THE ABBEYFIELD SOCIETY

England & Wales · Charity number 200719

Details

Other names	THE ABBEYFIELD SOCIETY LIMITED, ABBEYFIELD
Status	Registered
Legal form	Charitable company
Company number	00574816
Registered	1962-09-22
Register	View on the Charity Commission register

Contact

Address	17-19 Hampton Lane Solihull West Midlands B91 2QT
Phone	01727857536
Email	post@abbeyfield.com
Website	www.abbeyfield.com

Activities

Objects: 1 THE RELIEF AND CARE OF ELDERLY PERSONS OF ALL CLASSES, BELIEFS AND NATIONALITIES SUFFERING FROM THE DISABILITIES OF OLD AGE OR OTHERWISE IN NEED.2 THE SPREADING OF CHRISTIAN PRINCIPLES TO ALL HUMAN RELATIONSHIPS AND THE APPLICATION OF HUMANITARIAN AIMS TO PROMOTE THE RELIEF OF THE ELDERLY.3 TO PROVIDE FURTHER EDUCATION IN THE SPHERE OF VOLUNTARY WORK, SOCIAL WORK AND SIMILAR ACTIVITIES SO AS TO INCULCATE THE PRINCIPLES OF GOOD CITIZENSHIP.4 THE PROVISION AND MANAGEMENT OF HOUSING, ACCOMMODATION OR ASSISTANCE, INCLUDING PROVIDING AND MAINTAINING OR ASSISTING IN, PROVIDING AND MAINTAINING HOUSES AND HOMES, FOR THE RELIEF AND CARE OF ELDERLY PERSONS SUFFERING FROM THE DISABILITIES OF OLD AGE OR OTHERWISE BEING IN NEED. 5 SUCH OTHER PURPOSES RECOGNISED BY ENGLISH LAW AS CHARITABLE AS THE SOCIETY SHALL DETERMINE FROM TIME TO TIME.

Activities: Provides advocacy/advice/informationProvision of accommodation/services for older people

Downloaded from opencharities.uk/ew/200719

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Accommodation/housing
- **Who:** Elderly/old People, Other Charities Or Voluntary Bodies

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£53,088,000	£53,088,000	£97,636,000	738
2024-03-31	£53,128,000	£68,941,000	£95,065,000	1221
2023-03-31	£50,932,000	£58,388,000	£112,409,000	1272
2022-03-31	£47,087,030	£63,875,345	£118,600,000	1313
2021-03-31	£53,561,000	£52,584,000	£133,721,000	1099

Trustees

Name	Role	Appointed
Christine Anne Asbury		2026-03-01
Geoffrey David Granville Carr		2023-09-01
George Ashworth		2021-09-16
Marc Marrero		2022-09-15
Martin Frank Cox		2023-09-01
Michael John Peter Turner		2021-09-16
Roger Lees		2021-09-16
Sally Louise Nichols		2026-03-01
Sara Jayne Beamand		2017-07-27
Terri Pettifer-Eagles		2023-09-01

Downloaded from opencharities.uk/ew/200719

Linked charities

- ABBEYFIELD UK (200719-1)
- BESSIE BROWN MEMORIAL HOME (200719-10)
- ABBEYFIELD DEVELOPMENT TRUST (200719-11)
- THE ABBEYFIELD MID SUSSEX SOCIETY LIMITED (200719-17)
- THE ABBEYFIELD AXMINSTER SOCIETY LIMITED (200719-18)
- THE ABBEYFIELD KIDDERMINSTER SOCIETY LIMITED (200719-19)
- THE MARY RACHEL MORRISS BEQUEST (200719-2)
- ABBEYFIELD INTERNATIONAL (200719-20)
- LEE HOUSE, WIMBLEDON (200719-21)
- ABBEYFIELD RESIDENTIAL CARE HELPLINE (LONDON SW) (200719-22)
- THE ABBEYFIELD (HIGH WYCOMBE) SOCIETY LIMITED (200719-23)
- THE BUCKMASTER MEMORIAL HOME (200719-24)
- THE ADDITIONAL FUND TRUST (200719-25)
- THE HOME FOR GENTLEWOMEN (200719-3)
- THE MEDICAL COMFORTS FUND (200719-4)
- THE ANNE LANGSTAFF HOME FOR DISTRESSED GENTLEWOMEN (200719-5)
- BEQUEST OF DONALD ANTHONY COOK FOR THE RESIDENTS AMENITY FUND AT ABBEYFIELD HOUSE, FAIRLIGHT AVENUE, WOODFORD GREEN (200719-6)
- THOMAS AND MARY JENKINS MEMORIAL HOME (200719-7)
- THE RUBY MOORES FOUNDATION (200719-8)
- PHILIP GODLEE LODGE FUND (200719-9)

Downloaded from opencharities.uk/ew/200719

THE ABBEYFIELD SOCIETY

England & Wales - Charity number 200719

Accounts

Abbeyfield
Living Society

Annual Report and Financial Statements

For the Year ended 31 March 2025

www.abbeyfieldliving.org.uk

Registered Charity: 200719 | Company No: 574816

[Left blank intentionally]

CONTENTS

Annual Report

About us	4
Our Board, Committees and Executive Team	6
Our Patrons and Advisors	7
Report of Our Chair	8
CEO Statement	9
Report of the Board (incorporating Strategic Report)	11
Operating and Financial Review	16
Value for Money	20
Risks and Mitigations	22
Statement of Responsibilities of the Board	23
Governance	24
Independent Auditor's Report to the members of The Abbeyfield Society	27

Financial Statements

Consolidated Statement of Comprehensive Income	30
Society Statement of Comprehensive Income	31
Consolidated and Society Statements of Financial Position	32
Consolidated and Society Statements of Changes in Reserves	33
Consolidated Statement of Cash Flow	34
Notes to the Financial Statements	35

ABOUT US

Abbeyfield Living Society

Established in 1956, Abbeyfield Living Society (ALS) is a not-for-profit organisation providing housing, care and support to older people across England.

Rooted in the values of care, compassion and community, we create welcoming environments that help people stay connected in later life. Our wide range of services - including sheltered housing, care homes and independent living options - allows us to deliver person-centred services tailored to our residents' individual needs.

We are committed to helping our residents maintain a sense of independence and choice within safe, warm and stimulating communities where they can build relationships, stay active and live life to the fullest.

As a not-for-profit, we reinvest all surpluses back into enhancing our services and the lives of our residents.

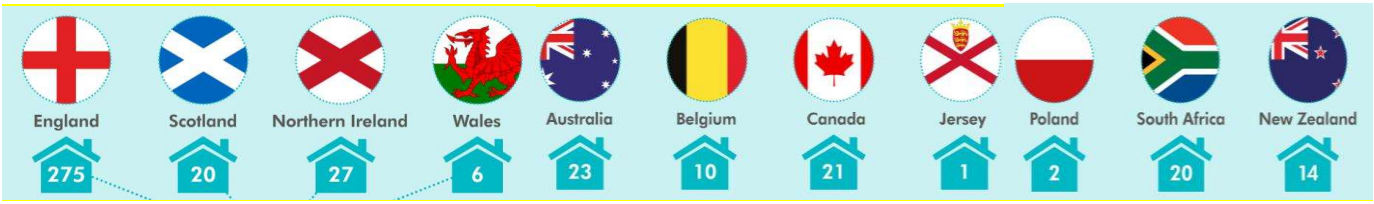
The Abbeyfield Family

The Abbeyfield Family is a membership organisation that encompasses a network of independently governed member societies operating under the Abbeyfield brand, of which Abbeyfield Living Society is the largest. Each member society is managed by its own Board of Trustees and shares a common goal to support older people through housing, residential care and nursing services. Abbeyfield homes offer supportive environments for residents with a strong emphasis on community and independence.

Following a restructure in recent years, Abbeyfield Living Society is now a fully independent member society although continues to provide some support to the wider Abbeyfield Family

Today, the Abbeyfield network includes hundreds of homes across the United Kingdom, Australia, Belgium, Canada, Jersey, South Africa, Poland and New Zealand, delivering care, compassion and community to thousands of older people around the world.

The Abbeyfield Society World Council (TASWC) oversees the Family, with Abbeyfield England (AE) acting as an umbrella organisation for all English members including Abbeyfield Living Society.



Our Charitable Objects

Our charitable objects are contained in our Memorandum and Articles of Association. These are:

- The relief and care of elderly persons of all classes, beliefs and nationalities suffering from the disabilities of old age or otherwise in need.
- The spreading of Christian principles to all human relationships and the application of humanitarian aims to promote the relief of the elderly.
- The provision of further education in the sphere of voluntary work, social work and similar activities so as to inculcate the principles of good citizenship.
- The provision and management of housing, accommodation or assistance, including providing and maintaining or assisting in, providing and maintaining houses and homes for the relief and care of elderly persons suffering from the disabilities of old age or otherwise being in need.
- Such other purposes recognised by English law as charitable as the Society shall determine from time to time.

ABOUT US (continued)

Our Services

Our service offerings include the provision of:

- Independent Living
- Sheltered Housing
- Residential Care Homes
- Dementia friendly Care Homes
- Extra Care services
- Nursing Home

Depending on individual levels of independence and care requirements, our homes are designed to meet a wide range of residents' needs. These range from homes ideal for active, self-reliant individuals to specialist settings that provide tailored support for residents living with dementia.

We offer a variety of financial options in Housing, including low-cost rental, low-cost home ownership, market rent and leasehold. We strive to ensure our homes are accessible and adaptable, taking into account both the current and future needs of the people we support.

Our Vision, Mission & Values

Following a period of transformation, we launched a refreshed vision, mission and set of values as part of our five-year corporate plan - providing a clear, purposeful foundation for our future.

Our **vision** reflects a broader, community-focused ambition, rooted in the charitable legacy of our founder, Richard Carr-Gomm:

Our Vision

A world where everyone thrives in later life within a caring compassionate community.

Our **mission** builds on our belief in the importance of home - creating safe, warm and welcoming spaces where connection and community can thrive:

Our Mission

To provide great homes and inclusive communities where you can enjoy outstanding levels of service and support in later life provided by committed people.

To support this, we introduced a new set of **Values -** the principles that guide our actions, decision making and help shape our culture and behaviours.

Our Values

- **Care -** we care for the people we support, for each other and for our communities.
- **Compassion** - we treat everyone with kindness, empathy, and respect, honouring their dignity, independence, and individuality.
- **Community** - we foster a sense of belonging, inclusion, and mutual support, creating environments where older people feel safe, connected, and empowered.
- **Integrity** - we are honest, transparent, and accountable in all our actions, doing what's right, even when it's not the easy option.
- **Excellence** - we are committed to being a high performing organisation, delivering exceptional services that add value, exceed expectations, and make a real difference.

Together, these define who we are and how we'll deliver meaningful, lasting impact. They underpin our strategic goals and ensure that people and communities remain at the heart of everything we do.

OUR BOARD, COMMITTEES AND EXECUTIVE TEAM

Board of Trustees

Mike Turner
George Ashworth
Marc Marrero
Roger Lees
Sara Beamand
David Carr
Martin Cox
Terri Pettifer-Eagles

The following were also Board members during part of the year covered by this Annual Report:
Alison Beachim (until 12th March 2025)

Committees of the Board

Audit and Risk Committee
David Carr (Chair)
Marc Marrero
Dena Patel (Resigned 20th August 2025)

Customer Committee
Sara Beamand (Chair)
Martin Cox
Terri Pettifer- Eagles

Finance and Investment Committee
Roger Lees (Chair)
George Ashworth
Martin Cox

People Committee
Terri Pettifer-Eagles (Chair)
Mike Turner
Sara Beamand

Executive Team

Paul Tennant OBE - Chief Executive Officer
Gail Manley - Director of Corporate Services
Jonathan Sweet - Director of Strategic Delivery and Company Secretary (Resigned 30th May 2025)
Julie Freear – Director of Customer Operations
Tom Nisbet – Director of Finance and IT

OUR PATRONS AND ADVISORS

Royal Patron	His Majesty the King, King Charles III	
Patrons	The Rt. Hon Baroness Bottomley of Nettlestone Michael Brooks Dame Judi Dench DBE Aled Jones Ron Kenyon OBE The Duchess of Northumberland John Robinson CBE Patricia Routledge OBE Martin Shreeve OBE MBA DSW BSc (Econ) Michael Staff MBE Dame Gillian Wagner DBE PhD Professor Alan Walker DLitt FRSA The Rt. Rev & Rt. Hon Baron Williams of Oystermouth The Carr-Gomm family (David Carr-Gomm, Adam Carr-Gomm, Harriet Carr-Gomm, Elizabeth Parker and Anna Newton)	
Advisors	**External Auditors** Azets Audit Services Fleet House New Road Lancaster, LA1 1EZ **Internal Auditors** Forvis Mazars 30 Old Bailey, London, EC4M 7AU **Bankers** Barclays Bank Plc 1 Churchill Place London E14 5HP	**Solicitors** Anthony Collins LLP 134 Edmund Street Birmingham B3 2ES
Legal Status	**Registers** Registered company limited by guarantee with the Registrar of Companies, No 574816 Registered with the Regulator of Social Housing, No H1046 Registered with the Charity Commission, No. 200719 Registered with the Care Quality Commission, No.1-102642859	**Registered Office** 17-19 Hampton Lane Solihull, B91 2QJ Telephone: 01727 857536 Fax: 01727 846168 Email: post@abbeyfield.com

REPORT OF OUR CHAIR

We have made significant strides in transforming Abbeyfield Living Society (ALS) to meet the challenges of a changing world and to lay the foundations for a brighter future.

