HYDE CHARITABLE TRUST
(A COMPANY LIMITED BY GUARANTEE)

REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

COMPANY REGISTRATION NO. 1803707
CHARITY REGISTRATION NO. 289888

CONTENTS

BOARD AND ADVISORS

OBJECTIVES
Hyde Charitable Trust (the Trust) was incorporated as a company limited by guarantee on 27 March 1984. It operates as a charity to relieve poverty and distress and to improve the condition and quality of life of needy persons.

The financial statements are for the Hyde Charitable Trust and are presented in pounds sterling.

BOARD OF TRUSTEES
Jonathan Prichard (Chair)
Christopher Carlisle
Paul Cook
Patrick Law
Andrew Moncreiff
Brid O'Dwyer
Michelle Walcott (Resigned 1 March 2019)
Geron Walker
Jen Wight

SOLICITORS
Trowers and Hamlins
3 Bunhill Row
London
EC1Y 8YZ

MANAGING DIRECTOR
Jahanara Rajkoomar (resigned 2 July 2019)
Lucy Norgate (interim, appointed 3 July 2019)

SECRETARY
John Edwards (resigned 31st May 2018)
Kerry Tromanhauser (appointed 1st June 2018)

INDEPENDENT AUDITORS
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

INTERNAL AUDITORS
Mazars LLP
Tower Bridge House
St Katharine's Way
London
E1W 1DD

REGISTERED OFFICE AND PRINCIPAL OFFICE
30 Park Street
London
SE1 9EQ
Tel: 020 3207 2600
Web: www.hyde-housing.co.uk

BANKERS AND INVESTMENT ADVISORS
National Westminster Bank Plc
143 High Street
Bromley
BR1 1JH

Charities Official Investment Fund
Management Limited
St Alphage House
2 Fore Street
London
EC2Y 5AQ

JM Finn
4 Coleman Street
London
EC2R 5TA

TRUSTEES' REPORT

Governing Document

Hyde Charitable Trust (the Trust, HCT, the "Company" or the "Charity") is a charity registered with the Charity Commission on 25 July 1984 and a company limited by guarantee, incorporated on 27 March 1984. The Company was established under a Memorandum of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association. It operates as a charity to relieve poverty and distress and to improve the condition and quality of life of needy persons. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 relating to preparing a Directors' Report.

Trustees

All appointments to the Board of Trustees are made by the Company's Parent (see note 19). The Trustees, both during the year and to the date of signing the financial statements, are disclosed on page 3.

As permitted by the Articles of Association, the Trustees have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Trustees' and Officers' liability insurance in respect of itself and its Trustees.

Financial Review

The Statement of Financial Activities are summarised in Fig 1.1. No fundraising targets were set for the year although a target return on investment income was agreed with Fund Managers based on a benchmark provided by the FTSE (Fig 1.2.).

Fig 1.1 – Highlights: 3 Year Summary

Incoming/(outgoing) resources	2017 £'000	2018 £'000	2019 £'000
Incoming resources	340	643	320
Resources expended	(223)	(474)	(394)

Balance Sheet	2017 £'000	2018 £'000	2019 £'000
Fixed assets	8,812	8,839	9,398
Debtors	30	82	62
Cash at bank and in hand	323	536	509
Creditors: amount falling due within one year	(35)	(131)	(158)
Total assets less current liabilities	**9,130**	**9,326**	**9,811**
Reserves	9,130	9,326	9,811
Total Funds	**9,130**	**9,326**	**9,811**

TRUSTEES' REPORT (CONTINUED)

Investment policy and returns
In order to diversify risk the Charity invests in two investment funds, COIF Charities Investment Fund (COIF) and JM Finn in approximate equal shares. The two investment managers work towards a benchmark which is provided by the FTSE. During the year, the closing return on the stock market investments (FTSE) was 11.5% (2018:2.2%) and the COIF outperformed this at 12.2% (2018 :6.0 %) whereas the JM Finn Portfolio had lower returns than the FTSE at 8.3% (2018: 2.8%).

The comparative performance of the FTSE, CCLA COIF and JM Finn Portfolio is as in figure 1.2.

Fig 1.2 – Comparative performance of the FTSE, CCLA COIF Charities Investment Fund and JM Finn Portfolio

	2015	2016	2017	2018	2019
FTSE*	11.1%	-1.6%	20.4%	2.2%	11.5%
COIF	14.7%	0.4%	20.0%	6.0%	12.2%
JM Finn Portfolio	11.6%	-1.8%	17.6%	2.8%	8.3%

*The FTSE Comparator is a composite measure as follows: 01.01.18 MSCI UK IMI: 30%, MSCI World ex UK: 45%, MSCI UK Monthly property 5%,iBoxx £ Gilt 15% & 7 Day LIBID 5%. To 31.12.17 MSCI UK IMI 45%, MSCI Europe ex UK 10%, MSCI North America 10%, MSCI Pacific 10%, AREF/IPD All properties 5%, iBoxx £ Gilt 15% & 7 day LIBID 5%. To 31.12.15 MSCI UK All Cap 45%, MSCI Europe ex UK (50% Hedged) 10%, MSCI North America (50% Hedged) 10%, MSCI Pacific (50% Hedged) 10%, IPD All Properties 5%, BarCap Gilt 15% & 7 Day LIBID 5%. Source CCLA

As permitted by the Trust's memorandum and articles of association, the Trustees have given the investment managers discretion to manage the portfolio, but regularly review performance.

