faced by both our employees and the organisation.

BHT Sussex has successfully continued its vital work over the past year. Our approach, best described as 'slow and steady', has enabled us to respond effectively to the needs of key stakeholders, underpinned by a culture of continuous improvement.

We remain committed to prudent planning, with the safety of our employees, clients and tenants remaining our highest priority.

The Board recognised the extraordinary work employees have undertaken to successfully keep the organisation going under the considerable external pressures.



## **Risks, Uncertainties and Opportunities**

The new Labour Government, the war in Ukraine and the ongoing cost-of-living crisis presents both opportunities and challenges. Uncertainty around public finances, inflation and energy costs may limit our ability to significantly increase our surplus in the short term. The financial and psychological impact of the crisis is expected to increase demand for our services.

BHT Sussex has a mature and well-developed approach to strategic risk management. Our Strategic Risk Register provides the Board with clear information across three key areas:

- Improving our financial strength
- Enhancing our operating environment
- Increasing our influence and reputation

Under these areas, eleven specific risks have been identified. During the year we engaged our Internal Auditors (RSM), to review our Strategic Risk Register, with the aim of refreshing the strategic risks in light of our new Strategic Plan and aligning our risk framework with best practice.

Risks are reviewed quarterly by the Executive Management Team and reported regularly to both the Finance, Audit and Risk Committee and the full Board. Reports include quantification of individual risks, mitigation strategies and recovery plans should multiple risks impact simultaneously.

## **Going Concern**

Following an assessment of our current financial position, future forecasts and available resources, including the £3m loan facility from Charity Bank, we have reviewed our services and projected cashflow over the next 18 months. Based on this analysis, which includes sensitivity testing, the Board believes that BHT Sussex can manage its business risks effectively.

We have a reasonable expectation that BHT Sussex has adequate resources to continue operating for the foreseeable future. Therefore, we continue to adopt the going concern basis of accounting in preparing these annual financial statements.

Despite the risks and uncertainties we face, we are confident that BHT Sussex has a positive future, based on the following assessment:

- Over 54% of our income comes from rental and service charges - a relatively secure and well-managed stream, though void rent losses remain a concern.
- 86% of this income is paid directly to BHT Sussex from Housing Benefits, Universal Credit and Adult Social Care, providing confidence in future payments.
- For 2025/26, over 80% for our contracted income is secure. Most other income is secure for the duration of contracts, and we can flex costs if contracts are terminated. The reduction in our East Sussex Floating Support Service contract is offset by securing a significant new contract in West Sussex.
- Challenges in funding the Asset Management Programme and charitable fundraising are expected to be temporary and not materially our going concern assessment.

## **Strategic Report from the Board of Trustees (continued) for the year ended 31 March 2025**

---

- We maintain controls over inflationary pressures on salaries and rewards, though this may be a challenge going forward.
- Our cash balance, at the time of account approval, was 45% greater than the £2.2 million working capital head room required by our Reserves Policy. Forecasts for April 2025 to September 2026 show a healthy £3.1m average cash balance.
- We have limited exposure to money market fluctuations with fixed rate borrowing and no involvement in property development for sale.
- We retain the ability to withdraw from activities with reasonable notice if they become an unacceptable drain on cash resources.

Based on this assessment, the Board has concluded that no material uncertainty exists, and the organisation is expected to continue operating for the foreseeable future.

### **Pensions**

BHT Sussex participates in the Scottish Widows Pension Scheme, the NHS Pension Scheme, Local Government Pension Scheme, and a Social Housing Pension Scheme - Growth Plan Scheme with TPT Retirement Solutions. Please see Note 22 to the Financial Statements for more details.

The TPT scheme is a multi-employer scheme providing benefits to some 521 non-associated participating employers (see Note 22) and currently applies to 11 employees.

This scheme is classified as a 'last man standing arrangement'. As the result of a merger, BHT Sussex has inherited the potential liabilities of Sussex Oakleaf for other participating employers' obligations; should those employers be unable to meet their share of the scheme deficit upon withdrawal.

Participating employers in the TPT scheme are legally required to meet their share of the deficit on an annuity purchase basis upon withdrawal. During 2024/25 BHT Sussex contributed £3,202 towards the pension deficit. The Board considers the contribution rate demanded by the scheme to be affordable.

All members contributing to Series 3 were switched to Growth Plan Series 4 in 2013, and any new employee contributions have been made into Series 4 since its closure. Growth Plan Series 4 is a defined contribution scheme, with assets held separately from those of the entity in independently administered funds. Further details are available in Note 22.

### **Compliance With Governance And Financial Viability Standard**

The Board has reviewed BHT Sussex compliance with the Regulator of Social Housing's Governance and Financial Viability Standard and concluded that the organisation fully complies. BHT Sussex has reviewed its Assets and Liabilities Register to ensure that it meets the required standards. Ongoing work is being undertaken to ensure the Register remains accurate and complete, with timely adjustments made as needed.

**Strategic Report from the Board of Trustees (continued)**  
**for the year ended 31 March 2025**

---

**Internal Controls**

In accordance with the Regulator of Social Housing's expectations, the Board is required to conduct an annual review of the effectiveness of internal control systems, and to issue a formal statement on the outcome within the annual report and accounts.

The Board acknowledges its ultimate responsibility for the system of internal controls, including reviewing their effectiveness and managing the risk of fraud within BHT Sussex. It also acknowledges that risk management and control processes must operate continuously and be embedded across all activities. It should be recognised that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal controls is designed to manage risk and provide reasonable assurance that key business objectives will be achieved, financial information is reliable, and assets are safeguarded.

BHT Sussex has adopted the National Housing Federation Code of Governance 2020. Following a review the Board is confident it complies with the Code.

Processes for identifying, evaluating and managing significant risks faced by BHT Sussex are ongoing, have been in place throughout the year under review (including up to the date of approval of the annual report and accounts), and are regularly reviewed by the Board. Key elements of the control framework, which provide evidence for the Board's review of effectiveness, include:

- ✓ A comprehensive risk management framework that regularly identifies key business risks monitors mitigation measures.
- ✓ An organisational structure with clearly defined responsibilities and delegated authority, as set out in the BHT Sussex standing orders and financial regulations.
- ✓ A Code of Ethics supported by a framework of policies and procedures, with which employees must comply.
- ✓ A three-year, risk-based strategic internal audit plan, with all audit reports reviewed by the Finance, Audit and Risk Committee.
- ✓ Monitoring of audit-related action plans to ensure implementation of recommendations.
- ✓ Review of audit reports from regulators, funders and commissioning bodies.
- ✓ Board approval of annual budgets and the Strategic Plan.
- ✓ Comprehensive budgetary control arrangements that identify variances and their underlying causes.
- ✓ A performance reporting framework involving Strategic and Operational Key Performance Indicators (SPIs and KPIs), with regular measurement against targets.
- ✓ A New Developments and Business Opportunities Policy, requiring Board approval for proposals meeting specific financial and non-financial criteria, with quarterly reporting.
- ✓ A Whistleblowing Policy providing confidential channels for employees and third parties to report unlawful, improper, or suspicious activity.

## **Strategic Report from the Board of Trustees (continued)** **for the year ended 31 March 2025**

---

- ✓ Maintenance of a fraud register, with reporting to the Board in the event of any fraud.

The Board's review of the effectiveness of the BHT Sussex internal control systems has identified no significant failings, weaknesses or instances of fraudulent activity resulting in material misstatement or loss requiring disclosure in the financial statements for the year ended 31 March 2025, or up to the date of signing.

### **Value For Money**

BHT Sussex continues prioritise Social Value (SV) and Value for Money (VfM) as part of its continuous improvement process and has developed its own SV and VfM Framework.

#### **What SV and VfM means at BHT Sussex**

We exist for a social purpose, with our efforts focused on changing lives across Sussex. Our Mission and Values drive us to continuously learn and improve how we engage with local communities and deliver our services.

Our Mission is to combat homelessness, create opportunities for our clients and tenants to improve their wellbeing, and to promote positive change.