The past year has been pivotal for ALS. Following several particularly challenging years, we have emerged with renewed purpose, a focused agenda and a proactive approach to meeting the evolving needs of our sector.

Like many care and housing providers, ALS continues to navigate a complex and unpredictable operating and regulatory environment. Rising costs across salaries and national insurance contributions, utilities and food supplies, combined with capped rent increases and local authority funding shortfalls, continue to place considerable pressure on our finances. Workforce challenges remain a concern across the sector. Ongoing recruitment and retention difficulties have resulted in a higher reliance on costly agency staffing, while restrictive immigration policies have limited overseas recruitment options.

And yet, despite these pressures, ALS has demonstrated resilience, adaptability and a commitment to progress. Our revised organisational structure has provided a solid foundation for evolution and future growth. We have successfully delivered the majority of our sustainability programme, and property sales and internal restructures have significantly improved our financial position.

We are proud that all ALS care homes are now rated *Good* or *Outstanding* by the Care Quality Commission (CQC) - a clear testament to the professionalism, care and dedication of our teams. This recognition reflects our continued investment in systems, compliance and the people who make our services exceptional.

In Autumn 2024, ALS was delighted to be recognised by the Housing Ombudsman as one of only two organisations in England with no upheld complaints - an outstanding achievement that reinforces our commitment to service, accountability and resident satisfaction.

We are more customer-focused than ever, continually investing in and refining our services to better meet residents' needs. As part of our ongoing commitment to excellence, we have been working to meet the government's new regulatory consumer standards, ensuring all tenants have safe, well-maintained homes and consistently high-quality service. We also introduced our new 'Resident Commitment' - a charter developed in collaboration with our national Resident Panel, setting out the level of service our residents can expect. Listening to residents remains central to our work, and through regular roadshows and satisfaction surveys, we are ensuring their voices directly inform our priorities and actions.

We were also delighted to receive confirmation that His Majesty King Charles III will remain as our Royal Patron; a relationship that began in 1979 and continues to inspire pride throughout the Abbeyfield family.

I spoke in last year's Annual Report of challenges and opportunity. Looking ahead, ALS is entering an exciting new chapter. With a refreshed vision, mission and values, and the launch of our new five-year corporate plan and growth strategy, we are fully focused on improving the quality of our services, homes and resident experience. Our asset management strategy outlines a clear and sustainable path for investment over the next five years and beyond, placing the customer experience at the heart of everything we do.

Next year marks our 70th anniversary - a significant milestone and a chance to reflect on our history, celebrate our progress and look forward with confidence. Having delivered a major organisational turnaround over the past three years, addressing financial, strategic and operational challenges, ALS is now well-positioned for sustainable growth and to deliver lasting positive impact.

On behalf of the Board, I would like to extend my heartfelt thanks to our residents and their families, our staff, our partners and the communities we serve. Your trust, support and collaboration continue to inspire us and drive everything we do.

CHIEF EXECUTIVE OFFICER REPORT

As the Chair's report demonstrates, 2024/25 was a pivotal delivery year for ALS. It was the culmination of three years of significant change in our structure, operations, finances and governance. We set out clear goals around improving financial sustainability, progressing our stock sales programme, supporting and developing our people, strengthening our systems and technology and, above all, continually improving the experience of our residents.

Residents

Residents are at the heart of what we do. This year, I was pleased we were able to reinforce our commitment to them by introducing a dedicated Customer Relations team, focused on making it easier for residents to connect with us and enabling quicker, more effective responses to enquiries and concerns.

Our national Resident Panel continues to contribute to key decisions, including the selection of contractors for fire safety, repairs and maintenance. We will further strengthen resident involvement by introducing opportunities for residents to participate in the recruitment of frontline staff - bringing their perspective into every stage of service delivery.

The 2024 Resident Satisfaction Survey gave encouraging feedback and demonstrated the continued trust our residents place in us. We introduced a series of in-person Resident Roadshows to create meaningful opportunities to hear directly from residents, promote engagement and co-develop improvement plans based on what matters most to them. Following a successful pilot, the Resident Roadshow will be rolled out across the country to capture views from all of our residents.

I am excited that our presence within local communities is continuing to grow. This year's annual Abbeyfield Week celebrations welcomed the public into many of our homes to connect and celebrate with residents and staff. We also hosted a wide range of events, from *Don't Eat Alone* lunches and intergenerational playgroups to Dementia Awareness Days and regular community lunch clubs for people living with dementia and their carers. This is an area we are planning to develop further.

Infrastructure

We are always keen to make ALS a better place to work and launched the Employee Experience Focus Group. This group has championed several initiatives promoting cultural awareness, enhancing wellbeing and creating easy ways for staff to share ideas. I was pleased to see our *Spend a Day in a* Service initiative was enabling support staff to volunteer in our homes, deepening their understanding of our impact and reinforcing the connection between their work and the lives of our residents.

We have continued to make significant improvements in our digitisation, systems and processes, notably, rolling out a new digital care service planning system in our care homes, introducing an upgraded warden call service and implementing a new electronic HR and payroll platform. These advancements, along with a broader investment in modernising our workplace technology, position us well for the future.

Investment

Environmental sustainability ~~has~~ remained a priority. With an upgraded Environmental Management System in place, we continue to embed environmentally responsible practices across all areas of our work - from retrofitting properties and reducing emissions to responsible procurement and encouraging digital-first approaches. With 98% of our homes now at EPC 'C' or above, and continued reductions in energy use, we are on track to meet government targets of all homes reaching EPC 'C' by 2030 and achieving Net Zero by 2050.

Investment in existing homes remains a priority. We were pleased, working with Homes England, to invest £1.5 million of Recycled Capital Grant Funding to support key programmes including fire safety improvements, energy efficiency upgrades, digital telecare enhancements and modernisation of lift systems. These investments will help us protect and future-proof our homes for current and future residents.

Championing the Voice of Older People

It concerns me that the voice of older people is often not heard in governmental planning, policy and investment discussions.

Following our recent sponsorship of the All-Party Parliamentary Group (APPG) Inquiry into 'The Regeneration of Outdated Sheltered Housing, ALS continues to champion the voice of older people at both national and local levels. As active members of the National Housing Federation, National Care Forum and Care England, and through our involvement in the Older Person's Housing Group, we are making sure the perspectives and needs of our residents are represented in key sector discussions. As part of the NHF *Starts at Home* campaign we welcomed MPs into our homes to showcase the impact of our work and highlight both sector-wide and Abbeyfield-specific challenges.

Commitment

As a customer-facing organisation, I know our frontline colleagues go above and beyond every day to support residents, backed by our dedicated central teams who ensure the smooth operation of services behind the scenes. I would like to thank them for their dedication, commitment and demonstrable care and compassion to our residents every day.

As we look ahead, I believe our focus remains on delivering high-quality services to residents, communities and stakeholders that truly make a difference in people's lives. By continuing to invest in our homes and actively encouraging and responding to customer feedback, we will ensure warm, welcoming places for everyone who lives and engages with us.

REPORT OF THE BOARD (INCORPORATING STRATEGIC REPORT)

The Board presents its report, which incorporates the Strategic Report as set out in company law, including the audited financial statements for the year ended 31 March 2025. Our aim is to strive to improve the quality of older peoples' lives by reducing the incidence of loneliness in later life. This means creating a caring and compassionate Abbeyfield community which provides warmth, support and wellbeing for all our residents. We believe that everyone, irrespective of their age, has a unique and invaluable contribution to make to the lives of others. By helping to create and grow communities which encourage people to remain happily together, we will deliver on that mission.

Our principal activities during the year were:

- The provision and development of accommodation, care and support services for older people and;
- The provision of support services to other member societies, including the provision of technical, operational and administrative advice on behalf of Abbeyfield England.

We offer four housing and or care options namely:

- **Independent Living**: designed for active, self-reliant individuals. It allows our residents to live completely self-sufficient with communal hubs to socialise and connect with their neighbours.
- **Sheltered Housing**: sometimes known as assisted or supported living, offers the benefits of independent living whilst remaining a part of a friendly and sociable shared home.
- **Residential Care Homes**: Our residential care homes are designed for those with personal care needs or requiring one-to-one support from a qualified carer. Our residents live with the security of on-site staff who are present 24 hours a day to provide care and support.
- **Dementia Friendly Care Homes**: Our dementia friendly care homes have been designed to help support residents living with dementia or other forms of memory loss. These homes offer the same high quality support one will find in our care homes with extra tailored support for those living with dementia.

Abbeyfield takes great pride in the food that we offer in our homes, from light meals to Sunday roasts, food is always at the heart of what we do and we see this as a perfect way to bring people together with additional events such as baking competitions and celebrating festivities.

The number of bed spaces within homes and associated assets owned and managed directly by ALS and, owned but managed on behalf of the association are:

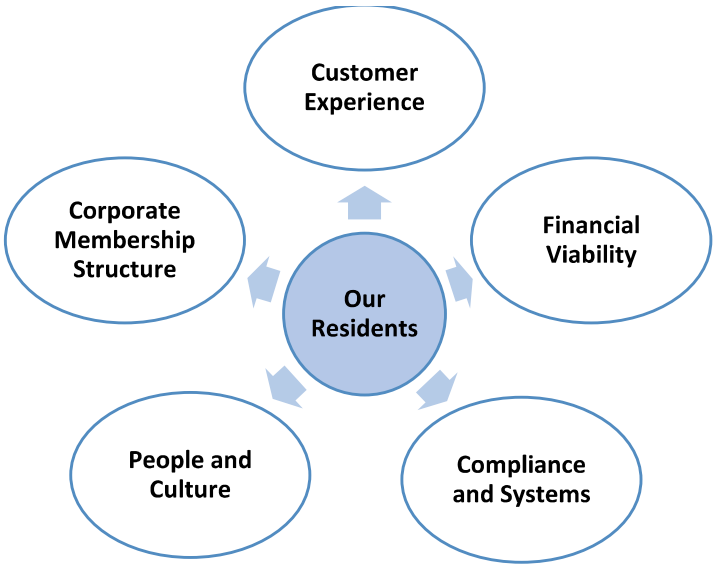
	As At March 2025	As at March 2024
Owned and managed directly		
Affordable Rent	114	114
Housing for older people (Rental)	496	898
Housing for older people (Shared Ownership)	5	5
Care Homes (residential, nursing and dementia)	491	518
Market Rent	66	76
Leasehold	97	97
Total directly managed	**1,269**	**1,708**
Owned but managed by others		
Housing for older people (Rental)	75	75
Housing for older people (Shared ownership)	15	15
Housing for older people (Leasehold)	14	15
Commercial	19	19
Restaurants	3	3
Total managed on our behalf	**126**	**127**
Total owned	**1,395**	**1,835**

During the year the number of units owned and managed directly decreased by a net 441 beds. The movements in the year include the closure of a number of properties via our ongoing sustainability project. There was one leasehold bedspace reduction in the number of units owned and managed by others.

