



HCD IMPACT REPORT 2026



Hackney Co-operative
Developments CIC

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HCD IMPACT REPORT 2026

Impact at a Glance

- 90 tenant organisations supported across seven sites
- £1.5m annual turnover supporting community economic development
- 24 of 27 new Woodberry Down workspaces occupied
- 500+ residents supported through digital inclusion
 - 150 HMRC advice clients supported
 - 200+ visa and HMCTS clients assisted
- 74 businesses supported through Hackney Impact
 - 22 events delivered in Gillett Square
- 24 charities and community organisations supported with financial resilience work



Rod Campbell-Taylor

CHAIR'S REPORT

HCD continues to celebrate community, change and development and Hackney. We recognise that sometimes there can be tensions, and we see it as part of our mission, where we can, to ease those tensions and, nebulous as it often sounds, bring people back together and inspire them.

We have many solid achievements to celebrate. Over the last ten years we have completely refurbished three properties, we have grown our available workspace, our training and inclusion team led by Bekele Teklu has helped over ten thousand individuals with literacy, business and digital inclusion training and workshops and social enterprise guru, Douglas Racionzer, has provided advice and support to hundreds of social

enterprises and community businesses. Our properties generate an operating surplus of over 400K per year, and our turnover is just over 1.5 million pounds. Although we cannot take anything for granted, we embark on a new three-year plan, re-energised.

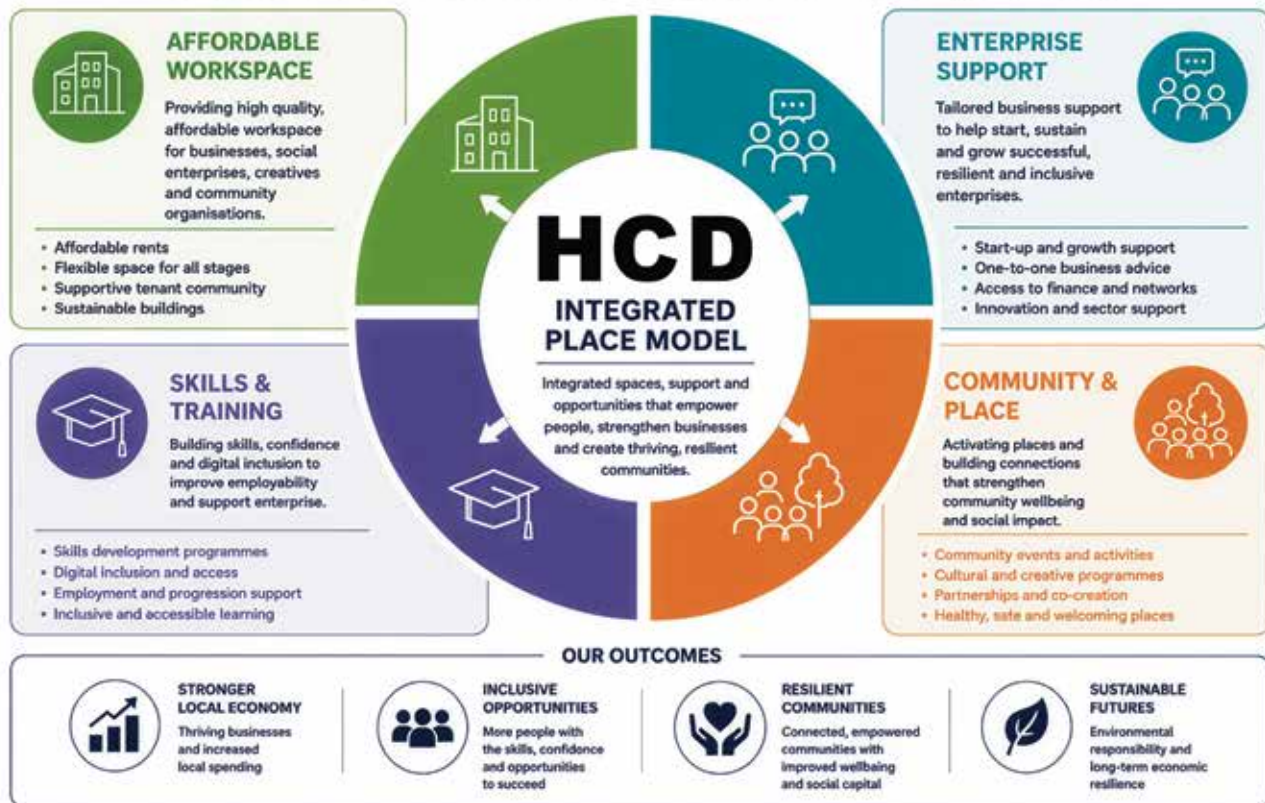
At the heart of our identity is Gillett Square, a special space where we encounter the full meaning of the twenty-first-century city. We are pleased to say that HCD has secured a two-year GLA grant of just under 80K to support community engagement around a new Gillett Square community garden, with more trees and edible plants. This is all part of a joint plan with the council,