Whilst a robust approach to VfM is a regulatory requirement, we would pursue it regardless. We aim to make a difference through the outcomes we achieve for our clients, tenants and the communities in which we work, whilst also being mindful of employee wellbeing.

The outcomes we achieve reflect both the Social Value and Value for Money of the services we provide as a viable and sustainable organisation. SV and VfM aim to maximise our impact, enabling us to make a greater difference than we could without a focused approach. Achieving VfM is central to being a successful and effective social organisation.

#### **What Outcomes do we want to achieve?**

Over the past 50+ years, BHT Sussex has developed a diverse range of services to support people who are homeless, at risk of homelessness, or have complex needs. Prevention is the cornerstone of our work:

- Preventing homelessness.
- Preventing escalation of mental health issues - from hospital admissions accessing secondary services.
- Preventing the negative consequences of addiction.
- Providing specialist housing, benefit and immigration advice to prevent homelessness.
- Providing work, learning and employment opportunities to prevent unemployment and poverty.
- Where prevention is not possible, we mitigate impact through effective, VfM services aimed at changing lives.
- BHT Sussex Housing Services provides homes for over 749 residents across Sussex, offering good quality, safe and secure general needs housing at sub-market rents for those unable to rent or buy their own home.

We are highly conscious of our role in our local communities. Many of our tenants represent positive move-ons from our support and addiction services, and sustaining tenancies is key to securing long-term positive change.

## **Strategic Report from the Board of Trustees (continued) for the year ended 31 March 2025**

---

### Why do we provide our services and who benefits?

- Our clients and tenants are amongst the most marginalised and vulnerable in society. We provide:
  - Good quality short and long-term accommodation to offer a stable base for building a future.
  - A range of support services to improve wellbeing, independence and secure lasting change.
  - Specialist legal advice in housing, homelessness, immigration and welfare benefits to ensure fair representation.
- Family and friends benefit from knowing their loved ones are receiving targeted support, contributing to their own wellbeing and peace of mind.
- The wider community benefits from our services, which are sensitive to the environments in which our clients and tenants live. We invest in local communities and work collaboratively to help make places that thrive socially, economically and environmentally.
- Local authorities, service providers and government benefit from our growth and service provision, which supports local and national housing strategies and addresses key agendas such as homelessness, poverty, inequality and environmental sustainability. Our services reduce pressure on health, social services, police and other local services. Increasingly, our work aligns with Integrated Care Partnerships (ICPs), local joint commissioning bodies comprising local authorities, health and the wider Voluntary, Community and Social Enterprise (VCSE) sector.

When setting strategic and enabling objectives, the BHT Sussex Board seeks to balance the legitimate, and sometimes competing, expectations of stakeholders with the finite resources available.

- Total Rent Received - Supported Housing: Rent received as a percentage of amounts due was 81.1%, (2024: 100.1%), against a target of 98.5%.
- Total Rent Received - Housing Services: Rent received as a percentage of amounts due was 90.6%, (2024: 97.5%), against a target of 98.5%.
- Arrears Management - Supported Housing: Gross arrears as a percentage of the annual rent roll were 4.0% (2024: 3.6%), against a target of 5.8%.
- Arrears Management - Housing Services: Gross arrears as a percentage of annual rent roll were 8.3% (2024: 6.9%), against a target of 5.8%.

The Regulator of Social Housing has issued value for money metrics. BHT Sussex figures are shown below, alongside Acuity benchmarking data for small housing providers in the Southeast and London:

**Strategic Report from the Board of Trustees (continued)**  
**for the year ended 31 March 2025**

Value for Money Metrics	Acuity Median 2024/25	<b>BHT Sussex 2024/25</b>	BHT Sussex 2023/24
Reinvestment	2.12%	<b>11.36%</b>	6.12%
New Supply Delivered	-	<b>1.40%</b>	-
Gearing	24.22%	<b>3.00%</b>	1.48%
EBITDA Major Repairs Included Interest Cover	144.20%	<b>3.17%</b>	4.17%
Headline Social Housing Cost per Unit	£6,253	<b>£6,847</b>	£6,196
Operating Margin	18.88%	<b>2.56%</b>	1.27%
Return on Capital Employed	2.50%	<b>1.83%</b>	0.89%

These metrics are typically used by larger housing associations with active development portfolios. Not all are directly applicable to BHT Sussex, whose primary focus is Combating Homelessness, Creating Opportunities and Promoting Change. However, we have benchmarked our performance, using Acuity data, and the table shows that BHT Sussex compares favourably in areas such as Reinvestment, Gearing and Social Housing Cost per Unit. There is improvement needed in Operating Margin and Return on Capital Employed.

In future, BHT Sussex will continue to demonstrate value not only through the metrics outlined above, but also by aligning with our strategic objectives, evidencing our impact on clients and tenants, and drawing on additional benchmarking data from the Acuity group.

### **Use Of Reserves**

Accumulated reserves are deployed to achieve our principal objective of supporting homeless and vulnerable people.

After setting aside an amount to cover day to day financial commitments, reserves are primarily invested in our properties, which provide accommodation and services. At the end of 2024/25 BHT Sussex held total reserves of £10.9m (2024: £11.7m), of which £479k were restricted reserves.

The primary purpose of the BHT Sussex Reserves Policy is to ensure that adequate funds are maintained to support the organisation's long-term viability. The policy is designed to ensure that BHT Sussex:

- Can continue to meet its financial commitments.
- Can deploy funds promptly, in a planned way, and respond to new opportunities.
- Can avoid the erosion of its asset base and maintain and upgrade properties that accommodate clients and tenants.
- Can balance sound investment with good liquidity management.
- Is not forced into short term decisions that compromise its long-term vision.

To achieve these aims, BHT Sussex has adopted target measures for key reserves indicators. The policy sets out that BHT Sussex should:

- Hold a minimum of £1m in free reserves to protect its charitable work from the risk of disruption. Free reserves are defined as the value of unrestricted reserves less fixed assets net of deferred capital grants.

## **Strategic Report from the Board of Trustees (continued) for the year ended 31 March 2025**

---

- Hold a minimum of 1.5 months of operating cash outflow requirements in cash or short-term investments to manage short term volatility in income or liquidity. This equates to £2.2m f based on current cash outflows.

As at 31 March 2025 BHT Sussex held £2.2m as cash or short-term investments, providing 1.8 months of cash cover (2024: 1.8), exceeding the target of 1.5 months.

It is noted the minimum cash balance of £2.2m, should be sufficient to fund the repayment of any restricted reserves, should BHT Sussex be required to do so.

The Board has identified the main financial risks to the organisation as:

- Failure to meet income targets in Supported Housing and Housing Services
- Failure to meet income targets for Advice Services
- Impact on income from Housing Benefits and Universal Credit
- The impact of increasing inflation
- Further cuts to the value of advice and support contracts
- Failure to achieve profitable growth.

In the light of these risks, and to meet future investment opportunities, the Board has identified the need to strengthen the organisation's reserves. As at 31 March 2025 Free Reserves were in deficit at £0.7m (2024: £1.1m).

### **Post Balance Sheet Events**

Since the year end there have been no significant issues to report. However, the cost-of-living crisis continues, and we are experiencing price increases in labour, raw materials, fuel and energy bills.

### **Board Members' Responsibilities**

The Board is responsible for preparing the Strategic Report, Annual Report and the Financial Statements in accordance with applicable law and regulations. Company law and social housing legislation require the Board to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP), including UK Accounting Standards and applicable law.

Under company law, the Board must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the organisation and of the surplus or deficit for that period.

In preparing these financial statements, the Board is required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- State applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the charitable company will continue in business.

**Strategic Report from the Board of Trustees (continued)**  
**for the year ended 31 March 2025**

---

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the BHT Sussex transactions, disclose, with reasonable accuracy the financial position of the organisation at any time, and ensure compliance with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. It is also responsible for safeguarding the assets of the organisation and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Board members are responsible for ensuring that the Report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018.