Our Corporate Objectives 2024-25

This report and the financial statements correspond to the final year of our current strategic plan aimed at reshaping and right sizing the Society. Having analysed our operating environment and a number of pressing challenges faced by the Society, the strategic objectives for 2024-25 were again focused on stabilising the Society and positioning ourselves for the future, this continued to have a significant impact on our residents, services and finances. We also continued our delivery against a programme of improvements associated with processes, structures, planning, intelligence and business focus; all vital components of a transformation programme aimed at right sizing and shaping the Society as we go into the delivery of our 2025-2030 Corporate Strategy.

Throughout the year, we continued to work towards five Corporate Objectives agreed by the Board, as set out below.



Placing our residents at the heart of all we do, we set ourselves the following five Corporate Objectives:

- To improve our customers' experience
- To improve our financial viability and maximise resources
- To strengthen our regulatory compliance and invest in systems infrastructure
- To enhance our culture and build the capacity and capability of our people
- To commence the restructuring plan of becoming a member organisation

To deliver on these Corporate Objectives, a number of detailed actions and milestones were set. Furthermore, the Corporate Objectives were developed into a Balanced Scorecard and are now measured and reported on a quarterly basis to the Board. The Corporate Objectives have also been broken down into meaningful departmental objectives and linked to staff objectives to ensure all staff members are connected to the business plan objectives.

REPORT OF THE BOARD (continued)

What We Achieved in the Year

The 2024-25 financial year has not been without its challenges. Although our financial performance lagged behind budget, some progress was made towards achieving our Corporate Objectives.

Customer Experience	The results from this year's Residents' Engagement survey showed that 90% of Housing residents who responded are satisfied with the service provided by Abbeyfield, while 93% of Care Home residents who responded are satisfied with the overall standard of the service. Furthermore, 90% of Housing and 93% of Care Home respondents believe our staff are friendly and approachable. We improved on our Care Home ratings with the Care Quality Commission.
Financial Viability	We continued to close and then dispose of our housing stock which was identified as being no longer sustainable. Our closure programme was completed in the year with our final resident moving out during January 2025, the disposal programme is progressing. However, our overall occupancy reduced from 92% to 89% on our retained accommodation during the period with occupancy in Housing at 91% and in Care at 88%. We also implemented a new organisation structure, identifying areas of both operational and financial efficiencies.
Compliance and Systems	We maintained and continued to strengthen our Regulatory compliance including improvements in our reporting to and engagement with Regulators. We also continue to seek opportunities to further strengthen areas across internal control, evolving legislation and risk management and reporting of existing and evolving risks.
People and Culture	Over the year, we continued to deliver several key Human Resource and operational improvements to strengthen our workforce capability and support our strategic goals. We successfully launched our Human Resource & Payroll system, enhancing efficiency in workforce management and standardisation. We achieved high levels of training compliance and initiated an automated appraisal process, capturing valuable feedback ahead of the full roll out in the 2025 performance cycle. As part of our commitment to staff, we set up an Employee Experience Focus Group which looks at ways to help make the experience at work as positive as possible.
Membership Structure	We successfully delivered a restructure which allowed the Society to become a member society of the newly created member-focused federation, Abbeyfield England. The Society continued to support Abbeyfield England during the year from 1 April 2024 to 31 March 2025 as it gained independence.

The Year in Highlights

- Transitioned to a more customer-centric organisation with the introduction of our new Customer Services Team, enhancing resident experience and strengthening our resident engagement infrastructure.
- To embrace Consumer Standards as a key metric, we launched a self-assessment programme against the Standards seeking to highlight areas for improvement. We have aligned this with our new housing audits which help strengthen our internal quality control system including quality audits and housing triage.
- Continued to tackle workforce challenges, seeking ways to reduce staff turnover, agency usage and recruitment challenges.
- Made good progress towards implementing the Society's future target operating model, reducing overhead costs without compromising performance and quality. Despite significant restructures and a number of redundancies, staff engagement has remained positive.
- Continued to place resident safety first and rolled out a modern, digitised resident alarm call system.
- Continued our journey to transform technology with an improved infrastructure, better collaboration tools, enhanced cyber security and cost savings.
- Consciously deployed Recycled Capital Grant generated from housing accommodation disposals to support investment in existing homes. Our strategy to utilise all of the funds from the disposal programme will involve investment in existing and new homes.
- Made positive steps in environmental sustainability, with 98% of our homes now rated EPC C or above. We have strengthened environmental management systems and collaboration with residents which has contributed to further reductions in energy use across our portfolio.
- Quality and compliance remain key areas of focus, with all care homes now at Good or Outstanding.
- Our public affairs have been more visible in the year notably through our involvement in the All-Party Parliamentary Group report, the Housing Starts at Home Campaign run by the NHF. We are also active members of the NCF and Care England.
- We have captured many stories of our residents both internally and in the local press, and our social media engagement has given real colour to the year.

Although we have achieved a great deal in the year, there remains much more to do in the year ahead as we continue to strive to deliver excellent services to residents and seek to address the significant shortage of older persons housing.

Strategic Focus 2025-2030

Much time and resource has been invested in driving a major business turnaround over the prior three years, addressing many strategic, financial and operational challenges. As we come out of the 2024-25 financial year, we are now looking forward to the financial periods aligned with the launch of our 2025-30 Corporate Strategy.

Our strategy is for 'sustainable growth'. As a provider of high-quality homes and services including housing, care and support to later living residents and communities. We will achieve this by:

- Continuing to improve our performance
- Investing in existing and new homes
- Broadening our service offer to residents and the communities we serve
- Developing our brand and fundraising offer
- Attracting volunteers
- Seeking to build effective strategic partnerships

Our Strategic Priorities are aimed at addressing the changing needs of our residents and regulators, targeting the resources and infrastructure required to deliver our plans between 2025-2030. Our key strategic deliverables will be measured and reported under the following headings:

Great services

We aim to expand our reach as a provider of high-quality services to residents, communities and stakeholders that make a difference to people's lives. By investing in our homes and encouraging and responding to customer feedback we will ensure warm and welcoming places and spaces where we enrich the lives of all who live and engage with us.

Financial resilience and a sustainable future

The strength of our finances is critical to the delivery of our plan and our ability to continue to provide high quality homes and services for our customers and to grow our provision in the future. A strong financial position is demonstrated through a good mix of revenue streams, well controlled expenditure, a strong balance sheet and strong cashflows, all of which will enable us to meet our future liabilities.

An employer of choice

We rely on our colleagues to provide high quality services to our customers every day and deliver our mission. We aim to be an employer of choice, with a diverse, highly skilled and engaged workforce who live our values, support our ambitions and are passionate about customer service.

Provide more homes

We are entering a period of planned sustainable growth, with the aim of providing a portfolio of good quality homes to meet future customer demand and increase revenue. This will allow us to invest in existing and future homes, broaden our services within homes and communities and reach more older people.

Commitment to the Environment

We are committed to minimising our environmental impact and embedding sustainability into every aspect of our operations. Through energy efficient homes, sustainable practices and responsible procurement, we will support the transition to a low carbon future. We actively invest in retrofitting properties, promoting digital ways of working, and engaging residents and staff in sustainable living. Our approach is guided by a structured Environmental Management System, environmental targets, and a commitment to achieving Net Zero by 2050, ensuring our services remain resilient, responsible and future-focused.

OPERATING AND FINANCIAL REVIEW

The operating environment remains challenging. At the end of the financial year, the reported Group surplus was £2.6m (2024: £16.1m deficit). Decommissioned and closed properties contributed to Turnover decreasing by 12.6% compared to the prior year. Operating costs were 14.2% lower than last year and there was no impairment charge in the year (2024: £7.1m). This resulted in an operating deficit of £8.8m (2024: £18.2m deficit).

Turnover

Income from housing, care and support services reduced by £6.4m to £44.3m (2024: £50.7m). This was mainly as a result of the planned closures of properties as part of the sustainability programme. Fees and rental income decreased by £5.3m although discounts given to local authorities also decreased by £0.8m and void losses decreased by £3.2m. Other income including donations and legacies reduced by £0.7m.

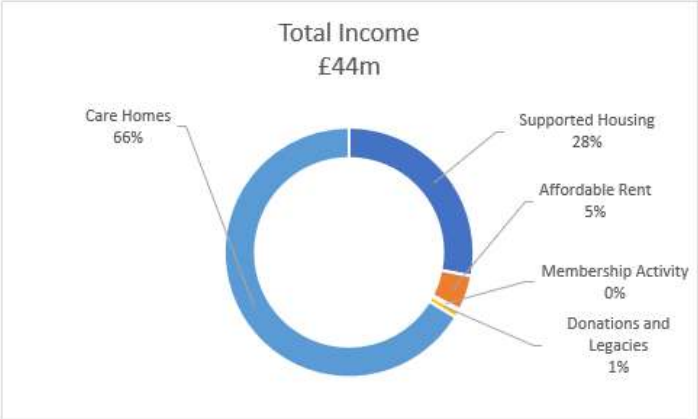
Operating Costs

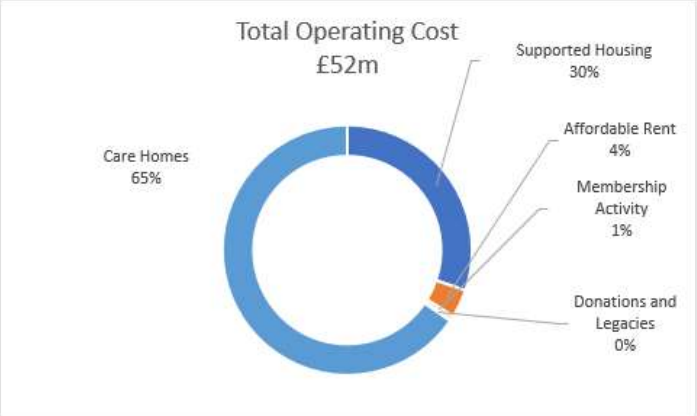
Total operating costs were £53.1m (2024: £68.9m). This represented a £15.8m (23.0%) decrease on the prior year as a result of property closures with our direct employee costs decreasing by £2.6m to £27.2m, and our agency labour spend decreasing by £1.55m. The annualised staff turnover rate was 32%, with 33% reported in our care homes and 16% reported in our supported housing. Total expenditure in the year on property repairs and maintenance was £4.7m (2024: £3.2m), utility costs were £2.5m (2024: £3.4m) and food costs of £1.9m (2024: £2.2m). There was no impairment charge in the current year (2024: £7.1m) while other operating costs reduced by £4.8m.

Operating and Net Deficits

The operating deficit in the year was £8.8m (2024: £18.2m). The two graphs below set out the total income received and the total expenditure incurred throughout the year, highlighting the percentage derived / expended in our core operating activities.

Outside of the core areas of activity, we saw an increase in interest receivable from £0.53m to £0.75m resulting from optimising our cash deposits held with banks, the interest payable costs decreased to £0.28m from £0.29m. Our property disposal programme contributed £10.8m surplus contributing to the overall net surplus of £2.6m for the year (2024: £16.1m deficit).





OPERATING AND FINANCIAL REVIEW (continued)

Summaries of the financial performance and statement of financial position, for the last five years, are set out below.

5-Year Overview of Income and Expenditure

For the year ended 31 March	2025	2024	2023	2022	2021
	£'000	£'000	£'000	£'000	£'000
Turnover	44,312	50,702	50,612	47,088	48,102
Operating Costs	(53,088)	(61,854)	(55,960)	(53,022)	(52,441)
Impairment	-	(7,087)	(1,951)	(10,869)	-
Operating Deficit	(8,776)	(18,239)	(7,299)	(16,803)	(4,339)
Other net contributions or (costs)	11,347	2,137	(134)	1,682	5,600
Net Surplus/(Deficit)	**2,571**	**(16,102)**	**(7,433)**	**(15,121)**	**1,261**

5-Year Overview of Financial Position

As at 31 March	2025	2024	2023	2022	2021
	£'000	£'000	£'000	£'000	£'000
Housing properties	94,097	109,166	117,585	121,852	133,423
Other fixed assets and investment properties	1,689	1,945	2,033	858	945
Net current assets	25,524	6,027	12,374	22,553	24,845
Creditors falling due after more than one year	(23,674)	(22,073)	(20,825)	(26,663)	(25,492)
Net assets	**97,636**	**95,065**	**111,167**	**118,600**	**133,721**

5-Year Overview of Cash flow

For the year ended 31 March	2025	2024	2023	2022	2021
	£'000	£'000	£'000	£'000	£'000
Net cash (outflow)/inflow from operating activities	(5,336)	(5,473)	(7,508)	(6,571)	3,172
Net cash generate/(used) in investing activities	18,754	2,559	(1,175)	7,764	9,622
Net cash outflow from financing activities	(284)	(289)	(262)	(172)	(143)
Net increase/(decrease) in cash and cash equivalents	13,134	(3,203)	(8,945)	1,021	12,651
Cash and cash equivalents	**25,698**	**12,564**	**15,767**	**24,712**	**23,691**

Capital Structure and Treasury Management

The Society is financed from its retained surpluses, part of which have arisen through the receipt of legacies and donations which may be restricted in their use. In addition, any surplus arising from the disposal of properties, following the closure of schemes deemed not financially viable, has contributed to our capital reserves. At the end of the financial year, the Society had in place an £8m overdraft facility. The bank facility is secured on a selection of the Society's properties. The facility provides the Society with an adequate level of liquidity, removing loan covenant requirements typically found through traditional loan borrowing. The Society is unable to raise equity funding because of its legal form. As required by the Regulator of Social Housing, 30-year financial and cash flow forecasts are prepared annually to ensure that an adequate funding strategy is in place. The Society invests cash, that is surplus to immediate operating needs, in short term interest-bearing deposit accounts, in line with its Treasury Management policy.