Reserves
The reserves of the Charity are held to generate dividends from the investments which are used to fund the activities of the Charity. The Trustees have reviewed the reserves and investments of the Charity on a regular basis during the year as a result of the volatility of the financial markets. The value of investments held by the Charityhas increased by £559,000 (2018: increase £27,000). Designated funds of £25,000 (2018: £45,000) and restricted funds £184,000 (2018: £259,000) were held at the year end. During the year, the Charity's general reserve increased to £9,602,000 (2018: £9,022,000). The overall increase in 2019 financial year reserves is largely as a result of the revaluation of investment fund values as at 31st March 2019. Dividends and investment income generated from the investments are the Trust's main source of recurring income. The Trust's policy is to match grants given in the year with the level of dividends received.

Reserves Policy

The Trustees' policy is to maintain a reasonable level of reserves. The policy is not to build up cash reserves, nor to decrease its level of investments. Income that is generated from investments is made available for grant making within the financial year that it is generated. In practice there may be low take up of funds, or the Trustees may designate use of funds over more than one financial year. Additionally the Trust may receive 'one off' donations which sometimes have restricted use over more than year. This will give rise to additional reserves from time to time.

How our activities deliver public benefit
All our charitable activities focus on meeting the needs of Hyde Group residents by promoting social and economic inclusion. National research shows that social housing tenants are one of the most disadvantaged groups in the UK; the greatest gulf in wealth inequality exists between home-owners and social tenants. More of Hyde's residents are feeling the strain on household finances with the continued roll out of Universal Credit and other welfare reform changes. The activities of the Trust, which promotes social and economic inclusion amongst social housing residents, therefore clearly demonstrate public benefit. The Trustees have prepared this report having regard to the Charity Commission guidance on public benefit in section 4 of the Charities Act 2011.

Small Companies Exemption
The Trustees' Report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies which gives exemption from preparing the full Trustees' Report. The exemption has been taken to not prepare a Strategic Report as Hyde Charitable Trust is a small company.

TRUSTEES' REPORT (CONTINUED)

Risk Management
A risk management process to assess business risks and implement risk management strategies has been implemented. This includes delegation of authority and segregation of duties as well as the identification and management of risks. The process involves identifying the types of risks that the Charity faces, prioritising them in terms of potential impact, likelihood of occurrence, and identifying the means of mitigating the risks. As part of this process, the Trustees have reviewed the adequacy of the Charity's current internal controls; in particular, compliance with guidelines issued by the Charity Commission. The management accounts are presented to the Board on a quarterly basis and coupled with a direct channel of communication between the Charity and Managing Director provides a route for reporting of Significant Incidents.

There is an internal audit function that is involved in the assessment of the risk management process.

Review of the business
The Charity's parent and controlling entity is Hyde Housing Association Limited (Hyde), a housing association. It is managed under Hyde's customer services directorate, by the Hyde Foundation team, and the associated staff and overhead costs are incurred within Hyde. The principal activities and objectives of the Charity are to provide services and deliver projects that improve the quality of life and life chances for people experiencing, or at risk of experiencing, social and economic exclusion. Achievement of these activities and objectives will further the Charity's public benefit by reducing the impact of poverty and distress experienced by beneficiaries. This is achieved by working in partnership with, and providing grants to, agencies as well as bursaries and awards directly to individuals to increase their skills, aspirations and employment prospects and opportunities.

Review of the year
Grant-making during the year was £394,000 (2018: £474,000). The Charity had incoming resources of £320,000 (2018: £643,000) mostly driven by dividend income. The investments showed a net gain of £559,000 in the year (2018: net gain £27,000). At the end of the year, the Charity held cash of £509,000 (2018: £536,000).

General Business Environment
The Hyde Foundation team have a continued focus on working with the most vulnerable of residents at risk of failing their tenancies and addressing neighbourhood issues in high need communities.
Analysis of the general market conditions that the Charity is operating in finds that:

- The rollout of the full suite of Welfare Reforms are continuing to change circumstances radically for residents on benefits. Notably the introduction of Universal Credit, and the continuation of the Bedroom Tax, together with further cuts to local public services have increased pressures on large numbers of Hyde residents.
- As more people experience financial difficulties, many are struggling with mental health issues which impact their ability to sustain their tenancies.