Financial statements are published on the BHT Sussex website in accordance with UK legislation governing the preparation and dissemination of financial statements, which may differ from legislation in other jurisdictions. The maintenance and integrity of the BHT Sussex website is the responsibility of the Board, and this responsibility extends to the ongoing integrity of the financial statements contained therein.

### **Auditors**

Current Board Members have taken all necessary steps to ensure they are aware of any information required by the auditors for the purposes of the audit and to establish that the auditors are aware of that information. The Executive Management Team is not aware of any relevant audit information that has not been disclosed to the auditors.

Beever and Struthers have expressed its willingness to continue as our auditors. A recommendation for their reappointment as auditors of BHT Sussex will be presented at a forthcoming Board meeting.

On behalf of the Board



K MacDonald  
Chair of the Board

Date: 22/09/25



## **Independent Auditor's Report to the members of BHT Sussex**

### **Opinion on the financial statements**

We have audited the financial statements of BHT Sussex for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies in Note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the company's affairs as at 31 March 2025 and of its result for the year.
- 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, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

### **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 are independent of the 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 Board's 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 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 Board with respect to going concern are described in the relevant sections of this report.

### **Other information**

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

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Board Report.

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

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; and
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of the Board**

As explained more fully in the Statement of Responsibilities of the Board set out on page 15 the Board 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 Board 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 Board are responsible for assessing the 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 Board either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements 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.

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 auditor's report.

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006, the Charities Act 2011, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

## **Use of our report**

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members for our audit work, for this report, or for the opinions we have formed.

*Beever and Struthers*

**Michael Tourville FCA  
(Senior Statutory Auditor)**

**Date:**

**For and on behalf of  
Beever and Struthers  
Chartered Accountants and Statutory Auditor  
150 Minories  
London  
EC3N 1LS**

## Statement of Comprehensive Income for the year ended 31 March 2025

	Note	2025 £	2024 £
Turnover	4	18,123,805	17,379,293
Operating costs	4	(18,033,086)	(17,586,059)
Surplus on disposal of property	7a	361,962	414,675
<b>Operating Surplus</b>		<b>452,681</b>	<b>207,909</b>
Interest receivable and similar income	12	42,900	47,267
Interest and financing costs	13	(32,412)	(33,972)
<b>Surplus before taxation</b>		<b>463,169</b>	<b>221,204</b>
Taxation		-	-
<b>Surplus for the year after taxation</b>		<b>463,169</b>	<b>221,204</b>
<b>Total comprehensive Income for the year</b>		<b>463,169</b>	<b>221,204</b>

All activities relate to continuing operations.

The notes on pages 25 to 43 form part of these financial statements.

## Statement of Financial Position as at 31 March 2025

	Note	2025 £	2024 £
<b>Fixed assets</b>			
Tangible fixed assets - housing properties	14	22,201,347	21,050,571
Tangible fixed assets – other	15	1,835,653	1,743,470
		<b>24,037,000</b>	<b>22,794,041</b>
<b>Current assets</b>			
Trade and other debtors	16	1,867,310	2,155,551
Cash and cash equivalents		2,312,428	2,757,055
	29	<b>4,179,738</b>	<b>4,912,606</b>
<b>Creditors: amounts falling due within one year</b>	17	<b>(2,911,412)</b>	<b>(2,849,061)</b>
<b>Net Current Assets</b>		<b>1,268,326</b>	<b>2,063,545</b>
<b>Total Assets less current liabilities</b>		<b>25,305,326</b>	<b>24,857,586</b>
<b>Creditors: amounts falling due after more than one year</b>	18	<b>(12,565,039)</b>	<b>(12,715,661)</b>
<b>Other provisions (Restated 2024)</b>	21	<b>(1,395,503)</b>	<b>(1,260,312)</b>
<b>Total Net Assets</b>		<b>11,344,784</b>	<b>10,881,613</b>
<b>Capital and Reserves</b>			
Restricted Reserves	28	479,316	365,078
Income and Expenditure Reserves (Restated 2024)	28	10,865,468	10,516,535
<b>Total Reserves (Restated 2024)</b>		<b>11,344,784</b>	<b>10,881,613</b>

The notes on pages 25 to 42 form part of these financial statements.

Company Number No.01618610  
Registered Charity No.284839

The financial statements were approved and authorised by the Board on the 22 September 2025 and were signed on behalf of the Board by:



**K MACDONALD**  
Chair of the Board



**A ROSE**  
Chair of Finance, Audit and Risk Committee

## Statement of Changes in Reserves for the year ended 31 March 2025

		Restricted Reserves	Income and Expenditure Reserves	Total
	Note	£	£	£
Balance at 01 April 2024		365,078	10,516,535	10,881,613
Surplus for the year	28	114,238	348,933	463,171
		479,316	10,865,468	11,344,784
Reserves Transfers:				
Transfer from Restricted Reserves	28	-	-	-
Balance at 31 March 2025		479,316	10,865,468	11,344,784

### Statement of Changes in Reserves for the year ended 31 March 2024

		Restricted Reserves	Income and Expenditure Reserves	Total
		£	£	£
Balance at 01 April 2023 (Restated)		310,503	10,349,906	10,660,409
Surplus for the year	28	54,575	166,629	221,204
		365,078	10,516,535	10,881,613
Reserves Transfers:				
Transfer from reserves	28	-	-	-
Balance at 31 March 2024 (Restated)		365,078	10,516,535	10,881,613

The notes on pages 25 to 42 form part of these financial statements.

## Statement of Cash Flows for the year ended 31 March 2025

	Note	2025 £	2024 £
<b>Cash flows from operating activities</b>			
<b>Surplus for the financial year</b>		<b>463,171</b>	<b>221,204</b>
Adjustments for:			
Depreciation of fixed assets - housing properties	14	463,325	462,385
Depreciation of fixed assets - other	15	189,495	184,536
Amortised grant	5	(178,184)	(171,876)
Gift of Assets		-	-
Loss on disposal of fixed assets	14	-	-
Interest payable and finance costs	13	32,412	33,972
Interest received	12	(42,900)	(47,267)
Accelerated depreciation (Social Housing and Non-Social housing)	5, 14, 15	139,369	98,664
Decrease in trade and other debtors	16, 29	288,240	3,829,710
Increase / (Decrease) in trade creditors and other creditors	17, 29	92,074	(3,651,101)
Gain on revaluation of Pension Liability	18	-	(3,302)
Increase/ (Decrease) in provisions	21	135,191	(128,596)
<b>Net cash generated from operating activities</b>		<b>1,582,193</b>	<b>828,329</b>
<b>Cash flows (used) in investing activities</b>			
Interest received	12	42,900	47,267
Purchases of fixed assets - housing properties	14	(1,752,328)	(528,779)
Purchase of new housing property – Rapley Court	14	-	-
Purchases of fixed assets – other	15	(282,818)	(169,824)
Receipt of grant	21, 23	-	-
<b>Net cash used in investing activities</b>		<b>(1,992,246)</b>	<b>(651,336)</b>
<b>Cash flows used in financing activities</b>			
Interest paid	13	(32,412)	(33,972)
Repayment of loans – other	20	(2,162)	(1,949)
<b>Net cash used in financing activities</b>		<b>(34,574)</b>	<b>(35,921)</b>
<b>Net (Decrease)/ Increase in cash and cash equivalents</b>		<b>(444,627)</b>	<b>141,072</b>
Cash and cash equivalents at beginning of year		2,757,055	2,615,984
<b>Cash and cash equivalents at end of year</b>		<b>2,312,428</b>	<b>2,757,056</b>

The notes on page 25 to 42 form part of these financial statements.