Employees

The number of full time employees (FTEs) has reduced by 14.1% (2024: 5.4%) in the year. As at 31 March 2025, the total number of FTE employees was 738 (2024: 859) as per Note 8 to the Accounts.

Reserves Policy

An important role for the Board is ensuring the long-term sustainability of the Society. Abbeyfield's reserves policy sets out the basic principles that gives the Society the resilience and financial capacity necessary to manage unforeseen business plan stresses; give assurance to lenders and creditors that the Society can meet its financial covenants and / or commitments; mitigate liquidity risks; protect the Society from a fall in income as a result of voids and boost working capital reserve to provide capital in the event that expenditure is needed ahead of income being received. In previous years, the Board sought to maintain minimum free reserves of £10m. With effect from 1 April 2023 the policy was enhanced to include a liquidity cover of four months, with an aspiration of increasing this to six months. Liquidity cover of four months is part of the Golden Rules set by Board. The total reserves at the end of March 2025 were £97.6m (2024: £95.1m). Of this, the liquid funds (i.e. cash and cash equivalent with investments) were £25.7m (2024: £12.95m) and the total restricted reserves were £3.1m (2024: £3.8m). Therefore, the free reserves at the end of the financial year were £22.6m, which exceeds the minimum £10m free reserves requirement. The liquidity cover at the end of the year was £30.6m (i.e. cash and cash equivalent, investments and overdraft) representing over six months of expenditure.

Going Concern and Viability

The net assets of the Group at the end of the year were £97.6m (2024: £95.1m) with total assets net of current liabilities of £121.3m. In addition to this, the Group had £8m of undrawn lending facilities through its overdraft facility. The Group is reporting a net Group surplus of £2.6m (2024: £16.1m deficit), the Board has developed a long-term Business Plan based on a sustainability strategy that shows the Group's business activities will generate positive operating margins from 2026-27. The 30-year Business Plan, which has been stress-tested against challenging scenarios and a range of multi-variates, also shows a transformational plan which will lead to the Society maintaining a net Group surplus from 2024-25.

A full financial and market viability review of the properties owned has been carried out. The Society has also revised its risk and mitigation framework and agreed a set of Trustees' risk appetites. The sustainability strategy is also supported by a set of newly developed Golden Rules with mitigating actions for financial resilience. The Society has committed significant sums for a major works programme over the next five years and has set up a development fund to ring-fence part of its sales proceeds for new investment. Performance against targets will continue to be monitored by the Finance and Investment Committee, Audit and Risk Committee and the Board. On this basis, the Board considers it has adequate resources to continue operations for the foreseeable future and to adopt the going concern basis as the basis for preparing these accounts.

OPERATING AND FINANCIAL REVIEW (continued)

Key Performance Indicators (KPIs)
In addition to the technical Value for Money metrics required by the Regulator of Social Housing, we have a suite of KPIs that are measured on a monthly basis some of which are detailed below.

	2024/25	2023/24	2022/23	2021/22
Operating Margin % (continuing operations excluding impairment)	(17.8%)	(21%)	(9.2%)	(7.4)%
Care occupancy %	88%	84%	82%	76%
Housing occupancy %	89%	85%	85%	84%
Development expenditure	£1.1m	£1.1m	£0.7m	£4.2m
Fundraising Income	£0.4m	£1.3m	£3.6m	£1.9m

Donations
The Society and its subsidiaries made no political donations during the year.

Health and Safety
The Society is aware of its responsibilities on matters relating to health and safety. The Society has prepared detailed health and safety policies and provides training and education to our staff on health and safety matters. Any notable accidents or incidents are reviewed by our Customer Committee on a quarterly basis to ensure lessons are learnt which can prevent similar occurrences in the future. In the reporting period, we had four Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) reports submitted to the Health and Safety Executive (HSE). The total number of serious incidents reported to the Charity Commission during the year was 11 (2024: 32).

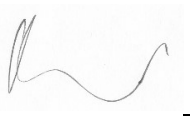
Residents' Involvement
We actively encourage the involvement of residents and their families in decision-making by promoting forums where they can contribute to the decisions that affect them. We also carry out an annual Residents' Survey to measure satisfaction with care and housing services and to obtain feedback.

Complaint Handling
The Society adheres to the Housing Ombudsman's Complaint Handling Code (the Code). As part of compliance with the Code, an annual self-assessment of our complaint handling procedures is completed. The self-assessment in the year showed that the Society was fully compliant with 68 recommendations and partly compliant with 1 other recommendations. The residents' survey showed that 90% of respondents were satisfied with how their complaints were handled.

Compliance with Governance and Financial Viability Standard
The Board confirms that the Society has met the Regulator of Social Housing's regulatory requirements in the Governance and Financial Viability Standard applicable in the reporting year. During the year, following the stability check, the Regulator reaffirmed the strapline judgement and the ratings of G2 V2 were maintained.

Statements of Compliance
The Board confirms that this Strategic Report Review has been prepared in accordance with the principles set out in the 2018 SORP for registered housing providers. We are also pleased to report that the Society continues to comply with the principal recommendations of the NHF Code of Governance 2020.

The Strategic Report and Report of the Board were approved by the Board on 4th September 2025 and signed on its behalf by:



Mike Turner
Chair

VALUE FOR MONEY (VfM)

VfM Strategy

The Board is committed to delivering Value for Money through the Society's activities. Our VfM Strategy sits alongside our Corporate Strategy and shapes the Society's supporting strategies. We will continue to strengthen our understanding of our value for money position; promote and embed a value for money culture; achieve year on year efficiency savings; target resources towards front line services and maintain a high level of resident satisfaction through value for money services.

Benchmarking

We monitor the performance of the Society against appropriate benchmarks and seek to understand the comparable data. Our offer to residents is unique and non-traditional when compared to the majority of Registered Providers within our Sector. Our unique offer spans both the Housing and Health Care Sector and so we typically select two benchmark groups to compare our performance against. We present below our year-on-year comparison of the technical metrics. Explanations are also provided below where there is a significant variance from the peer groups.

Our Year-on-Year Comparison of Technical VfM metrics

The table below summarises our year-on-year VfM performance with a flag to illustrate whether there has been improvement, decline or an unchanged position. The table shows no new supply of social housing units in the year. We are pleased to report an improvement in the gearing ratio which resulted from the repayment of the Revolving Credit Facility and a strong reinvestment metric following a year of significant investment into our existing assets. There was also an improvement to Operating Margin % - Overall and Return on Capital Employed largely driven through disposal of stock. There was however a decline or worsening in our EBITDA MRI Interest Cover, Headline Social Housing Cost per Unit and Operating Margin SHL %. As these metrics are linked to Contribution, the underlying deficits on discontinuing activities has been the lead contributing factor.

	The Abbeyfield Society - Year on Year	2021/22	2022/23	2023/24	2024/25	Flag
1	Reinvestment %	3.4%	2.6%	4.0%	3.1%	
2a.	New Supply delivered – Social Housing Units	0.0%	1.6%	0.0%	0.0%	
2b.	New Supply delivered – Non Social Housing Units	0.0%	0.0%	0.0%	0.0%	
3	Gearing %	-16.2%	-13.4%	-12.0%	-26.8%	
4	EBITDA/MRI Interest Cover	-3,409%	-2,188%	-3,979%	-3,041%	
5	Headline Social Cost per Unit	£24,043	£25,047	£27,378	£37,231	
6a.	Operating margin % - Social Housing lettings only	-23.90%	-21.98%	-27.94%	-18.71%	
6b.	Operating margin % - Overall	-9.00%	-10.93%	-16.21%	5.80%	
7	Return on Capital Employed	-2.9%	-4.2%	-7.1%	2.1%	

Key: an improvement on prior year a decline on prior year's performance similar to prior year

Comparison of VfM Performance to Peer Groups

The table below shows our VfM performance against our peer group and industry medians. The peer group comprises a selection of organisations which provide housing support and care and are registered with both the Care Quality Commission (CQC) and the Regulator of Social Housing. This is to reflect the dual regulatory environment within which we operate. We have also compared our performance against industry median which comprises of providers with less than 3000 units and which have at least 50% of their stock in supported housing

and housing for older people. These providers and their performance were extracted from the Regulator of Social Housing 2024 Global Accounts

VALUE FOR MONEY (continued)

	The Abbeyfield Society	2024/25	Median - Peer Group 23/24	Median – Industry 23/24
1	Reinvestment %	3.1%	4.0%	6.7%
2a.	New Supply delivered – Social Housing Units	0.0%	1.1%	1.3%
2b.	New Supply delivered – Non Social Housing Units	0.0%	0.0%	0.0%
3	Gearing %	-26.8%	24.8%	45.3%
4	EBITDA/MRI Interest Cover	-3,041%	220.0%	128.4%
5	Headline Social Cost per Unit	£37,231	£8,760	£4,586
6a.	Operating margin % - Social Housing lettings only	-18.7%	14.8%	19.8%
6b.	Operating margin % - Overall	5.8%	7.9%	18.2%
7	Return on Capital Employed	2.1%	2.5%	2.8%

We compare favourably against the Peer Group and industry Median in gearing %. However, under-performed against both Medians on the other metrics. Our operating margin % metric was below Medians as a result of the reported deficits. This also explains why the Earnings Before Interest, Tax and Depreciation Major Repairs Included (EBITDA MRI) was adverse compared to the peer group and industry Medians. Our Headline Social Housing Cost Per Unit was higher than the peer groups reflecting the higher costs of delivering the Abbeyfield model of housing and care services. The unique mix of Abbeyfield's care and supported housing should be considered in context when drawing comparison with sector performance.

Improving on our VfM Metrics and Cost per Unit

VfM is a key consideration for social landlords and there is an increasing focus on demonstrating VfM especially given the rapidly shifting economic climate, increased demands from customers and overstretched budgets and funding pots. ALS will soon be publishing our revised VfM strategy which aligns to our Corporate Strategy 2025-30.

We will ensure the strategy addresses how we will:

- Continue to improve our understanding of our current value for money position;
- Promote and embed a value for money culture;
- Achieve year on year efficiency savings;
- Target resources towards frontline services;
- Maintain a high level of resident satisfaction with value for money;
- Streamline processes and procedures to reduce costs;
- Invest in technology to improve service delivery and reduce costs;
- Conduct regular value for money assessments to identify opportunities for improvement;
- Benchmark performance against other social landlords to identify areas for improvement;
- Engage our residents to understand their needs and preferences, and tailor services accordingly and;
- Focus on preventative maintenance to reduce the need for costly repairs.

RISKS AND MITIGATIONS

The Board is aware of the key risks faced by the Society and has assessed their likely impact and severity against the organisation's strategic objectives. The Board has updated the risk management framework which resulted in a deep dive into the corporate risk register and the setting of a new Trustees' risk appetite. The Board also considered the Social Housing Sector Risk Profile for 2024 to ensure we have captured relevant risks in our risk register and have appropriate mitigation plans in place for those identified risks.

The Risk Assurance Framework covers strategic and operational risks which are regularly reviewed by the Executive Team, the Audit and Risk Committee and by the Board. Controls are identified for all risks and an assessment made as to their effectiveness. The Board also conducts stress testing of the business plan for the Society. This involves testing what would happen under a range of different scenarios and if multiple risks crystallised. The Board considers mitigating strategies in respect of the risk exposures.