These emerging factors, together with increasing everyday household costs, stalling or reducing incomes, lower paid and unstable jobs and a continued freeze on benefit income, see residents cutting back on heating, buying cheaper food or accessing foodbanks, using savings, selling possessions and relying on relatives to pay rent. We continue to see residents with rent arrears increasing, or are falling into arrears.

In some of Hyde's high density urban areas, many young people are at risk of or are involved in youth violence and gang membership. Many of these disenfranchised young people living in such areas are unaware of how they can access positive pathways to a better life. There is political and social acceptance that the UK's population is ageing presenting challenges to public services including health and housing. It is widely accepted that this challenge has to be addressed by a range of partners to ensure the health and well-being of a growing and increasing frail ageing population. This is now of national importance and all relevant organisations are exploring ways to address serious youth violence.

Business Model and Strategy
The Charity's business model and strategy is driven by its founding purpose - to promote charitable purposes in England and to relieve poverty and distress, improving the conditions and quality of life of needy people. Over time the Trustees have further agreed that the Charity focuses its resources on residents of the Hyde Group and, in the main, its grant-making activities support the aims and objectives of the Hyde Group dedicated Community Investment team, Hyde Foundation.

Under the Charities (Protection and Social Investment) Act 2016, charities are required to include information on fundraising activities in the Trustees' Report. The Charity has no fundraising activities."

Grant-Making Model
Over 2018-2021 the grant making priorities are to respond directly to the changing needs of residents as a result of changes in the economic and policy environment.

TRUSTEES' REPORT (CONTINUED)

The 2018-19 funding plan focuses on activities, services and projects that increase Hyde residents' ability to sustain their tenancies and provide grants to appropriate external organisations that can address issues in Hyde's high need neighbourhoods. There is a shift in emphasis towards support for vulnerable individuals where there is a risk of them failing their tenancy, and to helping address issues that affect young and older people.

A new funding plan is currently being developed for 2019-20.

Current and future charity grants do the following:

For Individuals;

- Support residents experiencing financial crisis or ill health to sustain their tenancies as part of a package of support including access to employment

For Communities;

- Be innovative and responsive
- Be delivered by effective organisations
- Be delivered with appropriate expertise, ideally by people and organisations with direct experience of the communities they support, or the challenges they are trying to address
- Value diversity
- Understand social change and apply lessons learned
- Use resources effectively:
- Demonstrate a proven and significant gap in current provision; and
- Make a lasting change to individuals and the places where they live.

Budget allocations and funding priorities are reviewed and agreed on an annual basis. Grants for individuals and for communities are expected to be spent within the year they are awarded, with the Business Development and Successful Places programmes having the potential to be significant, multi-year funded programmes.

Key Performance Indicators

The Charity funds activities that support Hyde Foundation programmes of Successful Tenancies (including Employment Support) and Successful Places. Themes and priorities are outcome driven, and a selection of key outcomes and indicators are shown below with 2018-19 activity. These outcomes and indicators are used to measure success in the reporting period.

Theme	Outcome	Indicator	2019
Successful Tenancies	Increase in successful tenancies amongst Hyde's high risk residents	Amount of grant awarded	£56,000
Employment and Enterprise	Residents improve work related skills	Amount of Future Earnings Fund awarded	£2,000
Successful Places	Positive change and reduced estate-related problems in Hyde's higher need communities	Amount of Successful Places fund awarded	£90,000
Innovation and Insight	To pilot and test new approaches to tackling community issues	Tackling local community challenges successfully	£8,000

TRUSTEES REPORT (CONTINUED)

The remaining grants are under the Business Development fund. This grant fund is available to Hyde Foundation staff only (it is a closed grant fund). It is intended to enable the Foundation's Programme teams to achieve their targets (and ultimately the Foundation's Missions) by providing the necessary resources to allow for more effective, innovative, flexible and timely delivery of work. Grants can be used to cover the cost of new and existing work and submissions covering all areas that Hyde operates in, although key areas as deemed by business need, will be given priority.

There is more focussed use of Charity funds to maximise impact on individuals and in communities.

Principal risks and uncertainties
The general business environment for 2019-20 builds upon that of the current year with increasing demand for more service provision. The Charity is responding to this by further refining it's activities to ensure that there is funding available. Strategic direction involves seeking out and working with partners to deliver funding which is matched by the parent company. This enables programmes which support residents on benefits, facing financial difficulty and/or ill health to sustain their tenancies.

The Charity portfolio is spread between two fund managers and performance of both is monitored closely by the Trustees to mitigate the risk of the failure of one of the funds.