# Notes Forming Part of the Financial Statements for the year ended 31 March 2025

---

## INDEX OF NOTES

### General notes

- |   |  |
|---|--|
| 1 | Legal Status   |
| 2 | Accounting Policies  |
| 3 | Judgements in applying accounting policies and key sources of estimation uncertainty |

### Statement of Comprehensive Income related notes

- |    |   |
|----|---|
| 4  | Particulars of Turnover, Cost of Sales, Operating Costs and Operating Surplus |
| 5  | Income and Expenditure from Social Housing Lettings                           |
| 6  | Particulars of Turnover from Non-Social Housing Activities                    |
| 7  | Units of Housing Stock  |
| 8  | Operating Surplus   |
| 9  | Employees   |
| 10 | Directors and Senior Executive Remuneration                                   |
| 11 | Board Members   |
| 12 | Interest Receivable and Income from Investments                               |
| 13 | Interest Payable and Similar Charges  |

### Statement of Financial Position related notes

- |    |   |
|----|---|
| 14 | Tangible Fixed Assets - Housing Properties          |
| 15 | Tangible Fixed Assets – Other                       |
| 16 | Debtors   |
| 17 | Creditors: Amounts Falling Due - Within One Year    |
| 18 | Creditors: Amounts Falling Due - More Than One Year |
| 19 | Deferred Capital Grant                              |
| 20 | Loans and Borrowings                                |
| 21 | Provisions for Liabilities                          |
| 22 | Pensions  |
| 23 | Contingent Liabilities                              |
| 24 | Operating Leases                                    |
| 25 | Capital Commitments                                 |
| 26 | Related Party Disclosures                           |
| 27 | Members' Liability                                  |
| 28 | Capital and Reserves                                |
| 29 | Financial Instruments                               |
| 30 | Net Fund Reconciliation                             |

## 1. Legal Status

BHT Sussex is registered with the Financial Conduct Authority and the Regulator for Social Housing, as a social housing provider. BHT Sussex is a charitable housing association, a company limited by guarantee under the Companies Act 2006 and is governed by its Articles of Association. BHT Sussex is also registered with the Charity Commission in accordance with the Charities Act 2011. BHT Sussex is a public benefit entity registered in England with Charity number 284839, Regulator of Social Housing number H1696 and Company number 01618610. The Registered Office is 144 London Road, Brighton, East Sussex BN1 4PH.

## 2. Accounting Policies

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for BHT Sussex includes FRS 102 "the Financial Reporting Standard applicable in the United Kingdom, the Republic of Ireland" the Statement of Recommended Practice (SORP) for Registered Social Housing Providers, "Accounting by registered social housing providers" 2018, the Accounting Direction for Private Registered Providers of Social Housing 2022, and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies. These estimates and judgements are outlined in Note 3.

The currency used in preparing these financial statements is the pound sterling and all figures have been rounded up to the nearest pound.

The following principal accounting policies have been applied:

### Going Concern

Following assessment of the BHT Sussex financial position and resources available going forward, including the cashflow position for the next eighteen months, the Board believes that BHT Sussex can manage its business risks, financial forecast (including monthly cashflow forecasts with sensitivity analysis), and has a reasonable expectation that BHT Sussex has adequate resources to continue operating for the foreseeable future. For this reason, BHT Sussex continues to adopt the going concern basis of accounting, in the preparation of the annual financial statements. Based on this assessment the Board has concluded that a material uncertainty does not exist, and BHT Sussex is expected to continue to operate for the foreseeable future.

Notwithstanding the risks and uncertainties that we face, we are confident that BHT Sussex has a positive future. We have reached this conclusion by reference to:

- Over 50% of our income coming from rental and service charge income, a relatively secure income stream and one which is well managed within the organisation. 85.9% of this income is paid directly to BHT Sussex from Housing Benefit, Universal Credit and Adult Social Care, which provide confidence in future income payments via this stream.
- Notwithstanding current challenges relating to charitable fundraising, any shortfall is likely to be temporary and is not expected to have a material impact on our assessment of going concern.
- Controls we have on inflationary aspects of our salary and reward structures, although we recognise that this will be a challenge going forward.
- Our very limited exposure to fluctuations in the money markets, our limited borrowing is at a fixed rate and our non-involvement in developing properties for sale.
- Our ability to withdraw from activities with reasonable notice, should they become an unacceptable drain on the cash resources of the organisation.

### Income

Income is measured at the fair value of the consideration received or receivable. BHT Sussex generates the following material income streams:

- Rental income receivable (after deducting lost rent from void properties available for letting);
- Service charges receivable.
- Revenue grants from statutory and other authorities; and
- Legal Aid Association income.

### Rental Income

Rental income from residential properties is recognised in the Statement of Comprehensive Income when it falls due.

## 2. Accounting policies (continued)

### Supported Housing Schemes

BHT Sussex receives Supporting People grants from statutory and other authorities. The grants received in the period, as well as costs incurred by BHT Sussex in the provision of support services, have been included in the Statement of Comprehensive Income. Any excess of cost over the grant received is borne by BHT Sussex, where it is not recoverable from tenants.

### **Service Charges**

BHT Sussex adopts the fixed method for calculating and charging service charges to its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account. Income is recorded based on the estimated amounts chargeable.

### **Legal Aid Association Income**

Legal Aid income is accounted for when earned. Income is recognised at agreed rates for all work carried out up to the balance sheet date. Any income earned, where full settlement will not be received until the case is closed, is accrued, and stated at the lower of cost and net realisable value.

### **Expenditure**

All expenditure is accounted for on an accruals basis and allocated to the appropriate heading in the accounts.

Costs of generating income comprise the costs associated with generating donations, attracting fundraising, delivering services that are funded by grants, providing advice services funded by the Legal Aid Agency and providing housing services funded by rent and service charge income.

Charitable activities comprise all costs incurred in the pursuit of the charitable objectives of BHT Sussex. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure therefore include support costs and an apportionment of overheads, as show in note 5.

Support costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of BHT Sussex.

### **Management of Units Owned by Others**

Rent and grant income receivable are included in income. The costs of carrying out the management of contracts and rechargeable expenses are included in operating costs.

### **Schemes Managed by Agents**

Income from these schemes is included within rent receivable. The costs associated with these properties relate to depreciation and loan interest. No management fees are charged by the agents.

### **Finance Costs**

Interest is incurred on loans held by BHT Sussex and is charged to the Statement of Comprehensive Income.

### **Current and Deferred Taxation**

BHT Sussex is a Charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly, it is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

No tax charge arose in the period.

### **Impairment of Fixed Assets**

The housing property portfolio for BHT Sussex is assessed for indicators of impairment at each balance sheet date. Where indicators are identified, a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. An options appraisal is carried out to determine the option which produces the highest net realisable value. Valuations on rental return, or potential sale proceeds, are obtained and used to inform the options. BHT Sussex looks at the net realisable value, from the options available, when considering the recoverable amount for the purposes of impairment assessment. The recoverable amount is taken to be the higher of the fair value, less costs to sell or value, in use of an asset or cash generating unit. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units concerned, or the present value of future cash flows to be derived from them appropriately adjusted to account for any restrictions on their use.

No properties have been valued at Value in Use – Service Potential (VIU-SP).

## 2. Accounting policies (continued)

BHT Sussex defines cash generating units as schemes, except where its schemes are not sufficiently large enough in size or where it is geographically sensible to group schemes into larger cash generating units. Where the recoverable amount of an asset, or cash generating unit, is lower than its carrying value, an impairment is recorded through a charge to income and expenditure.

### Value Added Tax

BHT Sussex charges Value Added Tax (VAT) on a small proportion of its income relating to legal and IT services and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by BHT Sussex and is not recoverable from HM Revenue and Customs. Recoverable VAT arises from partially exempt activities and is credited to the Statement of Comprehensive Income.

### Pension Costs

BHT Sussex operates a defined contribution pension scheme with Scottish Widows and 1 (2024: 1) employee belongs to the NHS pension scheme. The assets of the schemes are held separately from those of BHT Sussex. Contributions to the schemes are charged to the profit and loss in the year in which they become payable.