The culmination of our risk assessment allows us to categorise those risks within the three defined categories below:

Risks	Impact	Mitigations
Financial instability	Continued year-on-year deficits resulting in depleted reserves, depleting assets, service failure and inability of the Society to continue as a Going Concern.	• Understand the stock profile, capital investment requirements and scheme viability • Robust business plan, stress tested and mitigation plans • Set Golden Rules to serve as early prompts • Regular cash flow forecasts and effective treasury management • Effective financial and management reporting, ensuring accuracy and timeliness • Cost efficiencies targets
Safeguarding, health and safety risks	Poor safeguarding of residents which can lead to downgrade of services or care home and attract Regulatory involvement	• Safeguarding policies and procedures fully implemented • Systems in place to closely monitor and report divergent promptly to the Customer Committee • Internal Audit programme of assurance • Keeping abreast of prevailing legislations • Business continuity planning and appropriate levels of management oversights
Compliance Risks	Risk of intervention by local authority, Care Quality Commission (CQC) or the Regulator of Social Housing (RSH)	• Robust internal and external audits along with quality assurance frameworks • Staff training and residents engagement • Care management policies and produces are up to date • Recruitment of Head of Care Compliance • Gap analysis of NHF Code of Governance

STATEMENT OF RESPONSIBILITIES OF THE BOARD

The Board is responsible for preparing the Strategic Report, Annual Report and the Financial Statements, in accordance with applicable law and regulation.

Company law and social housing legislation require the Board to prepare Financial Statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Board must not approve the Financial Statements unless it is satisfied that they give a true and fair view of the state of affairs of the Society and of the surplus or deficit of the Society for that period.

In preparing these Financial Statements, the Board members are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice "Accounting by Registered Social Housing Providers 2018" and FRS102 have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Society will continue in business.

Board members are also responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society and enable it to ensure that its financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Registered Providers of Social Housing 2022.

The Board is also responsible for safeguarding the assets of the Society and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Board members are also responsible for ensuring that the Report of the Board is prepared in accordance with the Statement of Recommended Practice "Accounting by Registered Social Housing Providers 2018" and FRS 102. The Board is responsible for ensuring that the assets of the Society are properly applied under charity law. The annual report and accounts are published on the Society's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions.

The Board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Slavery and human trafficking statement

The Modem Slavery Act 2015 introduced new obligations in relation to slavery and human trafficking. The Society is fully supportive of the legislation as it is in keeping with our ethos and principles. The statement includes compliance for our supply chain partners.

GOVERNANCE

Board members and Executive Team
The Society's Board members who served during the year are set out on page 6. The Board members are drawn from a wide range of backgrounds bringing together professional, commercial and other relevant experience.

The Board, which comprises the company directors, has overall responsibility for the direction, management and control of the Society. Overall operational management is delegated to the Chief Executive and the Executive Team. The Board adopts the National Housing Federation (NHF) Code of Governance 2020 and the Company Secretary and the Executive Team provide support to the Board in monitoring compliance with the Code.

The Board may comprise up to 10 trustees and requires a minimum of five trustees including the Chair. Board members are appointed by the Board.

Applications to be considered for appointment to the Board are invited following recruitment and advertising. Candidates are nominated for appointment by the People Committee having regard to the need for the persons appointed having the necessary range of skills, experience, gender, age and ethnicity.

Board members may serve for fixed terms of three years up to a maximum of nine years. The Board formally met seven times during the year, with additional sessions to discuss strategy and performance.

Throughout the year, the Board continued to monitor its effectiveness and the terms of reference for the various committees of the Board, to ensure that they are following best practice in the sector. Board members are encouraged to acquaint themselves with all aspects of the Society, particularly operational matters. The Executive Team hold no financial interest in the Society, except for their remuneration arrangements, and act as executives within the authority delegated to them by the Board. The Executive Team is entitled to join the Society's stakeholder pension scheme on the same terms as other employees. Details of their remuneration are disclosed in Note 9 (Board and Executive Remuneration).

Insurance policies indemnify Board members and officers against liability when acting for the Society.

Directors Duties and section 172 reporting
The Directors of the Society must act in accordance with a set of general duties embodied in section 172 (1) (a-f) of the Companies Act 2006 (1), summarised as follows:

A Director must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so, have regard (amongst other matters) to:

- The likely consequences of any decisions in the long-term.
- The interests of the company's employees.
- The need to foster the company's business relationships with suppliers, customers and others.
- The impact of the company's operations on the community and environment.
- The desirability of the company maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the company.

As part of the induction process, Directors are briefed on their duties, including the long-term stewardship of the Society to ensure it delivers against its strategic objectives as set out in the Trustees' Report above. Our Board monitors the impact of its decisions against the long-term financial plan on an annual basis, and more often if the situation demands. We operate to a strategic plan that involves setting both operational and financial targets that address our charitable objectives as set out in the Report of the Board.

Our employees are fundamental to the delivery of our plan. We are a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and well-being of our employees is one of our primary considerations in the way we conduct our business. We have policies on fraud, anti-bribery and a

whistleblowing policy which encourages colleagues to raise issues of suspected malpractice. Our Audit and Risk Committee also receives reports if issues are raised.

Internal Controls Assurance

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. We recognise that any system can only manage, and not eliminate, risk and can only provide reasonable, and not absolute, assurance against material misstatement or loss. The Board is satisfied that controls are in place and it ensures there is ongoing review as part of a process of continuous improvement. Forvis Mazars LLP were appointed in 2018 to provide internal audit function.

The Board approves the annual budgets, business plans and risk management framework on recommendation of the Finance and Audit Committees. A delegated authority framework is in place for incurring and approving expenditure, with formal involvement of members of the Board for larger transactions. Quarterly updates on performance against business objectives and the budget are provided to the Board. The Society has staff recruitment and appraisal processes in place. This includes monitoring of staff performance through one-to-ones and the effectiveness of training programmes undertaken by our staff. Whilst the Board cannot delegate ultimate responsibility for the system of internal control, it has delegated the review of the effectiveness of the Society's system of internal control to the Audit and Risk Committee. The Board receives minutes of all meetings of the Audit and Risk Committee and gets assurance from the committee that arrangements are in place to manage the risk of fraud.

Environment

We have made a positive start towards improving our own Environmental Sustainability. In May 2021, an Environmental Working Group was formed, comprising various interested parties from across the Society. This was used as a hub to raise ideas of how Abbeyfield could evolve to be a greener place to live and work. We further appointed an Environmental Sustainability Co-ordinator during the year to lead on our approach to delivering environmental sustainability in our homes. We have established targets to reduce energy consumption, plans to increase resource focused on environmental initiatives and funding for specific capital expenditure in our schemes to deliver environmental efficiency.

Consumption 2024/25

	KWh	Mileage	Kg CO2e
	000	000	000
Electric	5,276		1,230
Gas	12,829		2,990
Transport		262	62
Total	18,105	262	4,282

Year on Year Improvement	1147
% Improvement	21%

Consumption 2023/24

	KWh	Mileage	Kg CO2e
	000	000	000
Electric	6,877		1,603
Gas	16,017		3,734
Transport		392	92
Total	22,894	392	5,429

Our impact on the environment is set-out in the Streamlined Energy Carbon Report (SECR) below. The SECR framework is a mandatory UK-wide reporting scheme to improve transparency and help reduce carbon emissions. The carbon footprint table below reflects activity across the Society.

The actual gas and electricity consumption was recorded in KWh. To convert kWh to kg of carbon (Kg Co2e) released based on Greenhouse gas reporting, a conversion factor from Department for Business, Energy and Industrial Strategy (BEIS) has been used. The conversion factor is 0.23314 kg CO2 is saved for each kWh

produced from a carbon free source. The factor is based on the carbon emissions generated by the current UK power stations per kWh generated.

The data reflects an overall reduction in carbon emissions of 21%. During the year, there was a 23% decrease in electric consumption and a 20% decrease in gas consumption. Given that we saw a smaller increase in electricity pricing, we switched, where possible, to electricity usage over gas. This approach led to an overall cost saving in our energy costs. We continue to install new energy efficient boilers and make a huge effort to embed better energy efficiency practices in our homes.

Fundraising

ALS are committed to achieving the highest standards of professional fundraising. ALS are corporate members of the Institute of Fundraising and registered with the Fundraising Regulator, to whom we pay the Fundraising Levy. Through the systems and processes we have put in place, we aim to achieve the standards set out in the Fundraising Code of Practice. ALS are signed up to the Fundraising Preference Service. Our small team of fundraising staff are aware of and pay due attention to data protection practices to ensure we are compliant with the General Data Protection Regulation (GDPR) when handling personal data. Complaints from fundraising activities are contained in the Complaints / Whistleblowing Register which is reviewed regularly by the Audit and Risk Committee and or the Customer Committee. During the year, we had no fundraising complaints (2024: nil).

Statement of Public Benefit

As a public benefit entity providing housing, care and support to older people, our Board has complied with its duty to have due regards to the Charity Commission's guidance on public benefit when exercising their powers and duties to which the guidance relates. Our Mission and Values are discussed on page 5. Our Charitable Object is for the relief and care of elderly persons of all classes, beliefs and nationalities. Our homes are open to all that apply and we ensure the necessary assessments are done to ensure individuals are placed in the right home and / or care environment suitable to their needs. We also undertake annual residents' surveys as part of our approach to engaging with residents and evaluating residents' satisfaction, year on year.

The report of the Board was approved by the Board on 4th September 2025 and signed on its behalf by:

Mike Turner
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD SOCIETY

Opinion

We have audited the financial statements of The Abbeyfield Society (the 'society') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the consolidated and society statements of comprehensive income, the consolidated and society statements of financial position, the consolidated and society statements of changes in reserves and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice), the Housing and Regeneration Act 2008, the Statement of Recommended Practice (SORP) accounting by Registered Social Housing Providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the society's affairs as at 31 March 2025 and of the group's and society's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Housing and Regeneration Act 2008, the Statement of Recommended Practice (SORP) accounting by Registered Social Housing Providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to Going Concern

In auditing the financial statements, we have concluded that the board members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the board members with respect to going concern are described in the relevant sections of this report.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:

- the information given in the report of the board, prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report included within the report of the board have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the society and their environment obtained in the course of the audit, we have not identified material misstatements in the report of the board.

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

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

Responsibilities of the Board
As explained more fully in the board members' responsibilities statement, the board members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD SOCIETY (continued)

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our Report

This report is made solely to the society's members, as a body, in accordance with the Housing and Regeneration Act 2008 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Susanna Cassey (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor
Fleet House
New Road
Lancaster
United Kingdom
LA1 1EZ
Date: 6 September 2025

FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2025

	Note	**Total 2025 £'000**	Total 2024 £'000
Turnover	4	**44,312**	50,702
Operating costs		**(53,088)**	(61,854)
Impairment	15	**-**	(7,087)
Total Operating Costs	4	**(53,088)**	(68,941)
Operating (deficit)	4	**(8,776)**	(18,239)
Surplus on disposal of Housing Properties	11	**10,862**	1,856
Other interest receivable and similar income	12	**751**	532
Interest and financing costs	13	**(284)**	(289)
Movement in fair value of investment properties	17	**-**	-
Movement in fair value of investments	21	**18**	38
Surplus / (deficit) before taxation		**2,571**	(16,102)
Taxation	14	**-**	-
Surplus / (deficit) after taxation and total comprehensive income/(expense) for the year		**2,571**	(16,102)

The Notes on pages 35 to 56 form part of these Financial Statements.

Society Statement of Comprehensive Income

for the year ended 31 March 2025

	Note	**Total 2025 £'000**	Total 2024 £'000
Turnover	4	**44,312**	50,702
Operating costs		**(53,088)**	(61,854)
Impairment	15	**-**	(7,087)
Total Operating Costs	4	**(53,088)**	(68,941)
Operating (deficit)	4	**(8,776)**	(18,239)
Surplus on disposal of Housing Properties	11	**10,862**	1,856
Other interest receivable and similar income	12	**751**	532
Interest and financing costs	13	**(284)**	(289)
Movement in fair value of investment properties	17	**-**	-
Movement in fair value of investments	21	**18**	38
Surplus / (deficit) before taxation		**2,571**	(16,102)
Taxation	14	**-**	-
Surplus / (deficit) after taxation and total comprehensive income/(expense) for the year		**2,571**	(16,102)

The Notes on pages 35 to 56 form part of these Financial Statements.