Future Developments
The Charity will continue to provide support for high need and vulnerable individuals, and targeted partnership activity with other organisations to develop projects and services to address community based issues. Increasing fundraising potential through the parent company supply chain and staff, and joint working with other trusts, foundations and funders has been explored and a Social Value Statement directs this work with support from the Hyde Group .

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

Jonathan Prichard
Chair
Date: 10 September 2019

Company registration no. 1803707
Charity registration no. 289888

STATEMENT OF GROUP CORPORATE GOVERNANCE

Group Governance
The Group Board has adopted the NHF Code of Governance "Excellence in Governance" as the governance code for the Hyde Group. In May 2019, the Group conducted a Group wide self-assessment of compliance with the Code. The results of the assessment were reported to the Group Board in May 2019. The Group Board concluded that the Group complied with the Code during the year. The overall governance of the Group and its subsidiaries is summarised as follows:

The Group Board
The Group Board is the ultimate governing body of the Group. It has places for ten non-executive directors and two executive directors and meets regularly throughout the year. Four of these meetings are formal business meetings, the remainder are set aside for the Board to consider wider strategic issues. The Group places significant importance in attracting the right mix of skills and members receive remuneration to support this aim and compensate them for their time and effort. Members are drawn from a range of professional and business backgrounds such that there is an optimum mix of skills and expertise to fulfil the function of the Group Board.

Delegation
The Group Board delegates some of its responsibilities to functional committees. Each of these committees has clear terms of reference and delegated authority. They report back to the Group Board after each meeting, where their recommendations are fully considered and approved where appropriate. Each of these committees is chaired by a non-executive member of the Group Board. The functional committees have a Group wide remit.

Functional Committees
There are five main functional committees within the Group: the Group Audit Committee, the Group Housing Services Board, the Group Investment Committee, the Group Treasury Committee and the Group Remuneration and Appointments Committee. Each of these committees is chaired by a non-executive member of the Group Board. The functional committees have a Group- wide remit.

The Group Audit Committee
The role of this committee is to oversee the work of both the internal and external audit function and to oversee the risk management framework and internal control framework for the Group. The Committee reviews the audited financial statements for all parts of the Group and recommends them to the relevant Boards for approval. It is also responsible for recommending to the Group and subsidiary Boards the appointment of internal and external auditors and investigating any activity it thinks fit or as may be referred to it. It submits an annual report to the Group Board. Through the reports it receives the Audit Committee gains comfort that the Group has appropriate systems of internal control and is able to comply with the Regulator of Social Housing expectations in this area.

The Group Housing Services Board
The Group Housing Services Board's (the "GHS Board") role is to scrutinise executive performance in respect of the Group's core business operations. It provides the Group Board with the reassurance that operational performance is subject to effective non-executive oversight.

In particular, the GHS Board scrutinises delivery of the Group's service promise, and its progress against ongoing operational work programmes and oversees the development of appropriate benchmarking criteria for internal and external validation of service performance, the identification and mitigation of statutory and regulatory risk (including health and safety) and the people issues as they affect operational delivery.

The GHS Board is also the "hub" for the Group's "common board" model of governance for the registered provider subsidiaries in the Group. Its members are also the members of the Boards of Martlet Homes Limited, Hyde Southbank Homes Limited and Hillside Housing Trust Limited (being Group subsidiaries). This enables the GHS Board to oversee the operations of these subsidiaries and to meet simultaneously as the relevant Boards where a particular board approval is required.

The Group Investment Committee
The Group Investment Committee oversees and approves the Group's property investment strategies covering acquisition, capital expenditure, development, asset management and disposition. In particular it scrutinises and approves the Group's involvement in substantial urban regeneration and renewal projects.

The Group Treasury Committee
The Group Treasury Committee provides detailed specialist oversight of the Group's corporate finance and treasury related activities and makes recommendations to or endorses courses of actions / proposals to the Group Board or Subsidiary Board for approval or appointment.

STATEMENT OF GROUP CORPORATE GOVERNANCE (CONTINUED)

The Group Remuneration and Appointments Committee (the Remuneration Committee)
The Remuneration Committee is responsible for setting the remuneration of Group Board members and of the Executive Management Team. In addition the Remuneration Committee oversees the process for Group Board member appraisal and reviews the process for Group Board member selection and appointment.

The Subsidiary Framework
The Trust's board of management at Hyde Charitable Trust comprises of eight trustees bringing together professional skills and support from the Group and the wider community. The Board is responsible for the overall strategy and policy of the Charity and meets formally four times a year to consider and monitor performance. Day to day performance management is delegated to the Managing Director.