As part of the Sussex Oakleaf gift, BHT Sussex took over its Defined Benefit scheme held with TPT – the Growth Plan. This scheme is closed to new members. The scheme is a multi-employer defined benefit pension scheme. Sufficient information is not available to enable BHT Sussex to identify its share of assets and liabilities and as a result, and in accordance with FRS102, these financial statements account for the scheme as if it were a defined contribution scheme.

Where a recovery plan is in place to address the deficit, BHT Sussex recognise, as a liability, its commitment to make contributions under the terms of that recovery plan with changes to the value of this commitment recognised within the Statement of Comprehensive Income.

It should be noted that 3 (2024: 3) employees are in the Local Government Pension Scheme (LGPS) for which BHT Sussex will pay a fixed contribution rates for the duration of the contract. All other employees that TUPE'd with the new service are in our Scottish Widows pension scheme.

### Tangible Fixed Assets - Housing Properties

All housing properties are stated at cost together with incidental costs of acquisition less depreciation and impairment (where applicable).

Expenditure on major refurbishment to properties is capitalised where the works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the net rental

income, a reduction in future maintenance costs, or a subsequent extension in the life of the property. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income.

### Depreciation of Housing Property

Housing land and property is split between land, structure and other major components that are expected to require replacement over time.

Land is not depreciated on account of its indefinite useful economic life.

The cost of all other housing property (net of accumulated depreciation to date and impairment, where applicable) and components is depreciated over the useful economic lives of the assets on the following basis:

Housing properties are split between the structure and the major components which require periodic replacement. The costs of replacement or restoration of these components are capitalised and depreciated over the determined average useful economic life as follows:

Description	Economic useful life (years)
Structure	100
Kitchen	20
Bathroom	30
Roofs	60
External doors	30
Boilers	15
Heating	30
External windows	30

Leasehold properties are depreciated over the length of the lease except where the expected useful economic life of properties is shorter than the lease, when the lease and building elements are depreciated separately over their expected useful economic lives.

### Tangible fixed assets – Other

Other tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

## 2. Accounting policies (continued)

BHT Sussex adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the organisation. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

### Depreciation of Other Tangible Fixed Assets

Land is not depreciated. Depreciation on other assets is charged, so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Description	Economic useful life (years)
Leasehold properties and improvements	Lease term
Freehold non-housing properties (excluding land)	100
Fixtures, fittings, tools and equipment	5
Computers	4

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

### Government Grants

Grants are carried as deferred income in the balance sheet and released to the income and expenditure account on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with the Housing SORP 2018, the useful economic life of the housing property structure has been selected (see table of useful economic lives above).

Where a social housing grant (SHG) funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets, any unamortised grant remaining within creditors is released and recognised as income within the income and expenditure account.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once performance related conditions have been met.

Grants due from government organisations or received in advance are included as current assets or liabilities. During the year, we tried to minimise the number of people on the government's Job Retention Scheme.

### Debtors and Creditors

Debtors and creditors with no stated interest rate, that are receivable or payable within one year, are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of comprehensive income in other operating expenses.

### Recoverable Amount of Rental and Other Trade Receivables

BHT Sussex estimates the recoverable value of rental, and other receivables, and impairs the debtor by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historical collection rates and the class of debt.

### Financial Liabilities and Equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

### Loans

All loans held by BHT Sussex are classified as basic financial instruments in accordance with FRS102. These instruments are initially recorded at the transaction price. FRS102 requires that basic financial instruments are subsequently measured at amortised cost.

### Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position consists of cash at bank, in hand, deposits and short-term investments with an original maturity of three months or less.

### Leased Assets - Lessee

All leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

## 2. Accounting policies (*continued*)

Reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

### Provision for Liabilities

BHT Sussex has recognised provisions for liabilities of uncertain timing or amounts including those for major repairs on stock transfers and leaseholders, dilapidations, restructuring.

Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at the present value using a discount rate. The unwinding of the discount is recognised as a finance cost in income and expenditure in the period it arises.

### Contingent Liabilities

A contingent liability is recognised for a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources, or for a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate of the amount cannot be made.

A contingent liability exists on grant repayment which is dependent on the disposal of related property.

### Reserves

Income received, and expenditure incurred, for restricted purposes is separately accounted for within restricted funds. Realised and unrealised gains and losses on assets held by these funds are also allocated to the fund.

### Gift of Assets

All assets and liabilities transferred are recognised at fair value.

## 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements key judgements have been made in respect of the following:

- whether there are indicators of impairment of tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. BHT Sussex has considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. BHT Sussex has also considered impairment based on their assumptions to define cash or asset generating units.

### Other key sources of estimation uncertainty

- *Tangible fixed assets (see note 14 and 15)*

Tangible fixed assets, other than investment properties, are depreciated over their useful lives, taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed periodically and may vary depending on a number of factors. In re-assessing asset lives, factors such as asset and market condition are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Housing property assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

- *Rental and other trade receivables (debtors) (see note 16)*

The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

Provision of potential rental bad debts is based on 100% of former tenant arrears balances and for current balances, a variable percentage specific to each service based on past write-off levels.

**4 Particulars of Turnover, Cost of Sales, Operating Costs and Operating Surplus**

	Turnover	Operating Costs	Surplus on Disposal	Operating Surplus/ (Deficit)
	2025 £	2025 £	2025 £	2025 £
<b>Social Housing Lettings (Note 5)</b>	8,882,350	(7,735,591)	-	1,146,759
<b>Other Social Housing Activities</b>				
Supporting people	1,297,221	(1,245,983)	-	51,238
Residential Care and Other grants	1,177,767	(1,131,247)	-	46,520
			-	
<b>Total Social Housing</b>	11,357,338	(10,112,821)		1,244,517
<b>Activities other than Social Housing Activities (Note 6)</b>				
Legal Advisory Services	1,124,842	(1,509,454)	-	(384,612)
Day Centre	312,988	(419,470)	-	(106,482)
Non-housing rent income	56,926	(56,926)	-	
Other activities	5,271,711	(5,934,415)	-	(662,704)
Surplus on disposal of property (Note 7a)	-	-	361,962	361,962
<b>Total Activities other than Social Housing</b>	6,766,467	(7,920,265)	361,962	(791,836)
<b>Total</b>	18,123,805	(18,033,086)	361,962	<b>452,681</b>

	Turnover	Operating Costs	Surplus on Disposal	Operating Surplus/ (Deficit)
	2024 £	2024 £	2024 £	2024 £
<b>Social Housing Lettings (Note 5)</b>	7,667,792	(7,041,023)	-	626,769
<b>Other Social Housing Activities</b>				
Supporting people	1,214,557	(1,199,966)	-	14,591
Residential Care and Other grants	1,488,064	(1,467,972)	-	20,092
			-	
<b>Total Social Housing</b>	10,370,413	(9,708,961)		661,452
<b>Activities other than Social Housing Activities (Note 6)</b>				
Legal Advisory Services	1,293,625	(1,426,325)	-	(132,700)
Day Centre	310,038	(393,905)	-	(83,867)
Non-housing rent income	55,706	(55,706)	-	
Other activities	5,349,512	(6,001,164)	-	(651,652)
Surplus on disposal of property (Note 7a)	-	-	414,675	414,675
<b>Total Activities other than Social Housing</b>	7,008,881	(7,877,100)	414,675	(453,544)
<b>Total</b>	17,379,294	(17,586,060)	414,675	<b>207,908</b>