Consolidated and Society Statements of Financial Position at 31 March 2025

	Note	**Group 2025 £'000**	Group 2024 £'000	**Society 2025 £'000**	Society 2024 £'000
Fixed assets					
Tangible fixed assets - housing properties	15	**94,097**	109,166	**95,377**	110,446
Other fixed assets - Tangible and Intangible	16	**809**	1,065	**809**	1,065
Investment properties	17	**880**	880	**880**	880
		95,786	111,111	**97,066**	112,391
Current assets					
Properties held for sale	19	**8,112**	1,859	**8,112**	1,894
Debtors - receivable within one year	20	**3,076**	3,752	**3,272**	4,075
Debtors - receivable after one year	20	**-**	232	**-**	232
Investments	21	**-**	394	**-**	394
Cash and cash equivalents		**25,698**	12,564	**25,516**	12,350
		36,886	18,801	**36,900**	18,945
Creditors: amounts due within one year	22	**(11,362)**	(12,774)	**(11,415)**	(12,956)
Net current assets		**25,524**	6,027	**25,485**	5,989
Total assets less current liabilities		**121,310**	117,138	**122,551**	118,380
Creditors: amounts due after one year	23	**(22,874)**	(20,873)	**(22,874)**	(20,873)
Provision for Liabilities and Charges due after one year	24	**(800)**	(1,200)	**(800)**	(1,200)
Net assets		**97,636**	95,065	**98,877**	96,307
Capital and reserves					
Income and expenditure reserve		**94,501**	91,265	**95,742**	92,507
Restricted reserve		**3,135**	3,800	**3,135**	3,800
Total Capital and reserves		**97,636**	95,065	**98,877**	96,307

The financial statements were approved by the Board and authorised for issue on 4th September 2025 and signed on their behalf by:

Mike Turner

The Notes on pages 35 to 56 form part of these Financial Statements.

FINANCIAL STATEMENTS

Consolidated statement of changes in reserves for the year ended 31 March 2025

	Income and expenditure reserve	Restricted reserves	Total
	£'000	£'000	£'000
Balance at 31 March 2024	91,265	3,800	95,065
(Deficit) / Surplus for the year	3,236	(665)	2,571
Balance at 31 March 2025	**94,501**	**3,135**	**97,636**

Society statement of changes in reserves for the year ended 31 March 2025

	Income and expenditure reserve	Restricted reserves	Total
	£'000	£'000	£'000
Balance at 31 March 2024	92,507	3,800	96,307
(Deficit) / Surplus for the year	3,236	(665)	2,571
Balance at 31 March 2025	**95,743**	**3,135**	**98,878**

Consolidated statement of changes in reserves for the year ended 31 March 2024

	Income and expenditure reserve	Restricted reserves	Total
	£'000	£'000	£'000
Balance at 31 March 2023	105,557	5,610	111,167
(Deficit) / Surplus for the year	(14,292)	(1,810)	(16,102)
Balance at 31 March 2024	**91,265**	**3,800**	**95,065**

Society statement of changes in reserves for the year ended 31 March 2024

	Income and expenditure reserve	Restricted reserves	Total
	£'000	£'000	£'000
Balance at 31 March 2023	106,799	5,610	112,409
(Deficit) / Surplus for the year	(14,292)	(1,810)	(16,102)
Balance at 31 March 2024	**92,507**	**3,800**	**96,307**

The Notes on pages 35 to 56 form part of these Financial Statements.

FINANCIAL STATEMENTS

Consolidated statement of Cash Flows for the year ended 31 March 2025

		2025	2024
		£'000	£'000
Cash flows from operating activities			
Surplus / (deficit) for the financial year		**2,571**	(16,102)
Adjustments for:			
Impairment of housing properties	7	**-**	7,087
Depreciation of fixed assets - housing properties	7	**2,218**	2,526
Accelerated depreciation on disposal of components	7	**93**	93
Depreciation of other fixed assets - Tangible and Intangible	16	**396**	249
Transfer of fixed asset to current asset	15	**5,477**	-
Amortisation of grant	5	**(135)**	(126)
Movement in fair value of investments	21	**(18)**	(38)
Interest payable and finance costs	13	**284**	289
Interest received	12	**(751)**	(532)
(Surplus) on the disposal of fixed assets	11	**(10,862)**	(1,856)
Decrease in trade and other debtors	20	**676**	216
(Increase) / decrease in properties held for sale	19	**(6,253)**	858
Decrease in creditors		**968**	1,863
Net cash (outflow) from operating activities		**(5,336)**	(5,473)
Cash flows from investing activities			
Transaction costs for sale of housing properties	11	**(237)**	(158)
Grant repaid	26	**(1,743)**	-
Sale of current asset investments	21	**412**	-
Proceeds from sale of fixed assets - housing properties	11	**22,341**	6,536
Purchase of fixed assets - housing properties	15	**(2,863)**	(4,196)
Purchase of Other fixed assets - Tangible and Intangible	16	**(139)**	(161)
Net loan repayments from member societies	20	**232**	6
Interest received	12	**751**	532
Net cash generated in investing activities		**18,754**	2,559
Cash flows from financing activities			
Interest paid	13	**(284)**	(289)
Net cash (outflow) by financing activities		**(284)**	(289)
Net increase/(decrease) in cash and cash equivalents		**13,134**	(3,203)
Cash and cash equivalents at beginning of year		**12,564**	15,767
Cash and cash equivalents at end of year		**25,698**	12,564

The Notes on pages 35 to 56 form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. LEGAL STATUS

The Group consists of the following three trading entities: The Abbeyfield Society Limited ("the Society", company number 574816), Abbeyfield Properties Limited (company number 9482576) and The Abbeyfield Research Foundation (company number 9705217). The Society is a company limited by guarantee, incorporated in England and Wales, having no share capital and with solely charitable objectives. The Society is registered with the Regulator of Social Housing and the Charity Commission. The Society's registered address is 17-19 Hampton Lane, Solihull, B91 2QJ. The Society is a member of the wider Abbeyfield Family, headed by Abbeyfield England and The Abbeyfield Society World Council. The Abbeyfield Society is now trading as The Abbeyfield Living Society.

The Society and the Group do not have a controlling interest in any Abbeyfield Member Society. The Society is a public benefit entity. These financial statements do not reflect the assets, liabilities or financial transactions of any member societies other than the Society. Abbeyfield Properties Limited is a company limited by shares, incorporated in England and Wales, having a share capital of £1. Abbeyfield Properties Limited is a wholly owned subsidiary of the Society. It was set up by the Society as a design-and-build company for undertaking new developments. Abbeyfield Research Foundation is a company limited by guarantee, incorporated in England and Wales, having no share capital and with solely charitable objectives. It is registered with the Charity Commission (Charity No. 1167685). Abbeyfield Research Foundation is a wholly owned subsidiary of the Society. Abbeyfield Research Foundation is a fundraising and grant making body, which focuses on funding research into issues that affect older people.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable law and UK accounting standards in the United Kingdom (United Kingdom Generally Accepted Accounting Practice) which for the Society includes the Companies Act, Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland", and the Statement of Recommended Practice (SORP) for Registered Social Housing Providers, "Accounting by Registered Social Housing Providers" 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The accounts are prepared under the historic cost basis except for the modification to a fair value basis for certain financial instruments and investment properties, as specified in the accounting policies below. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the management to exercise judgement in applying the Group's accounting policies. In preparing the separate financial statements of the Society, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Section 7 ‘Statement of Cash Flows’: Presentation of a statement of cash flow
- Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis for determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 ‘Related Party Disclosures’: Compensation for key management personnel
  No cash flow statement has been presented for the Society;
- Disclosures in respect of the Society's financial instruments have not been presented since equivalent disclosures have been provided in respect of the Group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Society as their remuneration is included in the totals shown for the Group as a whole.

The financial statements are prepared in sterling, which is the functional currency of the society. Monetary amounts in the financial statements are rounded to the nearest £'000, unless otherwise stated in the financial statements.

The following principal accounting policies have been applied:

Basis of Consolidation

The consolidated financial statements present the results of the Society, a registered provider of social housing and its subsidiaries (together "the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

Going Concern

The Board has developed a long-term Business Plan based on a sustainability strategy that shows the Group's business activities will generate positive operating margins from 2026/27. The 30-year Business Plan, which has been stress-tested against challenging scenarios and a range of multi-variates, also shows a transformational plan which will lead to the Society maintaining a net Group surplus from 2024/25.

A full financial and market viability review of the properties owned has been carried out. The Society has also revised its risk and mitigation framework and agreed a set of Trustees' risk appetites. The sustainability strategy is also supported by a set of newly developed Golden Rules with mitigating actions for financial resilience. The Society has committed significant sums for a major works programme over the next five years and will be setting up a development fund to ring-fence part of its sales proceeds for new investment. Performance against targets will continue to be monitored by the Finance and Investment Committee, Audit and Risk Committee and the Board. On this basis, the Board considers it has adequate resources to continue operations for the foreseeable future and to adopt the going concern basis as the basis for preparing these accounts.

Income

The Society's turnover principally comprises income receivable from residents, annual membership fees due from Member Societies, donations from third parties, legacies and sale of properties. The residents' charges are composite amounts covering rent, service charges and care income. Income is measured at the fair value of the consideration received or receivable. The Group generates the following material income streams:

- Rental income (excluding rent from void properties available for letting);
- Service charges receivable;
- Donations and legacies;
- Membership fees;
- Property sales proceeds;
- Market rents.

Turnover from social housing lettings is recognised on delivery of services to end users, as the Society performs its obligations. Income from donations and legacies is accounted for on a receivable basis when it is more likely than not that the economic benefits will flow to the Society and the amount of the income can be measured reliably together with any related costs. Proceeds from the sale of properties are recognised on completion of sales. Rental income is recognised from the point when properties under development reach practical completion and are formally let. Income from properties built for sale is recognised at the point of legal completion of the sale. The Group adopts a fixed method for calculating and charging service charges to its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the estimated amounts chargeable.

Legacy Income

Legacy income is recognised in the accounts when receipt is considered probable. Legacy receipts are usually considered probable when the executors have confirmed there is a bequest to the Society.

Value Added Tax

The Group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. Recoverable VAT arising from partially exempt activities is credited to the Statement of Comprehensive Income.

Corporation Tax
The society pays corporation tax at the applicable rate within the United Kingdom, however due to its charitable status as recognised by HMRC, the Group benefits from the relief applicable to charities and housing associations.

Finance Costs
Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the applicable interest rate so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Pension Costs
Contributions to the Group's defined contribution pension scheme are charged to the Statement of Comprehensive Income in the year in which they become payable.

Holiday Pay Accrual
A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Tangible Fixed Assets- Housing Properties
Housing properties constructed or acquired (including land) on the open market are stated at cost less depreciation and impairment where applicable. Housing properties received as part of a transfer of undertakings were initially recorded at fair value; depreciation and impairment has been deducted as applicable. The cost of freehold land and property represents their purchase price and any directly attributable costs of acquisition which may include an appropriate amount for staff costs and other costs of managing development.

Expenditure on major refurbishment of properties are capitalised where the works will increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income with the exception of components, which are capitalised as they have a life of more than one year. Housing properties in the course of construction, excluding the estimated cost of the element of shared ownership properties expected to be sold in first tranche, are included in Tangible Fixed Assets and held at cost less any impairment, and are transferred to completed properties when ready for letting.

Depreciation of Housing Properties
Housing properties are split between freehold land, structure and other major components that are expected to require replacement over time. The portion of shared ownership property retained or expected to be retained is not depreciated on account of the high residual value. Neither the depreciable amount nor the expected annual depreciation charge for such assets is considered material, individually or in aggregate. Assets in the course of construction are not depreciated until they are completed and ready for use. Freehold land is not depreciated on account of its indefinite useful economic life. The cost of all other housing property including shared ownership properties (net of accumulated depreciation to date and impairment, where applicable) and components is depreciated over the useful lives of the assets on the following basis:

Description	Estimated useful life (years)
Structure	100
Roofs	50
Kitchen	30
Bathroom	30
Windows and doors	30
Electrical	20
Heating	15
Lifts	15
Furniture and Equipment	10

Allocation of Costs for Mixed Tenure and Shared Ownership Developments
Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. Where it is not possible to relate costs to a specific tenure type costs the costs are allocated by square footage.