now in its final stages, to reclaim the car park as part of a greener pedestrianised community hub. On the theme of change we congratulate Zoë Garbett on her recent election as Mayor of Hackney. As a Dalston counsellor Zoë is well known to HCD and a very familiar face in Gillett Square, where she has been a longstanding volunteer with the Zoom Bike Project. We wish her all the very best in her mayoralty.

As I write, we are also on the cusp of a change at the apex of national power. There are tentative indications that new political and economic ideas may be taken up as part of a less centralised and top-down state. We hope that this may include ideas

HCD INTEGRATED PLACE MODEL

Building Sustainable Communities • Strengthening Local Economies • Creating Opportunities for All



ONE MODEL. CONNECTED IMPACT. LASTING CHANGE.

espoused by Mariana Mazzucato, professor in the economics of innovation and public value at UCL. In her recent book, *'The Common Good Economy: A New Compass'*, Professor Mazzucato points out how the idea of 'doing good' is too often seen as merely a 'byproduct' or correction to market priorities, rather than a designed-in objective in itself.

As she describes it in a recent interview in the Guardian, '...If we are to save ourselves, the place to do so will be in public places, in the fun of carnivals, in the community spaces where the common

good is expressed, though not always articulated.' So, there it is, the economics of regenerating the common good starts from spaces like Gillett Square!

Finally, I offer my continuing gratitude to the continued dedication and hard work of our executive team, led by our CEO Dr Simon Dancey and our Finance Director Richard Ludlow, as well as our brilliant staff and General Council. ■

Rod Campbell-Taylor
Chair

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Dr Simon T Dancey

CEO'S REPORT

This year has marked a significant turning point for Hackney Co-operative Developments. Over the past 18 months, we have undertaken one of the most substantial organisational restructurings in HCD's forty-year history. Faced with rising interest rates, post-pandemic pressures, increasing operating costs and a challenging property market, we have worked closely with our Board, funders, lenders and partners to reshape the organisation for the future. While this has not always been easy, it has been necessary.

The result is a stronger, more resilient HCD. We have reduced financial pressures, strengthened governance, improved operational efficiency

and begun reforming our rental model to ensure that affordable workspace remains financially sustainable for the long term. Alongside this work we have continued to invest in our properties, support our tenants and deliver programmes that make a tangible difference to local people and businesses.

What has become increasingly clear during this period is that HCD is far more than a provider of affordable workspace. Our work is built around the HCD Integrated Place Model. By combining affordable workspace, enterprise support, skills and training, and community stewardship within a single operating model, we create places

where businesses can grow, communities can thrive and opportunity becomes more accessible. Property is not an end in itself; it is the platform from which wider economic and social impact is created.

During the year our property portfolio continued to provide affordable bases for businesses, social enterprises and community organisations. Our enterprise team supported entrepreneurs and voluntary organisations to develop new ideas and strengthen existing businesses. Our skills programmes helped hundreds of residents improve their digital confidence, access public services and move closer to employment. Across Gillett Square and



our wider estate we continued to create welcoming public spaces where culture, enterprise and community come together.

Looking ahead, our new three-year Business Plan sets out an ambitious but carefully managed programme of growth. We will continue to strengthen our Hackney base while exploring opportunities to work with local authorities and partners across London, building on forty years of community economic development.

None of this would have been possible without the commitment of our staff, Board, tenants, volunteers, funders and partners.