INTERNAL CONTROLS ASSURANCE

The Group Board (Board) is ultimately responsible for ensuring the Group establishes and maintains a system of internal control appropriate to the various business environments in which it operates. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The key elements in exercising control include:

1. Group Board approved terms of reference and delegated authorities for functional; committees;
2. Clearly defined management responsibilities for the identification, evaluation and control of strategic risks;
3. Robust strategies and business planning processes, with detailed financial budgets and forecasts;
4. Formal recruitment, retention, training and development policies for all staff;
5. Established authorisation and appraisal procedures for significant new initiatives and commitments;
6. Robust treasury management which is subject to external review each year;
7. Regular reporting to the appropriate committee on key business objectives, targets and outcomes;
8. Group Board approved whistle-blowing and anti-theft and corruption procedures;
9. Group Board approved fraud procedures, covering prevention, detection and reporting together with recoverability of assets;
10. Regular monitoring of loan covenants and requirements for new loan facilities:and
11. Annual review of Regulator of Social Housing 'Economic and Consumer Standards'

The Board confirms that it has a strategy and procedure for Anti-Fraud and Corruption.

The system of internal controls is ongoing, and has been in place for the year to 31 March 2019 and up to the date of approval of the annual report and financial statements.

The Board recognises its responsibility for the system of internal control and for reviewing its effectiveness. The Group produces an annual review of internal controls. This provides assurances around external audit, internal control, internal audit, whistle blowing, risk management and performance monitoring.

The Board reviews annually the effectiveness of the system of internal controls in existence in the Group. This review includes a review of the fraud register. The Board confirms that all necessary actions are taken to remedy any significant failings or weaknesses which may have been identified during the review.

The Board cannot delegate ultimate responsibility for the system of internal control but has delegated authority to the Group Audit Committee to regularly review the effectiveness of the system of internal control. The Board receives Group Audit Committee quarterly reports and meeting minutes. The Group Audit Committee has received the Chief Executive's 'Annual Review of the Effectiveness of the System of Internal Control' for the Group, and the annual report of the internal auditor, and has reported its findings to the Board.

The Board confirms no weaknesses were found in the internal controls for the year ended 31 March 2019 which might otherwise have resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Hyde Charitable Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware:

(a) there is no relevant audit information of which the charitable company's auditors are unaware; and
(b) the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Jonathan Prichard
Chair

Company registration no. 1803707
Charity registration no. 289888

Independent auditors' report to the members of Hyde Charitable Trust

Report on the audit of the financial statements

Opinion

In our opinion, Hyde Charitable Trust's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Report"), which comprise: the balance sheet as at 31 March 2019; the statement of financial activities (including income and expenditure account), the statement of cash flows for the year then ended; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charitable company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the charitable company's activities, beneficiaries, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Trustees' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Trustees' Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities set out on page 11, the Trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Trustees were not entitled to: take advantage of the small companies' exemption in preparing the Trustees' Report; and take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.

Guy Flynn

Guy Flynn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
Date: 26/09/2019

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2019
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

	Note	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total 2019 £'000	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total 2018 £'000
Income									
Donations and legacies	5	1	-	-	**1**	1	-	300	**301**
Income from Investments	6	294	-	25	**319**	342	-	-	**342**
Total income		**295**	**-**	**25**	**320**	**343**	**-**	**300**	**643**
Expenditure on:									
Costs of generating funds:									
Expenditure on Charitable activities	2	(274)	(20)	(100)	**(394)**	(406)	(13)	(55)	**(474)**
Total Expenditure		**(274)**	**(20)**	**(100)**	**(394)**	**(406)**	**(13)**	**(55)**	**(474)**
Gains on revaluation of investments	10	559	-	-	**559**	27	-	-	**27**
Net income/(expenditure)		**580**	**(20)**	**(75)**	**485**	**(36)**	**(13)**	**245**	**196**
Net movement in funds		**580**	**(20)**	**(75)**	**485**	**(36)**	**(13)**	**245**	**196**
Fund balances brought forward at 1 April	15	9,022	45	259	**9,326**	9,058	58	14	**9,130**
Fund balances carried forward at 31 March		**9,602**	**25**	**184**	**9,811**	**9,022**	**45**	**259**	**9,326**

All gains and losses recognised in the current and prior year are included in the Statement of Financial Activities.

All income and expenditure in the current and prior year is derived from continuing activities.

The above Statement of Financial Activities also forms the Profit and Loss Account for Companies Act 2006 purposes.