Other Fixed Assets – Tangible & Intangible
Other tangible and intangible fixed assets are stated at historic cost less accumulated depreciation and any accumulated impairment losses. Historic cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Society. The

carrying amount of the replaced part is written off. Repairs and maintenance are charged to SOCI during the period in which they are incurred.

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

Description	Estimated useful life (Years)
Furniture and equipment	10
Motor vehicles	5
Office furniture	5
Office equipment and computer software	3-5

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised below operating surplus/(deficit), in the statement of comprehensive income.

Investment Properties
Investment properties consist of properties not held for social benefit or use in operations. They are properties held to earn rental income or for capital appreciation. They are initially measured at cost and subsequently at fair value as determined by external valuers. No depreciation is provided. Changes in fair value are recognised in SOCI.

Government Grants
Grant received in relation to constructed or acquired housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018. Grant is carried as deferred income in the balance sheet and released to the Statement of Comprehensive Income on a systematic basis over the useful economic lives of the asset for which it was received. Where social housing grant ("SHG") funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property if not transferred to the purchaser if they are an RP. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the Statement of Comprehensive Income. Where properties with grant attached are received as part of a transfer of undertakings the ultimate requirement to recycle/repay grant sits within the Society and is recorded as a contingent liability. Grants relating to revenue are recognised in the Statement of Comprehensive Income over the same period as the expenditure to which they relate once performance related conditions have been met. Grants due from government organisations or received in advance are included as current assets or liabilities.

Recycled Capital Grant Fund
On the occurrence of certain relevant events, primarily the sale of dwellings, Homes England can direct the Society to recycle capital grants or to make repayments of the recoverable amount. The Group adopts a policy of recycling, for which a separate fund is maintained. If unused within a three-year period, grant should be repayable to Homes England with interest. Any unused recycled capital grant held, is disclosed in the balance sheet under "creditors due after more than one year", except where the property disposal was greater than two years previous and this is disclosed, as creditors due less than one year.

Valuation of Investments
Investments in subsidiaries are measured at cost less accumulated impairment. Investments in listed company shares, which have been classified as current asset investments, are stated at fair value at each balance sheet date. Gains and losses are recognised in the Statement of Comprehensive Income for the period.

Impairment of Tangible Fixed Assets
The housing property portfolio for the Group is assessed for indicators of impairment at each balance sheet date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. An option appraisal is carried out to determine the option which produces the highest net realisable value. Some properties have been valued at value-in-use service potential. The Society defines cash generating units at unit level. Where the recoverable amount of an asset or cash generating unit is lower than its carrying value an impairment is recorded through a charge to Statement of Comprehensive Income. Regular review of current impairment is undertaken to establish accuracy, prior impairment may be reversed where appropriate.

Properties Held for Sale
Properties held for sale comprises work in progress and completed properties, including housing properties developed for transfer to other registered providers; closed properties received as part of a transfer of undertakings that are held for sale; properties developed for outright sale; and shared ownership properties. For shared ownership properties the value held as properties held for sale is the estimated cost to be sold as a first tranche. Properties held for sale are stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs.

Shared Ownership
The share of shared ownership properties which is to be sold in the first tranche sale is held within stock. The remainder, comprising further tranches and the element which is to be retained by the Society is held within fixed assets.

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

Recoverable Amount of Rental and Other Trade Receivables
The Group estimates the recoverable value of rental and other receivables and impairs any debtors by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historic collection rates and the class of debt.

Loans to Member Societies
Loans to Member Societies are regarded as concessionary loans (FRS 102). Those loans are made at a rate of interest which is below the prevailing market rate of interest. These loans are measured at the amount advanced at the inception of the loan less amounts received and any provisions for impairment. Any associated grant is recognised as deferred income until the loan is redeemed.

Rent and Service Charge Agreements
The Group has made arrangement with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

Loans, Investments and Short-Term Deposits
These instruments are initially recorded at the transaction price less any transaction costs (historic cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost. Loans and investments that are payable or receivable within one year are not discounted.

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

Cash and Cash Equivalents
Cash and cash equivalents in the Group's balance sheet consists of cash at bank and on deposit with an original maturity of three months or less.

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

Reserves
Income received, and expenditure incurred, for restricted purposes is separately accounted for as restricted funds. Restricted funds arise from either the conditions of the legacy or donation. Realised and unrealised gains and losses on assets held as restricted funds are also allocated to the restricted fund. Unrestricted reserves are accounted for under the income and expenditure reserves.

Leased Assets: Lessee
Where assets are financed by leasing agreements that give rights to the Group approximating to ownership (finance leases), the assets are treated as if they has been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease. Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognized over the term of the lease as an integral part of the total lease expense.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

- whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset;
- the anticipated costs to complete a development scheme are based on anticipated construction cost, effective rate of interest on loans during the construction period, legal and other costs. Based on the costs to complete, the recoverability of the cost of properties developed for outright sale and/or land held for sale is considered. This judgement is also based on the best estimate of sales value taking on board the economic conditions within the area of development;
- the appropriate allocation of costs relating to shared ownership between current and fixed assets;
- the appropriate allocation of depreciation as highlighted in the policy on page 36, the group do not depreciate shared ownership properties.
- the categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset;
- the categorisation of leases as operating, or finance leases based on the risk and rewards of ownership of the asset over the economic life of the asset, such as for the key Southampton scheme where the assessment shows that the risks and rewards are predominately with the lessor over the economic life of the site and it is accordingly accounted for as an operating lease.
- Going concern and viability as highlighted on page 17.

Other Key Sources of Estimation Uncertainty

Tangible Fixed Assets including shared ownership properties (see Note 15) are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components. Investments (see Note 21): The most critical estimates, assumptions and judgements relate to the determination of carrying value of investments which are determined using the values provided by Waverton Investment Management;

Debtors (see Note 20): The estimate for receivables involves an assessment of recoverability of the balances outstanding at the year end, including a review of the age profile of the debt, historic collection rates and the class of debt;

Investment properties (see Note 17): Investment properties are valued annually using yield methodology. This requires the use of market rental values capitalised at a market capitalisation rate. There is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Key input into the valuation are the rent receivable, net initial yield and location / condition of the property.

Onerous lease (see Note 24): During FY24, the charity identified a contract for the lease of office space that has become onerous due to a significant decrease in the need for office space as a result of increased remote working.

4. Particulars of turnover, operating costs and operating surplus – Group and Society

	Note	**Turnover 2025 £'000**	**Cost of Sales 2025 £'000**	**Operating costs 2025 £'000**	**Operating (deficit) / surplus 2025 £'000**
Social housing lettings	5	**12,407**	**-**	**(16,666)**	**(4,259)**
Care Homes	5	**29,382**		**(34,264)**	**(4,882)**
Activities other than Social Housing Activities					
Affordable rent (Independent Living) and other		**1,959**	**-**	**(1,872)**	**87**
Property Sales		**-**	**-**	**-**	**-**
Membership activity		**123**	**-**	**(262)**	**(139)**
International activity		**-**	**-**	**-**	**-**
Other		**-**	**-**	**(13)**	**(13)**
Donations and legacies		**441**	**-**	**(11)**	**430**
Total		**44,312**	**-**	**(53,088)**	**(8,776)**

	Note	Turnover 2024 £'000	Cost of Sales 2024 £'000	Operating costs 2024 £'000	Operating (deficit) / surplus 2024 £'000
Social housing lettings	5	12,768	-	(20,628)	(7,860)
Care Homes	5	30,153		(42,450)	(12,297)
Activities other than Social Housing Activities					
Affordable rent (Independent Living) and other		4,858	-	(4,297)	561
Property Sales		1,074	(861)	-	213
Membership activity		553	-	(530)	23
International activity		9	-	(30)	(21)
Other		1	-		1
Donations and legacies		1,286	-	(145)	1,141
Total		50,702	(861)	(68,080)	(18,239)

5. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS – GROUP AND SOCIETY

	Care	Supported Housing	Total 2025	Total 2024
	£'000	£'000	£'000	£'000
Income				
Rents net of identifiable service charges	29,247	3,347	**32,594**	33,276
Service charge income	-	9,060	**9,060**	9,519
Grant amortisation	135	-	**135**	126
Turnover from social housing lettings	29,382	12,407	**41,789**	42,921
Expenditure				
Management	(11,388)	(3,832)	**(15,220)**	(15,285)
Service charge costs	-	(8,824)	**(8,824)**	(9,306)
Charges for support services	(19,071)	-	**(19,071)**	(25,037)
Routine maintenance	(424)	(3,276)	**(3,700)**	(2,569)
Major repairs expenditure	(626)	(344)	**(970)**	(666)
Bad debts	(175)	(263)	**(438)**	(267)
Impairment (Housing Properties)	-	-	**-**	(7,087)
Accelerated depreciation	(48)	(45)	**(93)**	(85)
Depreciation (Housing Properties)	(908)	(1,310)	**(2,218)**	(2,526)
Depreciation (Other Fixed Assets)	(261)	(135)	**(396)**	(249)
Abortive Costs	-	-	**-**	(1)
Operating expenditure on social housing lettings	**(32,901)**	**(18,029)**	**(50,930)**	(63,078)
Operating (deficit) on social housing lettings	**(3,519)**	**(5,622)**	**(9,141)**	(20,157)
Void losses	**(4,257)**	**(1,260)**	**(5,517)**	(8,732)

6. UNITS OF HOUSING STOCK – GROUP AND SOCIETY

	2025 Total	2024 Total
Supported Housing	**496**	898
Residential care home bed spaces	**491**	518
Affordable Rent	**282**	292
Total Owned and Directly Managed accommodation	**1,269**	1,708
Units owned by the Society but managed by others	**104**	105
Non Housing Stock (Restaurants and Commercial units)	**22**	22
Total Commercial and Indirectly Managed accommodation	**126**	127
Total units owned and managed	**1,395**	1,835

The reduction in units owned and managed in the year relates to property disposals completed as part of the ongoing sustainability project. The reduction in units owned but managed by others was a result of the decommissioning of 1 unit.

7. OPERATING DEFICIT

	Group 2025 £'000	Group 2024 £'000	**Society 2025 £'000**	Society 2024 £'000
The operating deficit is arrived at after charging:				
Depreciation of housing properties: charge for the year	**1,919**	2,021	**1,919**	2,021
Depreciation of market let properties: charge for the year	**299**	505	**299**	505
Depreciation of other fixed assets - tangible and intangible	**396**	249	**396**	249
Accelerated depreciation of housing properties	**93**	93	**93**	93
Accelerated depreciation of market let properties	**-**	-	**-**	-
Impairment (Housing Properties)	**-**	7,087	**-**	7,087
Operating lease charges	**858**	817	**858**	817
Auditors' remuneration:				
Group accounts	**75**	95	**75**	95
Subsidiaries	**-**	11	**-**	11
other audit related assurance	**9**	8	**9**	8
tax advice	**7**	13	**7**	13

8. EMPLOYEES

All employees for the Group are employed through the Society, therefore the costs and employee numbers are the same for the group and the society.

8.1 Employee Costs

	Group 2025 £'000	Group 2024 £'000
Staff costs (including Executive Management Team) consist of:		
Wages and salaries	**24,397**	26,907
Social Security costs	**2,027**	2,045
Cost of defined contribution scheme	**821**	905
Total	**27,245**	29,857

8.2 Employee numbers

The average number of employees including part time staff is shown as headcount. The Full Time Equivalents (FTE's), calculated based on a standard working week of 35 hours during the year were as follows:

	FTE's 2025	FTE's 2024	**Headcount 2025**	Headcount 2024
Administration	**97**	96	**100**	122
Development	**1**	1	**1**	1
Housing, Support and Care	**640**	762	**789**	1,098
Total	**738**	859	**890**	1,221

9. Board and executive remuneration

None of the members of the Board received any emoluments (2024: £nil). Board expenses for the year are **£3k** (2024: £6k).

	Group and Society 2025 £'000	Group and Society 2024 £'000
Executive emoluments	**677**	811
Employer NI	**80**	102
Contributions to money purchase pension schemes	**34**	39
Total	**791**	952

The total amount payable to the Chief Executive post, who was also the highest paid director, in respect of emoluments was **£207k** (2024: £191k). Employer pension contributions totalling **£8k** were made during the year for a defined contribution scheme which is open to all employees.

.