I would particularly like to thank our General Council, our staff and everyone who has supported HCD through a demanding but ultimately transformative year.

After forty years HCD continues to evolve, but our purpose remains unchanged: to build stronger local economies, support inclusive enterprise and steward places that benefit the communities they serve. ■

Dr Simon T Dancey
Chief Executive Officer

PROPERTY REPORT

Property as the Foundation of Community Economic Development

HCD's property portfolio remains the foundation of the organisation's Integrated Place Model. More than simply providing affordable workspace, our buildings generate the income that enables us to deliver enterprise support, skills programmes and community initiatives across Hackney.

Every workspace, studio, office and community facility contributes to a wider purpose: supporting local businesses, creating employment opportunities and strengthening neighbourhoods.

During 2025–2026, the Property Team continued to manage seven sites across Hackney, maintaining high occupancy levels, improving the quality and safety of our buildings, supporting tenants and ensuring that our estate remains financially sustainable for the future.

Despite continued economic pressures across the property sector, demand for affordable workspace remained strong throughout much of our portfolio, reflecting both the quality of our buildings and the continued need for affordable premises in Hackney.

The Property Team

The Property Team manages the day-to-day operation of HCD's estate, ensuring that buildings remain safe, compliant, welcoming and responsive to the needs of tenants.

The team comprises:

- * Head of Property
- * Facilities Manager
- * Caretaker (Bradbury Works)
- * Handy Person
- * Receptionist (Woodberry Down)

The team is supported by colleagues across the wider organisation, including the Chief Executive Officer, Finance Director, team leaders and administrative support.

Managing community assets requires a collaborative approach, and the support provided by colleagues across HCD has been invaluable throughout the year. Together, they ensure that our buildings continue to operate efficiently while providing high-quality spaces for businesses and community organisations.

Occupancy Across Our Estate

Maintaining high occupancy remains one of HCD’s principal operational priorities. Rental income generated from our buildings provides the financial foundation that enables the organisation to invest in enterprise support, skills programmes and community activity.

We are therefore pleased that the majority of our estate remained fully occupied throughout the year.

Site	Occupancy
Dalston Culture House	Fully occupied
Bradbury Street Shops & Bars	Fully occupied
Dalston Lane	Fully occupied
Bradbury Works	Fully occupied
Woodberry Down	24 of 27 occupied
Downham Road	One vacancy
Beechwood Road	Three vacancies

Vacant units at Beechwood Road continue to be actively marketed, while a prospective tenant is progressing through the letting process at Downham Road. Overall occupancy remains strong and demonstrates the continuing demand for affordable workspace across Hackney.

Woodberry Down - A Year of Significant Progress

One of the year's most significant achievements has been the successful expansion and occupation of Woodberry Down.

During the year: with a grant from the Hackney Council Affordable Workspace Fund, 14 newly constructed workspace pods were built, bringing the total available units to 27. These new spaces were designed to meet the needs of start-up businesses, freelancers and social enterprises. Filling these spaces quickly became a major priority for the Property Team. Working closely with local businesses, community organisations and existing networks, the team actively promoted the development and engaged directly with prospective tenants. The results have exceeded expectations.

By the end of the reporting period, twenty-four of the twenty-seven workspaces had been occupied, leaving only three vacancies, one of which is a meeting room.

This represents an excellent outcome and demonstrates both the strength of demand and the effectiveness of the team's marketing and tenant engagement activities.

Supporting Our Tenants

Providing affordable workspace is only part of HCD's offer.

We believe that successful buildings are created through relationships, collaboration and community. Throughout the year, the Property Team worked closely with tenants to support events, encourage collaboration and help organisations make the most of the spaces they occupy.

Case Study: *Centre for Knowledge Equity*

Centre for Knowledge Equity continues to be an important tenant at Bradbury Works and an active contributor to the wider community. Working together, we supported a number of public events across Bradbury Street and Gillett Square, bringing together local residents, artists, researchers and community organisations. These activities demonstrate how HCD's buildings provide far more than accommodation; they create opportunities for collaboration, learning and community engagement.





Case Study: *NTS Radio*

NTS Radio continued to play an important role within Gillett Square during the year.