**5 Income and Expenditure from Social Housing Lettings**

	General Needs £	Supported Housing £	Temporary Social Housing £	Total 2025 £	Total 2024 £
<b>Income</b>					
Rents net of identifiable service charges	2,636,139	3,006,419	308,339	5,950,897	5,060,057
Service charge income	570,053	1,993,808	109,914	2,673,775	2,366,724
Release of government capital grants	110,514	67,670	-	178,184	171,876
Other income	250	79,244	-	79,494	69,135
<b>Turnover from social housing lettings</b>	<b>3,316,956</b>	<b>5,147,141</b>	<b>418,253</b>	<b>8,882,350</b>	<b>7,667,792</b>
<b>Expenditure</b>					
Management	(58,898)	(2,468,569)	(250,362)	(2,777,829)	(388,806)
Service costs	(1,087,616)	(2,058,318)	(266,857)	(3,412,791)	(5,055,266)
Routine maintenance	(516,810)	(306,329)	(53,037)	(876,176)	(937,474)
Planned maintenance	(74,167)	(53,754)	(7,606)	(135,527)	(85,437)
Major repairs expenditure	(8,714)	(32,128)	(1,451)	(42,293)	(45,346)
Bad debts	(131)	(23,472)	(2,907)	(26,510)	(66,308)
Depreciation of housing properties:					
- annual charge	(207,215)	(231,471)	(24,639)	(463,325)	(462,385)
- accelerated depreciation	-	(1,140)	-	(1,140)	-
<b>Operating expenditure on social housing lettings</b>	<b>(1,953,551)</b>	<b>(5,175,181)</b>	<b>(606,859)</b>	<b>(7,735,591)</b>	<b>(7,041,022)</b>
<b>Operating surplus/(deficit) on social housing lettings</b>	<b>1,363,405</b>	<b>(28,040)</b>	<b>(188,606)</b>	<b>1,146,759</b>	<b>626,770</b>
<b>Void Rent Losses (memorandum only)</b>	<b>(68,445)</b>	<b>(875,494)</b>	<b>(71,783)</b>	<b>(1,015,722)</b>	<b>(791,820)</b>

**6 Particulars of Turnover from Non-Social Housing Activities**

	2025 £	2024 £
<b>Advice Services:</b>		
Legal aid including costs & disbursements recovered	768,983	842,950
Grant contract incomes	296,035	352,756
Donations, fundraising and other income	59,824	97,919
<b>Total for Advice Services (Note 4)</b>	<b>1,124,842</b>	<b>1,293,625</b>
<b>Day Centre</b>		
Grant contract incomes	215,947	193,274
Donations, fundraising & other income (Note 4)	97,041	116,764
<b>Total for Day Centre (Note 4)</b>	<b>312,988</b>	<b>310,038</b>



**6 Particulars of Turnover from Non-Social Housing Activities (continued)**

	2025 £	2024 £
<b>Non-housing rent income</b>		
Renaissance House	16,495	16,495
Chatsworth Road	40,431	39,211
<b>Total for Non-housing rent Income (Note 4)</b>	<b>56,926</b>	<b>55,706</b>
<b>Other Activities</b>		
Grant contract incomes	5,203,822	5,290,512
BHT Sussex IT Solutions	3,840	-
Donations & fundraising	224	100
Other Income (Note 4)	63,825	58,899
<b>Total for other activities (Note 4)</b>	<b>5,271,711</b>	<b>5,349,511</b>
<b>Turnover from non-social housing activities (Note 4)</b>	<b>6,766,467</b>	<b>7,008,881</b>

**7a Gain/(loss) on disposal of property, plant and equipment (fixed assets)**

	2025 £	2024 £
Proceeds of sale	515,000	521,435
Less: Cost of sales	(153,038)	(106,760)
<b>Surplus</b>	<b>361,962</b>	<b>414,675</b>

**7b Units of Housing Stock**

	2025 Number	2024 Number
General needs social housing	304	305
Supported housing	137	127
<b>Total social housing units</b>	<b>441</b>	<b>432</b>
<b>Total owned</b>	<b>441</b>	<b>432</b>
Accommodation managed for others	314	299
<b>Total managed accommodation</b>	<b>755</b>	<b>731</b>
Units managed by other Trusts	6	6
<b>Total owned and managed accommodation</b>	<b>761</b>	<b>737</b>

The increase in the number of units owned and managed from 737 to 761 is a result of the purchase of 2 properties (10 units), an increase in the number of managed properties by 25 units, the hand back of 10 managed properties and the sale of 1 property.

## 8 Operating Surplus

	2025 £	2024 £
The operating surplus is arrived at after charging:		
Depreciation of housing properties - annual charge (Notes 5, 14)	463,325	462,385
Depreciation of other tangible fixed assets (Note 15)	189,495	184,504
Operating lease charges – land, building and vehicles (Notes 8, 24)	1,686,401	1,594,324
Auditor's remuneration (excluding VAT):		
- fees payable for the audit of the annual accounts of the Trust	□□□□□	34,875

## 9 Employees

	2025 £	2024 £
Employee costs (including Executive Management Team) consist of:		
Wages and salaries	9,523,677	8,900,515
Social security costs	811,697	755,733
Cost of defined contribution scheme	487,907	433,503
	10,823,281	10,089,751

The average number of employees (including Executive Management Team) expressed as full-time equivalents (calculated based on a standard working week of 37 hours) during the year was as follows:

	2025	2024
Administration	69	68
Housing, Support and Care	240	233
	309	301

The full-time equivalent number of employees receiving remuneration, including company pension contribution, in excess of £60,000 was:

	2025 No.	2024 No.
£50,000 - £59,999	-	1
£60,000 - £69,999	1	-
£70,000 - £79,999	2	2
£80,000 - £89,999	1	1
£90,000 - £99,999	1	1

## 10 Directors and Senior Executive Remuneration

The directors are defined as the members of the Board of Management, the Chief Executive and the Executive Management Team (EMT) disclosed on page 2.

Key management personnel are defined as members of the EMT. Their remuneration is disclosed below:

	2025 £	2024 £
Executive directors' emoluments	384,919	364,407
Contributions to money purchase pension schemes	20,983	19,359
Total	405,902	383,766

No members of the Board of Management received any emoluments in 2025: nil (2024: nil). The Board of Management received £469.01 (2024: nil) for Board expenses during the year.

The total amount payable to the Chief Executive, who was also the highest paid director in respect of emoluments, was £96,408 (2024 - £92,700). Additionally, pension contributions of £5,302 (2024: £5,099) were made to a defined contribution pension scheme on his behalf as an ordinary member of the scheme.

As a member of the company pension scheme, the pension entitlement of the Chief Executive is identical to those of other members.

There were 5 directors in the Trust's defined contribution pension scheme (2024: 5).

## 11 Board Members

Board Members	Member of -				
	Remuneration Committee	Finance Audit & Risk Committee	Operations & Personnel Committee	Governance Committee	Board
Kelvin MacDonald	√		√	√	√
Sarah Butler	√	√	√		√
Melanie Davis	√		√	√	√
Gerald Main			√		√
Paul Featherstone	√		√		√
Lawrence Santcross		√			√
Angeline Walker			√		√
Andrew Rose	√	√		√	√
Mary Davies		√	√		√
Lee Davies		√			√

No remuneration was paid to Board members. (2024: nil).

## 12 Interest Receivable and Income from Investments

	2025 £	2024 £
Interest receivable and similar income	42,900	47,267

## 13 Interest Payable and Similar Charges

	2025 £	2024 £
Interest on loans and overdrafts	32,412	33,972

**14 Tangible Fixed Assets – Housing Properties**

	General Needs	Supported Housing	Total
	£	£	£
<b>Cost</b>			
At 01 April 2024	16,778,953	11,821,576	28,600,529
Additions:			
- replaced components	324,672	37,532	362,204
- other	519,808	187,831	707,639
Land and Building	-	682,486	682,486
Disposals:			
- replaced components	(172,510)	-	(172,510)
- other	-	-	-
<b>At 31 March 2025</b>	<b>17,450,923</b>	<b>12,729,425</b>	<b>30,180,348</b>
<b>Depreciation:</b>			
At 01 April 2024	(4,054,890)	(3,495,067)	(7,549,957)
Charge for the year	(207,215)	(256,110)	(463,325)
Eliminated on disposals:			
- replaced components	34,281	-	34,281
<b>At 31 March 2025</b>	<b>(4,227,824)</b>	<b>(3,751,177)</b>	<b>(7,979,001)</b>
<b>Net book value at 31 March 2025</b>	<b>13,223,099</b>	<b>8,978,248</b>	<b>22,201,347</b>
Net book value at 31 March 2024	12,724,063	8,326,509	21,050,571

**The net book value of housing properties may be further analysed as:**

	2025 £	2024 £
Freehold	18,398,266	17,713,428
Long Leasehold	3,139,990	2,680,738
Leasehold Improvements	663,090	656,405
	22,201,346	21,050,571

**Total Social Housing Grant received is as follow**

	2025 £	2024 £
Capital Grant – Housing Properties	15,628,608	15,628,608

Total Trust expenditure during the year on works to existing properties was £2,806,325 (2024: £1,597,035) of which £1,752,328 (2024: £528,778) has been capitalised. The difference between £2,806,325 and £1,752,328 is repairs and maintenance costs. This amount of £1,053,997 (2024: £1,068,257) has been split between General Needs, Supported Housing and Temporary Social Housing as detailed in note 5. Of the amounts capitalised, £362,204 (2024: £528,778) relates to the replacement of components, £707,639 (2024: £0) relates to the enhancement of properties and £682,486 (2024: £0) was for the purchase of two properties.

