

LONDON BOROUGH OF CAMDEN	WARDS: All
REPORT TITLE: Camden Living Financial Statements 2024/25	
REPORT OF: Director of Finance	
FOR SUBMISSION TO: Audit and Corporate Governance Committee	DATE: 26 th March 2026
<p>SUMMARY OF REPORT: This report briefs the Committee for their information on the audited financial statements for Camden Living Limited (CL) which have been registered at Companies House.</p> <p>This report demonstrates that the company continues to trade viably in line with company law requirements and highlights key points of Camden Living Limited (CL) financial position and performance for the 12-month period to 31st March 2025.</p> <p>LOCAL GOVERNMENT ACT 1972 – ACCESS TO INFORMATION: No documents that require listing were used in the production of this report.</p> <p>CONTACT OFFICER: Vaishali Panchal Finance Business Partner 5 Pancras Square London N1C 4AG vaishali.panchal@camden.gov.uk</p>	
<p>RECOMMENDATION</p> <p>That the Committee notes the Camden Living Limited (CL) audited financial statements for the 12-month period to 31st March 2025.</p>	
<p>SIGNED: Daniel Omisore</p> <p>DATE: 12/02/26</p>	

1. Purpose of the Report

- 1.1 This report presents Camden Living Limited (CL) 2024/25 audited financial statements attached as **Appendix A** for the Committee's information and comment.
- 1.2 The accounts have been audited by independent auditors (Forvis Mazars) and have been prepared in accordance with company law and accounting requirements specifically Financial Reporting Standard (FRS) 102 1A of the standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities) which is the applicable standard and basis for preparation of CL's statements.
- 1.3 The financial statements have been approved by CL's board and filed at Companies House by the Council financial officers who support CL's operation. However, given CL is a wholly owned subsidiary, the Audit and Corporate Governance Committee is asked to note and comment on the financial statements for their information to complement its role in approval of the Council's main accounts and in reviewing the governance and assurance arrangements for significant partnerships and collaborations.

2. Key messages

What is Camden Living Ltd

- 2.1 Camden Living Limited is a wholly owned subsidiary of the London Borough of Camden incorporated in 2016 to help improve housing opportunities for Camden residents. The operational decision-making is overseen by an unpaid board made up of Council officers with a spread of expertise. On the 7th September 2022, Cabinet agreed to update CL's structure to create a Registered Provider (RP) Company as a tool available to optimise delivery of social housing (initially delivering 34 new social rent homes in Central Somers Town by 2024).
- 2.3 CL acquired its first 65 units in March 2018 from the Council at market value and since then has been letting them as intermediate rent units to people with income levels who would struggle to afford market rent. The Council provided CL with a £5.085m loan at market interest rate to purchase these homes. In accordance with a model used across the housing association sector the Council's loan to CL is protected by a debenture which acts as a floating charge over the assets. As noted in CL's financial statements it continues to trade viably as a going concern but in the unlikely event of CL becoming fundamentally unviable (not anticipated) the debenture would crystallise, and the title of the assets would revert to the London Borough of Camden.
- 2.4 As well as the 65 intermediate units, in 2020, the Council granted CL an "operating lease" of a further 48 units. Under the lease, Camden Council retains freehold ownership of these assets, and CL lets the units at market rent. Under this type of lease arrangement CL does not pay a premium but is required to pay the actual rent CL receives from tenants as their landlord to the Council as

freeholder (received by the Housing Revenue Account) after deducting CL's management fee.

- 2.5 Between July-24 to March-2025 the Council has also entered a further operating lease arrangement with CL comprising of 52 units which are let to refugees at London Housing Allowance (LHA) rent. The units were part-funded by grant from the government's Local Authority Housing Fund and enabled units which would have otherwise been sold to private buyers to remain in public ownership. As with the other 48 units leased to CL by the Council, CL benefits from a guaranteed management fee which increases its income and improves its financial stability.
- 2.6 As noted the 65 intermediate units are rented by CL to tenants at a lower than market rent to provide an intermediate rent product affordable to households with lower earnings. The 48 units covered by the 2020 operating lease are rented by CL to private tenants at the market rate. CL has been making a modest profit on these units since the model was established except for the first year. The 52 refugee units are let at London housing allowance rates to the refugee households nominated by the Council in coordination with the Home Office. Most of these tenants are in receipt of Universal credit which significantly reduces rent collection risk. It is considered CL's core business model (as approved by the Council as CL's parent) is both minimal risk and profitable, because:
- Intermediate and market rent homes have a healthy demand, as a result, CL has a low level of void homes.
 - The refugee units' income stability is high and void levels are minimal.
 - The company remains a going concern as demand for the product remains strong with minimal rent arrears.
- 2.7 As noted above CL has a duty to prepare and file statutory financial statements (i.e. its audited accounts) at Companies House. Forvis Mazars, CL's independent auditors, have completed the audit of CL's Financial Statements for the period ending 31st March 2025. Mazars have expressed an unqualified audit opinion, this means the auditors believe the accounts give a true and fair view and have been properly prepared in accordance with generally accepted principles and applicable laws.
- 2.8 Mazar's audit of CL's accounts confirm the company remains going concern as for 24-25 tax year the company has reported a profit of £247k after tax. The main reason for the profit is due to one-off repairs refund of £222k and management fee income from refugee properties which were not budgeted for. The Council had previously charged us for repairs to communal areas, which are already covered under the service charge. As a result, we were effectively being charged twice for the same costs. The refund relates to all relevant years since the company began trading. The company is forecasted to make a profit of £223k in 2025/26 (largely due to management fees income from the operating leases). Camden Living has a bank balance of £1.9m with net assets of £987k as of 31st March 2025 (March 2024 £673k).

2.9 It is also worth mentioning that (although this does not form part of the profit and loss account of the company) the operating lease relating to the 48 market rent units and 52 refugee units (up to March 25) generated the sum of £1.265m (rent paid by tenants less CL's management costs) for the Council and which as noted is paid by the Company to the Council's Housing Revenue Account.

3. Comments of the Director of Finance

3.1 This is a report of the Director of Finance, whose financial comments are incorporated into this report.

4. Legal Comments of the Borough Solicitor

4.1 Legal Comments are incorporated in the report.

5. Environmental Implications

5.1 There are no environmental impacts arising from this report.

6. Appendices

Appendix A Camden Living Limited Financial Statements for the year ended. 31st March 2025.