Working alongside HCD's Events Team, NTS delivered a programme of well-attended cultural events that attracted audiences from across Hackney and beyond. These events contributed significantly to the vibrancy of Gillett Square and reinforced its reputation as one of London's most distinctive public spaces.

Supporting New Businesses

Throughout the year HCD continued to provide affordable first workspaces for new businesses and social enterprises.

For many organisations, securing appropriate premises represents one of the greatest barriers to growth.

By offering affordable, well-managed workspaces alongside wider enterprise support, HCD helps businesses establish themselves, grow sustainably and become long-term contributors to the local economy.

Safe, Sustainable Buildings

The safety of tenants, staff and visitors remains our highest priority.

During the year we continued an extensive programme of compliance inspections, maintenance and planned improvements across our estate.

This included ongoing building safety inspections at Bradbury Works, Dalston Culture House, Beechwood Road, Woodberry Down and Downham Road, together with regular servicing and maintenance of building systems.

Alongside safety improvements, we continued to improve the environmental performance of our buildings.

Measures introduced during the year included:

- * Installation of sensor lighting where appropriate
- * More regular servicing of heating systems
- * Wider use of Hive heating controls to improve energy efficiency
- * Ongoing engagement with energy suppliers to secure better value

These improvements reduce operating costs while supporting HCD's wider commitment to environmental sustainability.

Looking Forward

As HCD enters the next phase of its development, the Property Team will continue to play a central role in delivering the organisation's new Business Plan.

Priorities for the coming years include:

- * Maintaining high occupancy across the estate
- * Further improving building quality and environmental performance
- * Supporting tenants through enterprise and community initiatives
- * Expanding HCD's role in community asset stewardship and workspace management across London

Property remains the financial engine of the organisation, but its purpose extends

well beyond buildings. Through the HCD Integrated Place Model, our estate provides the platform from which enterprise, skills and community development can flourish.

Impact

Skills development is about far more than learning to use technology.

Through digital inclusion, assisted digital services and practical training, HCD has helped hundreds of residents access employment, public services and education while reducing social isolation and improving wellbeing. These interventions strengthen individuals, families and communities, creating more inclusive local economies. ■

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SKILLS & TRAINING

Building Skills, Confidence and Opportunity

Skills and digital inclusion remain central to HCD's mission of supporting inclusive community economic development. Access to digital services, employment opportunities and public services increasingly depends upon digital confidence. Yet many residents continue to face barriers through lack of skills, language, equipment or connectivity.

Throughout 2025–2026, HCD continued to deliver a comprehensive programme of digital inclusion, skills training and assisted digital services, helping residents develop practical skills, access essential services and participate more fully in economic and community life.

Our programmes particularly support those who are often excluded from mainstream provision, including migrants, older people, low-income households and residents experiencing digital exclusion.

Tackling the Digital Divide

As a member of the UK Online Network for more than fifteen years, HCD continues to play an important role in addressing digital exclusion across Hackney.

During the year we supported more than 500 residents through digital skills training, one-to-one support and the provision of devices and connectivity.

Working closely with HCD Trust and other partners, we provided practical support to individuals who lacked the confidence, equipment or internet access needed to participate in modern life.

The impact has been significant:

- * More than 75% of participants reported feeling less isolated
- * 85% reported improved wellbeing through increased social connection
- * More than half began using online services independently for the first time

Participants gained confidence in accessing healthcare, employment opportunities, education, banking and government services, improving both their independence and quality of life.



Supporting Access to Public Services

Increasingly, government services are delivered online.

Throughout the year HCD continued to provide assisted digital support across a wide range of government services, helping residents overcome digital barriers that might otherwise prevent them accessing essential support.

HMRC Advice and Support

HCD continued to deliver free guidance on a range of HMRC services, including:

- * Personal Tax Accounts
- * Self-Assessment
- * Child Benefit
- * Marriage Allowance
- * National Insurance
- * Pensions
- * Compliance Checks

During the year we supported more than 150 individuals. More than 90% reported increased confidence in dealing with HMRC, while over 65% became aware of services and entitlements they had not previously known existed.

Visa and Immigration Support

Through our partnership with *We Are Digital*, HCD provides assisted digital services on behalf of the Home Office and HM Courts & Tribunals Service.

We supported more than **200 people** with online immigration applications, eVisa access and related services.