BALANCE SHEET AS AT 31 MARCH 2019

	Note	2019 £'000	2018 £'000
Fixed assets			
Investments	10	9,398	8,839
Total fixed assets		**9,398**	**8,839**
Current assets			
Debtors	11	62	82
Cash at bank and in hand	12	509	536
Total current assets		**571**	**618**
Current liabilities			
Creditors: amounts falling due within one year	13	(158)	(131)
Net current assets		**411**	**487**
Total assets less current liabilities		**9,811**	**9,326**
The funds of the charity			
Restricted income funds	15	184	259
Unrestricted income funds			
General fund	15	9,602	9,022
Designated income funds	15	25	45
Total unrestricted income funds		**9,627**	**9,067**
Total charity funds		**9,811**	**9,326**

The financial statements on pages 15 to 25 were approved by the Board of Trustees on 10 September 2019 and signed on its behalf by

Jon R Prichard

Jonathan Prichard
Chair

Company registration no. 1803707
Charity registration no. 289888

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	2019 £'000	2018 £'000
Cash flows from operating activities		
Net cash generated from operating activities	**532**	**240**
Cash flows from investing activities		
Net cash outflow from investing activities	**(559)**	**(27)**
Change in cash and cash equivalents in the year	**(27)**	**213**
Cash and cash equivalents at the beginning of the year	536	323
Total cash and cash equivalents at the end of the year	**509**	**536**

NOTES TO THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	2019 £'000	2018 £'000
A. Reconciliation of movement in funds to net cash inflow/(outflow) from operating activities		
Net movement in funds	484	196
(Increase)/decrease in debtors	21	(52)
Increase/(decrease) in Creditors	27	96
Net cash generated from operating activities	**532**	**240**

B. Analysis of investing activities		
Loss on revaluation of investments	(559)	(27)
Total cash outflow from investing activities	(559)	(27)

C. Analysis of cash and cash equivalents		
Cash at bank	2	2
Money market deposits	507	534
Total cash and cash equivalents	509	536

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements comply with the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland "FRS102" March 2018 Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared on a going concern basis and in accordance with the historical cost convention, modified by the revaluation of investments. The "going concern" basis for preparing the financial statements is considered appropriate as the Charity limits it's expenditure to utilisation of designated and restricted reserves for which funds were provided in prior years and the dividend income it receives in the financial year. The Hyde Charitable Trust is a public benefit entity under FRS 102. The following accounting policies have been applied consistently in the periods in dealing with items which are considered to be material in relation to the financial statements of Hyde Charitable Trust.

As the Charity is a wholly- owned subsidiary of Hyde Housing Association Limited, the Charity has taken advantage of the exemption contained in FRS 102 Section 33 - '*Related Party Disclosures*', and has therefore not disclosed transactions or balances with entities which form part of the Hyde group.

Income

All income is accounted for when the Charity has entitlement to the funds, certainty of receipt and the amount is measurable. When income is received in advance of a performance of another specified service, it is deferred until the Charity is entitled to that income. Income is recognised when receivable by the Charity. All monetary donations are gifts and are included in full in the income and expenditure account when receivable, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met. Investment income is classified as operating income, including associated income tax recoverable and is recognised when receivable.

Grants payable

Grants are charged to the income and expenditure account when a legal or irrevocable commitment has been made to pay the grants.

Expenditure

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

Charitable expenditure

Charitable expenditure comprises those costs incurred by the Charity in the delivery of activities and services to its beneficiaries. It includes both costs that can be allocated directly to such activities, and those costs of an indirect nature necessary to support them. It is recognised on an accruals basis. Support costs are governance costs, that are the statutory audit fees. These are disclosed in note 7. Other support costs, such as employee costs, cannot be separately identified. As governance costs are not material, these are not separately disclosed and allocated to the activities of the Charity.

Investment assets

Investments are recognised at market value with any gain or loss for the year recognised in the Statement of Financial Activities.

Income tax recoverable

Hyde Charitable Trust is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

VAT

The Company recovers only a small proportion of input VAT. Expenditure is therefore shown inclusive of VAT, to the extent that it is not recoverable, with non-attributable input tax recovered being credited against management expenses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Funds

Unrestricted funds
Unrestricted funds are held to support the Charity in its future charitable objectives, and are represented by the investment and other assets. The unrestricted funds are reviewed annually.

Designated reserves
Designated reserves are those reserves that are designated for a specific purpose. Transfers to and from designated reserves are made at the discretion of the Board. The designated reserves are reviewed annually.

Restricted reserves
The restricted reserve consists of grants from third parties which may only be expended in accordance with the terms of the grant.

Financial assets
The Charity recognises a financial asset when it gains a contractual right to the asset. The exception is where the financial asset is consideration from customers for services provided. In these cases the Charity recognises the financial asset when the revenue recognition criteria are met. The Charity removes a financial asset from its balance sheet when it no longer has a contractual right to the asset, or when the asset is transferred to another party. The Trust's financial assets are classified as loans and receivables and on initial recognition are measured at fair value. Subsequent to initial recognition the Trust's loans and receivables are measured at amortised cost. Debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Impairment of financial assets
The Charity assesses, at each balance sheet date, whether there is objective evidence that its financial assets are impaired. Assets are impaired if the future cash flows associated with the asset have been reduced by events before the balance sheet date, and if the effect on future cash flows can be reliably estimated. Events that could trigger impairments include a breach of terms or default by a counterparty on a contract, significant financial hardship of a counterparty or an emerging pattern of lower than expected recovery on a class of assets. The Charity measures the amount of impairment loss as the difference between the asset's carrying amount and the revised recoverable amount. The amount of the loss is recognised in the Trust's Statement of Financial Activities in the period of impairment.