## 15 Tangible Fixed Assets – Other

	Non-Housing Property	Fixtures, Fittings and Equipment	IT Equipment and Software	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 01 April 2024	2,019,394	310,294	353,055	2,682,743
Additions	232,863	18,299	31,656	282,818
Disposals	-	(2,208)	-	(2,208)
<b>At 31 March 2025</b>	<b>2,252,257</b>	<b>326,385</b>	<b>384,711</b>	<b>2,963,353</b>
<b>Depreciation</b>				
At 01 April 2024	(500,863)	(163,599)	(274,811)	(939,273)
Charge for year	(75,394)	(54,144)	(59,957)	(189,495)
Disposal	-	1,068	-	1,068
<b>At 31 March 2025</b>	<b>(576,257)</b>	<b>(216,675)</b>	<b>(334,768)</b>	<b>(1,127,700)</b>
<b>Net book value at 31 March 2025</b>	<b>1,676,000</b>	<b>109,710</b>	<b>49,943</b>	<b>1,835,653</b>
Net book value at 31 March 2024	1,518,531	146,695	78,244	1,743,470

### Total Capital Grant received is as follows:

	2025 £	2024 £
Capital Grant – Freehold Non-Housing Properties	680,000	680,000

### The net book value of non-housing property may be further analysed as:

	2025 £	2024 £
Freehold	1,592,283	1,408,641
Long Leasehold	83,718	109,890
	-	-
<b>At 31 March</b>	<b>1,676,001</b>	<b>1,518,531</b>

## 16 Debtors

	2025 £	2024 £
<b>Due within one year</b>		
Rent and service charge arrears	914,773	642,683
Less: Provisions for doubtful debts	(193,229)	(193,229)
<b>(Note 29)</b>	<b>721,544</b>	<b>449,454</b>
Other debtors (Note 29)	711,329	1,349,481
Prepayments and accrued income (Note 29)	434,437	356,615
	<b>1,867,310</b>	<b>2,155,550</b>

**17 Creditors: Amounts Falling Due Within One Year**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Loans and borrowings (Note 20)	<b>2,399</b>	2,162
Trade creditors (Note 29)	<b>595,828</b>	580,014
Taxation and social security (Note 29)	<b>197,006</b>	201,970
Prepaid rent accounts	<b>137,858</b>	104,051
Other creditors (Note 29)	<b>143,221</b>	100,556
Accruals and deferred income (Note 29)	<b>1,668,858</b>	1,664,106
Deferred Capital Grant (note 19)	<b>166,242</b>	196,203
	<b>2,911,412</b>	2,849,062

Included within Other creditors is £2,746 relating to TPT Pension Liability due within one year.

**18 Creditors: Amounts Falling Due After One Year**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Loans and borrowings (Note 20)	<b>306,313</b>	308,712
Deferred Capital Grant (Note 19)	<b>12,258,726</b>	12,406,949
TPT Pension Liability	-	-
	<b>12,565,039</b>	12,715,661

**19 Deferred Capital Grant**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
At 01 April	<b>12,603,152</b>	12,775,028
Addition (SCF)	-	-
Released to income during year (Note 5)	<b>(178,184)</b>	(171,876)
At 31 March	<b>12,424,968</b>	12,603,152
	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
In one year or less, or on demand (Note 17)	<b>166,242</b>	196,203
In more than one year but not more than two years (Note 18)	<b>166,242</b>	196,203
In more than two years but not more than five years (Note 18)	<b>498,727</b>	568,020
In five years or more (Note 18)	<b>11,593,757</b>	11,642,726
	<b>12,424,968</b>	12,603,152

## 20 Loans and Borrowings

Maturity of debt:

	Bank Loans	Bank Loans
	2025 £	2024 £
In one year or less, or on demand	2,399	2,162
In more than one year but not more than two years	2,662	2,399
In more than two years but not more than five years	9,871	8,895
In five years or more	293,780	297,418
	<b>308,712</b>	<b>310,874</b>

Loans are secured by specific charges on the housing properties of BHT Sussex. The loans bear interest at fixed rates ranging from 9.25% to 13.375% or at variable rates calculated at a margin above the London Inter Bank Offer Rate. There were no issue costs associated with the loans. At the 31 March 2025 the BHT Sussex had no bank overdraft facility.

## 21 Provisions for Liabilities

Dilapidations	2025 £	2024 £
At 1 <sup>st</sup> April	441,661	570,257
Released to income and expense	<b>25,605</b>	(128,596)
Dilapidation Charged as at 31 March	467,266	441,661
<b>Overcharge of Rent</b>		
At 1 <sup>st</sup> April (restated Note 31)	818,651	818,651
Provision relating to 2024-25	<b>109,586</b>	-
Overcharge of Rent as at 31 March	928,237	818,651
Total Provision for Liabilities as at 31 March	<b>1,395,503</b>	<b>1,260,312</b>

Maintenance costs of returning properties, under operating leases, to their landlords in a lettable state. These costs are subject to the lease conditions; includes only client/tenant damage and excludes landlord responsibility repairs.

## 22 Pensions

### Defined Contribution Scheme

A defined contribution pension scheme is operated by BHT Sussex on behalf of the employees. The assets of the scheme are held separately from those of BHT Sussex in an independently administered fund provided by Scottish Widows. The pension charge represents 5.5% (2024: 5.5%) of pensionable salary contributions payable by BHT Sussex to the fund and amounted to £429,121 (2024: £380,965). Contributions totalling nil (2024: nil) were payable to the fund at the year end.

BHT Sussex also operates a defined contribution pension scheme for the ex-Sussex Oakleaf employees who TUPE'd to BHT Sussex. The assets of the scheme are held separately from those of BHT Sussex in an independently administered fund provided by TPT. The pension charge represents contributions payable by BHT Sussex to the fund and amounted to £33,724 (2024: £30,140).

In November 2021, BHT Sussex TUPE'd seven employees from South East Independent Living Limited (SEILL) and made contributions payable to the Local Government Pension Fund (LGPS) of £20,277 2025 Ledger (2024 £22,128). There are only 3 people left in scheme.

One (2024: 1) employee belong to the NHS pension scheme. Membership of this scheme is not open to other BHT Sussex employees. BHT Sussex contributes 14.38% (2024: 14.38%) of their pensionable salaries of members to this scheme.

**Defined Benefit Scheme****TPT Retirement Solutions – The Growth Plan**

The organisation participates in a multi-employer scheme which provides benefits to some 521 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

**TPT Retirement Solutions – The Growth Plan (continued)**

The scheme is classified as a 'last man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £800.3m, liabilities of £531.0m and a deficit of £16.1m. To eliminate this funding shortfall, the Scheme Trustees have asked the participating employers to pay additional contributions. The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

<b>TPT – The Growth Plan</b>	<b>31 March 2025 (£s)</b>	<b>31 March 2024 (£s)</b>
Present value of provision	7,695	3,141

<b>Reconciliation Of Opening and Closing Provisions</b>	<b>31 March 2025 (£s)</b>	<b>31 March 2024 (£s)</b>
Provision at start of period	3,141	6,724
Unwinding of the discount factor (interest expense)	83	258
Deficit contribution paid	(3,202)	(3,843)
Remeasurements - impact of any change in assumptions	49	2
Remeasurements - amendments to the contribution schedule	7,624	-
Provision at end of period	7,695	3,141

	<b>31 March 2025</b>	<b>31 March 2024</b>
<b>Rate of discount</b>	4.84%	5.31%

**Assumptions**

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. It is these contributions that have been used to derive the company's balance sheet liability.