The vast majority of clients successfully accessed their digital immigration records, while over **85%** completed successful visa, Indefinite Leave to Remain or naturalisation applications.

For many participants this support represented a significant step towards greater security, independence and integration.

Digital Skills for New Communities

Working alongside HCD Trust through an Awards for All funded project, we continued to support migrants and other residents experiencing language and digital barriers.

Participants received:

- * Basic digital skills training
- * Assisted digital support
- * Free devices and connectivity where required

As a result, participants who had previously been digitally excluded are now able to communicate online, access services independently and participate more fully in education, employment and community life.



"I am Meaza Asfaw, a hair dresser running a salon. I am a refugee coming to the UK a couple of months before COVID 19. I have language barrier and lacks digital skills. I came to HCD for help with regard to business startup and with my tax return, which Bekele supported me with. Last year I faced a compliance check from HMRC which I also got a £300 penalty. I was very confused and couldn't properly run my business to the extent that my income dropped substantially. As a result, I was confused and didn't know what to do. I contacted Bekele from HCD and he invited me to his office. Finally, he helped me with my record keeping to meet the compliance check and also advised me to pay the penalty which I did. I have now sorted my problem and started running my business properly. I am now free of stress as a result of your invaluable support. Thank you very much."



Looking Forward

Digital inclusion will remain a major priority over the coming years.

As more public services move online, HCD will continue expanding partnerships that improve digital confidence, reduce exclusion and create pathways into employment and enterprise.

Supporting people to develop practical skills is fundamental to HCD's Integrated Place Model. Strong local economies depend not only upon businesses but upon people having the confidence and capability to participate fully within them.

Impact

HCD's property portfolio continues to demonstrate that affordable workspace can deliver far more than accommodation. By maintaining high occupancy, investing in our buildings and supporting our tenants, the organisation generates sustainable income that is reinvested into enterprise support, skills programmes and community initiatives. This virtuous cycle enables HCD to combine commercial resilience with lasting social impact, strengthening both local businesses and the communities they serve. ■





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ENTERPRISE SUPPORT

Building Skills, Confidence and Opportunity

Enterprise has always been at the heart of HCD's work. Affordable workspace alone is not enough to create thriving businesses.

Entrepreneurs also need advice, networks, mentoring and opportunities to collaborate.

Throughout 2025–2026, HCD continued to support businesses, social enterprises and voluntary organisations through a range of enterprise development programmes that combined practical advice with peer learning and collaboration.

The WANT Programme

During the year HCD further developed its enterprise support offer through the WANT Programme, providing integrated support centred around:

- * Workspace
- * Advice
- * Networking
- * Training

This flexible model enables businesses to access support appropriate to their stage of development while encouraging collaboration across the wider HCD community.

Hackney Impact

HCD continued to deliver business support as part of the Hackney Impact programme.

During the year we supported approximately 74 Hackney-based businesses, helping entrepreneurs develop stronger business models, improve resilience and identify new opportunities for growth.

This work contributes directly to Hackney's wider economic development objectives by supporting inclusive enterprise and sustainable local employment.



Building Stronger Business Networks

Strong businesses rarely succeed in isolation.

Throughout the year HCD worked with Brickless Worker Co-operative to deliver **17 business networking** events, bringing together social entrepreneurs, community organisations and local businesses.

We also hosted two Female Founders Tables, led by volunteer Jamila Daley-Jeffers, creating opportunities for women entrepreneurs to share experience, develop networks and support one another.

More than 60 entrepreneurs participated in these events, generating an estimated £1 million in potential business opportunities.

Learning Together

HCD continued to support Study Circles, bringing together residents and organisations around shared interests and community challenges.

Topics included:

- * Food networks
- * Co-housing
- * Community-led development

These democratic learning models encourage participants not only to gain knowledge but to develop practical community projects and long-term partnerships.



<https://utopiauk.net>

UTOPIA & WANT

Hind asked us for support with her three restaurants. **Utopia** celebrates her Syrian homeland and the recipes for Syrian food her family handed down to her.

Douglas worked with Hind through Hackney Impact and then through our **WANT** scheme to provide ongoing business support. Business coaching included supply chain management, cashflow management, staffing, and premises advice.