Financial liabilities
The Charity recognises a financial liability when it becomes a party to the contractual provisions of the financial instrument. The exception is any liability related to the purchase of goods or services in the normal course of the Trust's business. In these cases the financial liability is recognised when, and to the extent that, the goods or services are provided. The Charity removes a financial liability from its balance sheet, when it is extinguished, i.e. when the obligation in the contract is paid, is cancelled or expires. On recognition the Charity recognises financial liabilities at fair value and subsequently at amortised cost. Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Critical accounting judgements and estimation uncertainty
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas within estimation uncertainty are as follows:

Estimates

- Staff costs are incurred within Hyde Housing Association reflecting the work of Hyde Foundation. These costs are not specifically identifiable as a recharge to HCT.
- The notional audit fee for the Charity is not recognised as a gift in kind and is paid by Hyde Housing Association.

Judgements

- Investments held by the Charity are recognised at market value with any gain or loss for the year recognised in the Statement of Financial Activities.
- Other investments held are measured at fair value.
- Provision for bad and doubtful debts: provisions for bad and doubtful debts are calculated based on average collection rate by amount overdue. Groupings of amounts overdue require managements consideration.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- Provisions: provisions are made for lease dilapidations, onerous leases and legal claims where an obligation is likely. These provisions require managements best estimate of the costs that will be incurred based on legislative and contractual requirements including constructive obligations. In addition, the timing of cash flows and discount rates used to establish net present value of the obligations require management's consideration.

Unrestricted funds

Unrestricted funds are held to support the Charity in its future charitable objectives, and are represented by the investment and other assets. The unrestricted funds are reviewed annually.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. EXPENDITURE ON CHARITABLE ACTIVITIES

The Charity has applied £394,000 (2018: £474,000) during the year to various charitable projects. Grants are made to both individuals and institutions. Support costs allocated are £nil (2018: £nil).

	EXPENDITURE ON CHARITABLE ACTIVITIES	EXPENDITURE ON CHARITABLE ACTIVITIES
	2019	2018
GRANTS	£'000	£'000
Unrestricted Grants		
Innovation & Insight	8	38
Business Development Fund	135	90
Grants For Individuals (Do More)	-	1
Home Essential Fund	-	1
Future Earnings Fund	2	5
Successful Tenancies Fund	56	41
Community Anchor Fund	(5)	186
Successful Places Fund	90	32
Solutions for Aging Society (Unrestricted)	(12)	12
Designated Grants		
Vulnerable People (Helping Hands)	-	4
Be Secure	-	9
Scholarship Fund	20	
Restricted Grants		
Stockwell Community Resource Centre	-	1
Solutions for Aging Society (Restricted)	31	12
Battersea Power Station CHO	58	28
Battersea Power Station PALAVA	11	14
Total	**394**	**474**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.FUND ACCOUNTING

a) Unrestricted Fund:
The Charity's unrestricted fund consists of funds which the Charity may use for its purposes at its discretion.
b) Designated Fund:
The designated fund consists of funds that may only be expended in connection with the activities and organisations with which they were designated when established.
c) Restricted Fund:
The restricted fund consists of grants from third parties which may only be expended in accordance with the terms of the grant.

Analysis of assets and liabilities between general and designated funds:

	Unrestricted Fund 2019 £'000	Designated Fund 2019 £'000	Restricted Fund 2019 £'000	Total 2019 £'000	Unrestricted Fund 2018 £'000	Designated Fund 2018 £'000	Restricted Fund 2018 £'000	Total 2018 £'000
Investments	9,398	-	-	9,398	8,839	-	-	8,839
Debtors	62	-	-	62	82	-	-	82
Cash at bank and in hand	301	25	183	509	232	45	259	536
Creditors falling due within one year	(159)	-	-	(159)	(131)	-	-	(131)
	9,602	**25**	**183**	**9,810**	**9,022**	**45**	**259**	**9,326**

4. NET INCOME

Net income is stated after charging depreciation of £nil (2018: £nil) and other expenses of £nil (2018: £nil).

5. DONATIONS AND LEGACIES

During the financial year, the Charity received total general donations of £520 all of which was unrestricted (2018: £301,000 of which £1,000 was unrestricted and £300,000 was restricted).