**23 Contingent Liabilities**

BHT Sussex received Social Housing Grants which were used to fund the acquisition and development of housing properties and their components. A grant of £4,066,721 (2024: £□□□□□□2) was received in respect of housing properties held at 31 March 2025 in respect of adoption of historic cost. BHT Sussex has a future obligation to recycle such grants once the properties are disposed of. At 31 March 2025 the value of grants received in respect of these properties that had not been disposed of was £11,748,502 (2024: £11□□□5□□).



In addition, non-social housing grants of £639,200 (2024: £639,200) had been received in respect of properties that had not been disposed of. As referred to in Note 31 below, there is a rent overcharge liability recognised for previous years in these accounts. It should be noted that an estimated amount of £96k rent overcharge relates to 2025/26.

## 24 Operating Leases

BHT Sussex had minimum lease payments under non-cancellable operating leases as set out below:

### Amounts Payable as Lessee

	2025 £	2024 £
Not later than 1 year	1,640,377	1,555,135
Later than 1 year and not later than 5 years	2,447,813	2,862,601
Later than 5 years	1,414,746	1,763,858
<b>Total</b>	<b>5,502,936</b>	<b>6,181,594</b>

### Amounts Receivable as Lessor

	2025 £	2024 £
Not later than 1 year	45,437	50,669
Later than 1 year and not later than 5 years	1,994	35,860
<b>Total</b>	<b>47,431</b>	<b>86,529</b>
Average rents receivable from tenants per week	193,716	164,879

## 25 Capital Commitments

The capital commitments as at 31 March 2025 were £305k (2024: £675k).

### Tangible fixed assets/intangible fixed assets

	2025 £'000	2024 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	168	675
Capital expenditure that has been authorised by the Board but has not been contracted for	136	
	<b>305</b>	<b>675</b>
These commitments are expected to be contracted within the next year and financed with:		
General Reserves	<b>305</b>	<b>675</b>

## 26 Related Party Disclosures

One member of our Board is also a tenant of BHT Sussex. This Board member pays rent and service charges, and these transactions have taken place at arm's length. The average rent charge for the type of property rented is £136.00 (2024: £123.00) per week including service charges. The rent charge paid by this Board member is £136.00 (2024: £123) per week.

There is also a further Board member who is a Trustee of BHT Charitable Trust. There were no transactions (2024: nil) with BHT Charitable Trust.

There were no other related party transactions in the year to 31 March 2025.

**27 Members' Liability**

BHT Sussex has no share capital, and the liability of the members is limited by guarantee as set out in the provisions of the Articles of Association.

Each of the 10 (2024: 10) members has undertaken to contribute £1 in the event of BHT Sussex being wound up.

**28 Capital and Reserves****Restricted Reserves**

	01 April 2024	Income	Expenditure	Released to General Reserves	31 March 2025
	£	£	£	£	£
The Academy	176,827	75,605	(62,032)	-	<b>190,400</b>
East Sussex Floating Support Designated Reserves – Development	145,859	3,986,097	(3,885,432)	-	<b>246,524</b>
Property Maintenance Reserve	2,896	-	-	-	<b>2,896</b>
Restricted Reserves	37,000	-	-	-	<b>37,000</b>
	2,496	-	-	-	<b>2,496</b>
<b>Total Restricted Reserves</b>	<b>365,078</b>	<b>4,061,702</b>	<b>(3,947,464)</b>	<b>-</b>	<b>479,316</b>
Unrestricted Reserves*	10,516,535	14,062,105	(13,713,172)	-	<b>10,865,468</b>
<b>Total Reserves</b>	<b>10,881,613</b>	<b>18,123,807</b>	<b>(17,660,636)</b>	<b>-</b>	<b>11,344,784</b>

	01 April 2023	Income	Expenditure	Released to General Reserves	31 March 2024
	£	£	£	£	£
The Academy	159,752	99,515	(82,440)	-	176,827
East Sussex Floating Support Designated Reserves – Development	108,359	3,896,493	(3,858,993)	-	145,859
Property Maintenance Reserve	2,896	-	-	-	2,896
Restricted Reserves	37,000	-	-	-	37,000
	2,496	-	-	-	2,496
<b>Total Restricted Reserves</b>	<b>310,503</b>	<b>3,996,008</b>	<b>(3,941,433)</b>	<b>-</b>	<b>365,078</b>
Unrestricted Reserves*	10,349,906	13,383,285	(13,216,656)	-	10,516,535
<b>Total Reserves</b>	<b>10,660,409</b>	<b>17,379,293</b>	<b>(17,158,089)</b>	<b>-</b>	<b>10,881,613</b>

**Reserve****Purpose and restriction in use**

The Academy	Helping homeless people move into employment and accommodation
East Sussex Floating Support	The provision of a Housing related Floating Support Services to support people to live well and independently in their own homes in East Sussex
Designated Reserves – Development	Transferred from Sussex Oakleaf and is for Millhaven Fund
Property Maintenance Reserve	Transferred from Sussex Oakleaf and is for Capital Major Works
Restricted Reserves	Transferred from Sussex Oakleaf and is for Children in Need

Release of Restricted Reserves to General Reserves is the result of funding for specific projects coming to an end and the funder confirming that no future liability exists. During 2024/25, a total sum of nil (2023/24: nil) was released from Restricted Reserves to General Reserves.

**29 Financial Instruments**

The financial instruments may be analysed as follows:

	2025 £	2024 £
<b>Financial Assets</b>		
Financial assets measured at amortised cost		
- Trade receivables (Note 16)	721,544	449,454
- Other receivables (Note 16)	1,145,766	1,706,096
Financial assets measured at historical cost		
- Cash and cash equivalents (SCF)	2,312,428	2,757,055
<b>Total Financial Assets</b>	<b>4,179,738</b>	<b>4,912,605</b>
	2025 £	2024 £
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost		
- Loans payable (Note 17 & 18)	308,712	310,875
Financial liabilities measured at historical cost		
- Trade creditors (Note 17)	595,828	580,014
- Other creditors (Note 17)	2,146,943	2,070,683
Total financial liabilities at historic cost	2,742,771	2,650,697
<b>Total Financial Liabilities</b>	<b>3,051,483</b>	<b>2,961,572</b>

**30 Net Fund Reconciliation**

	1 April 2024 £	Cashflows £	31 March 2025 £
Cash at Bank and in Hand	2,757,055	(444,627)	2,312,428
Bank Loans	(310,875)	2,163	(308,712)
<b>TOTAL</b>	<b>2,446,180</b>	<b>(442,464)</b>	<b>2,003,716</b>

**31 Prior Year Restatement**

There has been restatement of prior year figures following the identification of rent overcharges both in the current year and prior years due to a breach of the Rent Standard. BHT Sussex engaged the services of a consultant, and their findings show that there was a total overcharge of £928k, split between £109k relating to 2025 and £819k for prior years. The figures in the year ended 31 March 2024 have been amended to decrease reserves by £819k and increase provisions for liabilities to reflect the rent refunds.

	Before restatement £	Restatement movement £	After restatement £
Unrestricted Reserves at 31 March 2023	11,168,557	(818,651)	10,349,906
Surplus for the year ended 31 March 2024	-	0	166,629
Reserves at 31 March 2024	11,168,557	(818,651)	10,516,535
Provision for liabilities for 2023/24	441,661	818,651	1,260,312