Currently, Hind is crowdfunding for the expansion of her business.

This is what she had to say about our support:

“Working with Douglas has been incredibly helpful for me. He challenged the way I think and helped me see things from a different perspective. He connected many ideas in my mind and gave me more clarity in both my business and decision-making. Most importantly, he pushed me out of my comfort zone, which led to significant growth and real change since I started working with him.”

We worked with Frame London to explore ways to develop the company. We looked at cashflow management, pricing, and legacy planning. We have been excited to explore how to move **Frame London** to become a worker cooperative.

This is what they said about our business support: *“Douglas has been an invaluable source of support to **FRAME** during an important period of our growth. His guidance has helped shape our planning, strengthen our company ethos and build greater cohesion across the team. All done with a friendly smile.*

Drawing on his experience with Hackney

Cooperative Developments, Douglas brings a thoughtful understanding of collaborative, socially responsible business models that we were looking for. His supportive, approachable style, combined with clear strategic insight, has challenged our thinking in the best possible way while always encouraging people to contribute and grow.

*We have benefited enormously from his generosity, experience and belief in what we are building, and his influence continues to be reflected in the way we lead, work together and develop **FRAME** for the cooperative and sustainable future.”*

[FRAME]

LONDON



Strengthening the Voluntary Sector

During the year, HCD delivered financial management support and skills building services for local voluntary and community sector organisations, and supported training and employment opportunities for local BME women in accountancy.

This was only made possible by the support of City Bridge Trust, the funding arm of The City of London Corporation's charity, Bridge House Estates (1035628).

Although recruiting trainee accountants proved more challenging than anticipated,

the project successfully adapted by developing successful partnerships with The Oracle Foundation and ACCA.

Alongside this work, HCD provided one-to-one financial management support to **24 charities and voluntary organisations**, strengthening financial resilience during an exceptionally difficult economic period. Building on this experience, HCD intends to expand its governance and financial management training for Trustees, Chairs and Treasurers during the coming year.

Looking Forward

Enterprise support will continue to expand as a central component of HCD's Integrated Place Model.

Future priorities include:

- * Strengthening business support programmes
- * Developing new partnerships
- * Increasing contract income
- * Supporting more social enterprises
- * Integrating enterprise support with affordable workspace and skills provision

Impact

Enterprise support helps local businesses become more resilient, create employment and contribute to Hackney's wider economy. By combining affordable workspace with advice, networking and practical support, HCD creates the conditions in which businesses are able to survive, grow and contribute to stronger local communities. ■

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COMMUNITY & PLACE

Gillett Square - London's Community Living Room

For almost twenty years, Gillett Square has been one of East London's most distinctive public spaces.

Originally conceived through a partnership in which HCD played a leading role, the Square has grown into a unique destination where enterprise, culture and community meet. Overlooked by Bradbury Works and Dalston Culture House, and framed by HCD-managed trading pods, it remains at the heart of the organisation's work and embodies the principles of the HCD Integrated Place Model.



Unlike many public spaces, Gillett Square is not simply somewhere people pass through. It is somewhere people gather, perform, learn, celebrate and build relationships. Throughout the year HCD continued to steward the Square as a welcoming and inclusive place where diverse communities can come together through shared experiences.

A Year of Community Activity

As the holder of the permanent entertainment licence for Gillett Square, HCD continues to work with local organisations, artists, businesses and residents to deliver an extensive programme of cultural and community events.

Between April and October 2025 the Square hosted 22 public events, ranging from large festivals to neighbourhood celebrations, workshops, performances and family activities.

Highlights included:

- * NTS Square Party
- * Supersquare with Dalston Superstore
- * Queer Square with VF Dalston
- * People's Festival with Centre for Knowledge Equity

Alongside these flagship events, HCD supported numerous community-led initiatives including:

- * Art Without Borders
- * Kaffa Live
- * Jonty's Three Many Chunes
- * Kingsland Ites & Kingsland Records
- * Soul Partizan's All Good in the Neighbourhood
- * 758 Block Party
- * Free community yoga and meditation with Kundalini Therapeutics

Together these activities attracted thousands of visitors while celebrating the diversity, creativity and community spirit that characterises Dalston.

Supporting Community Partnerships

Many of the most successful activities in Gillett Square begin with the organisations already based within HCD's buildings.