6. INCOME FROM INVESTMENTS

	2019 £'000	2018 £'000
Dividends from CCLA COIF and JM Finn Funds		
Unrestricted	316	341
Interest receivable	3	1
	319	**342**

Interest and investment income is included within operating profit as it forms part of the Charity's income. All investment income is from unlisted investments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. AUDITORS' REMUNERATION

The notional charge for the audit of the financial statements was £4,000 (2018: £2,082) exclusive of VAT. This was paid by the Parent, Hyde Housing Association Limited. No other services relating to the Charity were performed by the auditors.

8. EMPLOYEE INFORMATION AND COSTS

The Charity has no employees (2018: nil). No services were provided from the Parent.

9. DIRECTORS' EMOLUMENTS

The Trustees received no emoluments or reimbursed expenses during the current or preceding years in respect of their services to the Charity. The Managing Director is paid by Hyde Housing Association Limited, the Parent. Expenses are also reimbursed by the Parent. Expenses reimbursed during the year were as follows:

- Christopher Carlisle £171.90

10. INVESTMENTS

	2019 £'000	2018 £'000
At 1 April 2018	8,839	8,812
Gain on revaluation	559	27
At 31 March 2019	**9,398**	**8,839**

Investment Valuation is shown after JM FINN fees and charges of £32,254 and of £Nill for the CCLA COIF. The COIF incurs internal costs which are charged to the Funds capital .The ongoing charges ration is 0.75% of the Fund's value per annum.

Investment statement

	Units	Original cost £'000	Market value 2019 £'000	Market value 2018 £'000
Investment fund CCLA COIF Investment Fund (Unlisted)	321,490	3,638	4,933	4,572
JM Finn Portfolio (Unlisted)	1,934,628	3,814	4,465	4,267
Total		**7,452**	**9,398**	**8,839**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. DEBTORS

	2019 £'000	2018 £'000
Amounts owed by group undertakings	-	5
Other debtors	62	77
	62	**82**

12. CASH AT BANK

	2019 £'000	2018 £'000
Restricted cash at bank	183	259
Designated cash at bank	25	45
Unrestricted cash at bank	301	232
	509	**536**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £'000	2018 £'000
Trade creditors	19	33
Amounts owed to group undertakings	10	-
Accruals and deferred income	129	98
	158	**131**

14. PROVISIONS FOR LIABILITIES AND CHARGES

There were no provisions for liabilities and charges during the year (2018: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. RESERVES

	General Fund £'000	Designated Income Funds £'000	Restricted Income Funds £'000	Total £'000
At 1 April 2018	**9,022**	**45**	**259**	**9,326**
Gains on revaluations of investment	559	-	-	559
Net incoming/(outgoing) resources for the year	46	(20)	(101)	(75)
Transfer from General Fund	(25)	-	25	-
At 31 March 2019	**9,602**	**25**	**184**	**9,811**

The transfer of £25,000 from the General Fund to the Restricted Income fund relates to matched funding for the Solutions for Aging Society grant which was agreed in 2017-18.
The Designated Income Fund relates to the Scholarship Fund £24,975 (2018:£44.957)which may only be expended in connection with the activities and organisations ring fenced by the trustees.
The Restricted Income Funds include £163,431 for Battersea Power Station Fund (2018:£232,400), Hennesey Trust £13,385 (2018: £13,385) and UnLtd £6,585 (2018:£12,800). These funds may only be expended in accordance with the terms laid down by the donors.

16. CAPITAL AND FINANCIAL COMMITMENTS

There were no capital and other financial commitments at the balance sheet date (2018: £nil).

17. OPERATING LEASES

There were no operating leases held during the year (2018: £nil).

18. CONTINGENT LIABILITIES

There were no contingent liabilities at the balance sheet date (2018: £nil).

19. CONTROL

The ultimate parent company and controlling party, Hyde Housing Association Limited, is a housing association incorporated under the Co-operative and Community Benefit Societies Act 2014 which is registered in England and Wales. Hyde Housing Association Limited is a public benefit entity and registered provider for social housing incorporated in the United Kingdom. The composition of the Trustees of the Charity is determined by Hyde. A copy of Hyde's financial statements can be obtained from 30 Park Street, London, SE1 9EQ. Hyde Housing Association Limited exercises control through the power to remove and appoint Trustees.

20. LIABILITY OF THE MEMBERS

The Charity is a company limited by guarantee without share capital. The liability of the members, including the directors of Hyde Charitable Trust, is limited to £1 each.

21. PAYMENTS TO CREDITORS

The Charity has a policy of paying suppliers within agreed payment terms. Subject to resolution of any queries or discrepancies on specific invoices, this policy is to pay creditors within 30 days.

22. RELATED PARTY TRANSACTIONS

Michelle Walcott is a Hillside Housing Trust tenant and was a Board member of Hyde Charitable Trust during 2018-19. The rent she paid for 2018-19 was £6,818.76 (2018: £6,806.23). The prior year comparative has been represented to reflect consistent calculation with the current year. Their terms and conditions are no different to any other tenant.