Throughout the year tenants collaborated with HCD to develop projects that reached far beyond their own organisations.

To Find A Balance CIC worked alongside Restored Healthcare to organise a community coffee morning supported by a mobile health bus, providing free health advice from NHS professionals.

Centre for Knowledge Equity delivered two events and a summer school in which young people designed and built a complete

sound system from scratch, combining technical learning with creative practice.

The Gillett Square Action Group organised community celebrations and remembrance events, including a birthday celebration for the Square and a moving nine-night memorial honouring former British boxing champion Dennis F. Grant around the bronze sculpture created by local artist Bart Janssen.

The Reggae Museum unveiled a commemorative plaque recognising the contribution of Jamaican saxophonist Ray Carless, reflecting the important cultural heritage of the area.

Each event added another chapter to the continuing story of Gillett Square as one of London's most inclusive and culturally diverse public spaces.

Play, Volunteering and Everyday Community Life

The popular Zoom Bike Project continued to offer free cycle repairs, practical skills and volunteering opportunities, strengthening relationships across the local community while encouraging sustainable travel.

These regular activities have become an established part of life in Gillett Square,

demonstrating that successful public spaces depend as much upon everyday participation as they do upon major events.

Shaping the Future of Gillett Square

Alongside community programming, HCD has continued working closely with Hackney Council, muf architecture/art and local residents on the long-term transformation of Gillett Square.

During the year the raised platform beneath the Square's four mature trees was rebuilt, creating an improved performance and gathering space for future community events.

Sunflower planting and temporary

greening initiatives helped brighten the Square while plans progressed for the next phase of redevelopment.

A significant milestone was reached with the permanent closure of the Gillett Street car park in March 2026, creating opportunities to expand the public realm. Future plans include:

- * A community-managed edible garden
- * Additional tree planting
- * Improved biodiversity
- * New children's play facilities
- * Enhanced public seating
- * Increased opportunities for community events and cultural activity

These developments represent an exciting new chapter in the evolution of Gillett Square and reinforce HCD's long-standing commitment to community stewardship.

Looking Forward

Over the coming years HCD will continue working with residents, tenants, artists, community organisations and the London

Borough of Hackney to ensure that Gillett Square remains one of London's most welcoming and distinctive civic spaces.

As HCD expands its work across London, Gillett Square will continue to serve as a practical demonstration of the HCD Integrated Place Model in action: a place where affordable workspace, enterprise, culture and community come together to create lasting social and economic value. ■

Impact

Gillett Square demonstrates that public space can be a catalyst for community economic development. By combining cultural activity, enterprise, volunteering, play and community partnerships, HCD has helped create one of London's most distinctive local economic and cultural ecosystems. More than a venue for events, Gillett Square is a place where relationships are built, communities are strengthened and opportunities are created. It remains the living expression of HCD's belief that thriving places are created when culture, community and enterprise are brought together through long-term stewardship.

7

FINANCIAL REVIEW & FUTURE OUTLOOK

Building Financial Resilience

The financial year 2025–2026 has been one of the most significant in HCD's recent history.

Like many organisations operating within the property and community development sectors, HCD has faced a period of exceptional financial challenge. Rising interest rates, inflationary pressures, increasing operating costs and the continuing impact of the post-pandemic economy placed considerable pressure on the organisation's finances.

In response, HCD undertook a comprehensive programme of financial and operational restructuring designed not simply to address immediate

challenges, but to place the organisation on a stronger and more sustainable footing for the future.

A Programme of Restructuring

Throughout the year HCD worked closely with its Board, lenders, funders and professional advisers to implement a wide-ranging restructuring programme.

Key achievements included:

- * Restructuring major borrowing arrangements
- * Active engagement with Unity Trust Bank, Trust for London and the London Borough of Hackney
- * Rationalisation of the property portfolio; disposal of non-core assets

- * Improved financial reporting and governance

- * Tighter financial management and cost control

- * Implementation of a revised organisational structure

Together these measures have significantly strengthened the organisation's financial resilience while preserving HCD's ability to continue delivering community benefit.

Strengthening the Property Portfolio

An important milestone during the year was the disposal of the Kingsland High Street asset. The sale enabled HCD to reduce borrowing and strengthen its

overall financial position while allowing management to concentrate resources on the organisation's strongest and most strategically important assets.

Alongside this work, HCD has continued reviewing the performance of its wider estate, ensuring that investment is focused on buildings capable of generating long-term financial sustainability while delivering significant community benefit. This disciplined approach reflects HCD's commitment to responsible stewardship of community assets.

A Sustainable Affordable Workspace Model

Affordable workspace remains central to HCD's mission. Historically, HCD operated

a highly subsidised rental model that reflected both the organisation's social purpose and the economic conditions of an earlier period. However, significant increases in operating costs, borrowing costs and property management expenditure have required the organisation to rebalance this approach.

During the year HCD began implementing a revised blended rental model that combines subsidised workspace for early-stage enterprises with market-rate rents for established businesses able to contribute more fully towards the long-term sustainability of the organisation. This approach enables HCD to continue supporting new businesses while creating

BALANCE SHEET AS AT 31 MARCH 2025

	2025	2025	2024	2024
	£	£	£	£
Fixed assets				
Tangible assets		203,226		9,372
Investment property		6,666,000		7,741,000
Investments		740,000		740,002
		<u>7,609,228</u>		<u>8,490,374</u>
Current assets				
Stocks	1,075,000		-	
Debtors	270,068		244,613	
Cash at bank and in hand	108,053		58,53	
	<u>1,453,121</u>		<u>303,148</u>	
Creditors: amount falling due within one year	(2,239,832)		(1,470,296)	
Net current liabilities		786,711		1,167,148
Total assets less current liabilities		<u>6,822,517</u>		<u>7,323,226</u>
Creditors: amount falling due more than one year		(4,133,906)		(4,526,584)
Provision for liabilities		<u>(316,606)</u>		<u>(316,606)</u>
Net assets		<u>2,372,005</u>		<u>2,480,036</u>
Reserves				
Revaluation reserve		944,401		944,401
Other reserves		977,713		477,713
Income & expenditure account		449,891		557,922
Total members' funds		<u>2,372,005</u>		<u>2,480,036</u>

a financially resilient operating model capable of sustaining its wider community programmes.

Stronger Governance and Financial Management

Financial sustainability depends upon strong governance. Alongside financial restructuring, HCD has strengthened internal reporting, improved management information and clarified organisational responsibilities.

The General Council continued to provide robust board oversight throughout the restructuring programme while supporting the development of a new three-year Business Plan that establishes a clear framework for future growth.

These improvements provide greater transparency, stronger accountability and increased confidence for lenders, funders, partners and tenants.

Looking Forward

HCD now enters a new phase of development. The organisation's focus is no longer solely on recovery, but on carefully managed growth built upon sound financial foundations.

The 2026–2029 Business Plan sets out a clear strategy for achieving this through:

- * Continued investment in affordable workspace
- * Expansion of enterprise support and skills programmes

- * Growth through partnerships with local authorities and funders
- * Development of new earned income streams
- * Careful stewardship of community assets
- * Diversification of income to reduce financial risk

Growth will continue to be carefully managed, ensuring that commercial sustainability and social purpose remain equally important.

Auditor's Opinion

The Directors are pleased that the independent auditors have issued an unqualified opinion on the Company's financial statements.

The auditors concluded that the financial statements:

- ◆ Give a true and fair view of the Company's affairs
- ◆ Have been properly prepared in accordance with UK Generally Accepted Accounting Practice
- ◆ Comply with the requirements of the Companies Act 2006

This provides independent assurance regarding the integrity of the Company's financial reporting and governance.

Impact

The financial restructuring undertaken during 2025–2026 has created a stronger foundation for HCD's future. By reducing financial risk, improving governance and adopting a more sustainable operating model, the organisation has protected its long-standing social mission while positioning itself for carefully managed growth. Financial resilience is not an end in itself; it enables HCD to continue investing in affordable workspace, enterprise, skills and community development for many years to come. ■

In Conclusion

After more than forty years, HCD continues to demonstrate that affordable workspace, enterprise, skills and community stewardship are strongest when delivered together. Through the HCD Integrated Place Model, we remain committed to building stronger local economies and creating places where people, businesses and communities can flourish.



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