The remuneration paid to staff (including the Executive Management Team) earning over £60,000:

	Group 2025 number	Group 2024 number	**Society 2025 number**	Society 2024 number
£60,001 - £70,000	5	12	5	12
£70,001 - £80,000	7	8	7	8
£80,001 - £90,000	2	2	2	2
£90,001 - £100,000	3	3	3	3
£110,001 - £120,000	2	1	2	1
£130,001 - £140,000	-	1	-	1
£140,001 - £150,000	1	-	1	-
£190,001 - £200,000	-	1	-	1
£200,001 - £210,000	1	-	1	-

10. BOARD AND COMMITTEE MEMBERS

Board/Committee Member	**Group Board**	**People Committee**	**Audit and Risk Committee**	**Finance & Investment Committee**	**Customer Committee**
David Carr	✓		✓		
Martin Cox	✓			✓	✓
Terri Pettifer-Eagles	✓	✓			✓
Sara Beamand	✓	✓			✓
Roger Lees	✓			✓	
George Ashworth	✓			✓	
Mike Turner	✓	✓			
Dena Patel			✓		
Marc Marrero	✓		✓		

11. SURPLUS ON DISPOSAL OF FIXED ASSETS – GROUP AND SOCIETY

	2025	2024
	£'000	£'000
Disposal proceeds	**22,341**	6,536
Net book value	**(13,307)**	(4,159)
Impairment reversed at sale	**5,305**	1,252
Selling costs	**(237)**	(158)
Grant recycled	**(3,240)**	(1,615)
	10,862	**1,856**

12. INTEREST RECEIVABLE AND INCOME FROM INVESTMENTS – GROUP AND SOCIETY

	2025	2024
	£'000	£'000
Interest on loans to member societies	**5**	17
Bank and Investment Interest	**746**	515
Total	**751**	532

13. INTEREST PAYABLE AND SIMILAR CHARGES – GROUP AND SOCIETY

	2025	2024
	£'000	£'000
Bank charges and fees	**111**	90
Recycled capital grant fund	**173**	199
Total	**284**	289

14. TAXATION

There was no tax charge for the year (2024: £nil) as the Society's activities are charitable in nature.

15. HOUSING PROPERTIES – GROUP

	Care Housing and Independent Living completed £'000	Care, Housing and Independent Living under construction £'000	Shared Ownership completed £'000	Total £'000
Cost:				
As at 31 March 2024	**146,101**	**9,838**	**793**	**156,732**
Additions:				
Construction Costs	-	-	-	-
Replaced components	2,863	-	-	2,863
Transfer to current assets	(5,477)	-	-	(5,477)
Component disposal	(972)	-	-	(972)
Closed property disposal	(16,535)	-	-	(16,535)
Construction assets completed during the year	-	-	-	-
As at 31 March 2025	**125,980**	**9,838**	**793**	**136,611**
Depreciation:				
As at 31 March 2024	**24,095**	-	-	**24,095**
Charge for the year	2,331	-	-	2,331
Eliminated on disposals: components	(25)	-	-	(25)
Eliminated on disposals: other	(3,789)	-	-	(3,789)
As at 31 March 2025	**22,612**	-	-	**22,612**
Impairment:				
As at 31 March 2024	**13,633**	**9,838**	**-**	**23,471**
Charge for the year	-	-	-	-
Reversed prior year impairment	-	-	-	-
Released in the year at sale	(3,569)	-	-	(3,569)
Adjustment to PY	-	-	-	-
As at 31 March 2025	**10,064**	**9,838**	**-**	**19,902**
Net book value at 31 March 2025	**93,304**	-	**793**	**94,097**
Net book value at 31 March 2024	108,373	-	793	109,166

15. HOUSING PROPERTIES – SOCIETY

	Care Housing and Independent Living completed £'000	Care, Housing and Independent Living under construction £'000	Shared Ownership completed £'000	Total £'000
Cost:				
As at 31 March 2024	**147,381**	**9,838**	**793**	**158,012**
Additions:				
Construction Costs	-	-	-	-
Transfer to current assets	(5,477)	-	-	(5,477)
Replaced Components	2,863	-	-	2,863
Component disposal	(972)	-	-	(972)
Closed property disposal	(16,535)	-	-	(16,535)
Construction assets completed during the year	-	-	-	-
As at 31 March 2025	**127,260**	**9,838**	**793**	**137,891**
Depreciation:				
As at 31 March 2024	**24,095**	-	-	**24,095**
Charge for the year	2,331	-	-	2,331
Eliminated on disposals: components	(25)	-	-	(25)
Eliminated on disposals: other	(3,789)	-	-	(3,789)
As at 31 March 2025	**22,612**	**-**	**-**	**22,612**
Impairment:				
As at 31 March 2024	**13,633**	**9,838**	-	**23,471**
Charge for the year	-	-	-	-
Reversed prior year impairment	-	-	-	-
Released in the year at sale	(3,569)	-	-	(3,569)
As at 31 March 2025	**10,064**	**9,838**	-	**19,902**
Net book value at 31 March 2025	**94,584**	**-**	**793**	**95,377**
Net book value at 31 March 2024	109,653	-	793	110,446

15. HOUSING PROPERTIES – FURTHER ANALYSES

Freehold vs Leasehold

	Society 2025 £'000	Society 2024 £'000
Freehold	**98,511**	107,933
Long leasehold	**2,342**	2,513
Total	**100,853**	110,446

Major Works

	Society 2025 £'000	Society 2024 £'000
Improvements to existing properties capitalised	**2,862**	4,163
Total	**2,862**	4,163

Capital Grants – Housing Properties Grants in Reserves

Capital grant - Housing Properties in Reserves	**Society 2025 £'000**	Society 2024 £'000
Capital grant - Housing Properties in reserves	**18,943**	23,616
Capital grant - Housing Properties in creditors	**17,331**	17,457
Recycled Capital Grant Fund	**7,485**	5,729
Total	**43,759**	46,802

Property with a book value of £17.6m was pledged as security at 31 March 2025 (2024: £17.6m). The bank revaluation exercise completed as at the year end date reported total security value of £21m.

16. OTHER FIXED ASSETS, TANGIBLE AND INTANGIBLE – GROUP AND SOCIETY

	Fixtures, fittings and furniture £'000	Computer and other office equipment £'000	**Total £'000**
Cost:			
As at 31 March 2024	**3**	**1,640**	**1,643**
Additions	-	139	**139**
Disposals	-	(22)	**(22)**
As at 31 March 2025	**3**	**1,757**	**1,760**
Depreciation:			
As at 31 March 2024	**2**	**575**	**577**
Charge for the year	1	392	**393**
Disposals	-	(19)	**(19)**
As at 31 March 2025	**3**	**948**	**951**
Net book value at 31 March 2025	**-**	**809**	**809**
Net book value at 31 March 2024	1	1,065	1,066

Included in the Other Fixed Assets net book value as at 31 March 2025 are intangible assets of £448k (2024: £334k) representing software costs.

17. INVESTMENT PROPERTIES

Group and Society

	Market rent £'000
Cost:	
As at 1 April 2024	880
Revaluation	-
At 31 March 2025	**880**

The valuations were undertaken by Savills LLP as at 31 March 2023 in accordance with the RICS Valuation Global Standards 2017 and the RICS Valuation - Professional Standards 2014. In valuing investment properties an investment method of valuation was used. Details of the assumptions made and the key sources of estimation uncertainty are given in Note 3.

17. INVESTMENT PROPERTIES (continued)

If investment property had been accounted for under the historic cost accounting rules the properties would have been measured as follows

	Group and Society 2025 £'000	Group and Society 2024 £'000
Cost:		
Historic cost	**591**	591
Accumulated Depreciation	**(154)**	(149)
At 31 March 2025	**437**	442

18. INVESTMENTS

	Country of incorporation or registration	**Voting rights % held**	**Nominal value of the shares held**	**Nature of business**	**Nominal value of the share held**
Subsidiary Undertakings					
Abbeyfield Properties Limited	England	100%	£1	Design-and-build	Incorporated company, limited by shares
The Abbeyfield Research Foundation	England	100%	£nil	Fundraising and grant making	Incorporated company, limited by guarantee
Pebblemist Limited	England	100%	£nil	Dormant	Incorporated company, limited by guarantee

All above Subsidiary undertakings are registered at The Abbeyfield Society, 17-19 Hampton Lane, Solihull, B91 2QJ.

19A. PROPERTIES FOR SALE - GROUP

	Closed properties held for sale £'000	Developed units £'000	2025 Total £'000	2024 Total £'000
Completed properties - developed and closed	**8,112**	-	**8,112**	2,337
Completed properties - acquired	-	-	-	380
Properties sold	-	-	-	(858)
Total	**8,112**	-	**8,112**	1,859

19B. PROPERTIES FOR SALE – SOCIETY

	Closed properties held for sale £'000	Developed units £'000	2025 Total £'000	2024 Total £'000
Completed properties - developed and closed	**8,112**	-	**8,112**	2,372
Completed properties - acquired	-	-	-	380
Properties sold	-	-	-	(858)
Total	**8,112**	-	**8,112**	1,894

Properties developed for sale do not include capitalised interest.

20. DEBTORS – GROUP AND SOCIETY

	Group 2025 £'000	Group 2024 £'000	Society 2025 £'000	Society 2024 £'000
Due within one year				
Rent and service charge arrears	**2,234**	2,316	**2,234**	2,316
Less: Provision for doubtful debts	**(545)**	(467)	**(545)**	(467)
	1,689	1,849	**1,689**	1,849
Abbeyfield member societies	-	71	-	71
Other debtors	**21**	141	**21**	465
Prepayments and accrued income	**1,366**	1,691	**1,562**	1,690
Total	**3,076**	3,752	**3,272**	4,075
Due after one year				
Due from Abbeyfield member societies	-	232	-	232

21. CURRENT ASSET INVESTMENTS – GROUP AND SOCIETY

	2025	2024
	£'000	£'000
Opening fair value	**394**	356
Additions	**-**	-
Fair Value Adjustment	**18**	38
Disposals	**(412)**	-
Closing fair value	**-**	394

All current asset investments related to shares held in listed companies which were traded on a regular basis. The investments, which were managed by Waverton Investment Management and had an original cost of investment of £307k.

22. CREDITORS: FALLING DUE WITHIN ONE YEAR – GROUP AND SOCIETY

	Group	Group	**Society**	Society
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Trade creditors	**1,261**	1,167	**1,261**	1,167
Taxation and social security	**695**	521	**695**	521
Other creditors	**175**	778	**237**	524
Deferred capital grant (note 25)	**135**	126	**135**	126
Recycled Capital Grant Fund (note 26)	**2,243**	2,505	**2,243**	2,505
Accruals and deferred income	**6,453**	7,277	**6,261**	7,554
Amount owed to group undertakings	**-**	-	**183**	159
Onerous Lease Provision	**400**	400	**400**	400
Total	**11,362**	12,774	**11,415**	12,956

23. CREDITORS: FALLING DUE AFTER ONE YEAR – GROUP AND SOCIETY

	Group	Group	**Society**	Society
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Deferred capital grant (note 25)	**17,186**	17,331	**17,186**	17,331
Recycled Capital Grant Fund (note 26)	**5,242**	3,224	**5,242**	3,224
Other creditors	**446**	318	**446**	318
Total	**22,874**	20,873	**22,874**	20,873

The Group has an £8 million overdraft facility with Barclays Bank. The facility is secured by charges on certain housing and care properties of the Group, as disclosed in Notes 15 and 18. The overdraft is available but undrawn at year end.

24. ONEROUS CONTRACTS – GROUP AND SOCIETY

During the prior year the Society identified a contract for the lease of office space that had become onerous due to a significant reduction in the need for office space as a result of increased remote working. The provision for this onerous contract for the current year has been calculated as follows:

Description of the contract: Lease of office space at St Peters House, Bricket Road, St Albans, Herts, AL1 3JW

Reason for Provision: Reduced need for office space due to remote working

Total Provision: £1.2m

Calculation Basis: The provision represents the unavoidable costs of the lease contract, less any expected sublease income.

Expected Settlement Date: The provision is expected to be settled over the remaining lease term of 3 years.

Within note 22 £400k is shown as due within 1 year with the balance of £800k being shown as due after 1 year but within 5 years.

25. DEFERRED CAPITAL GRANT – GROUP AND SOCIETY

	2025	2024
	£'000	£'000
At 31 March 2024	**17,456**	16,661
Grants recycled from the recycled grant fund	**-**	921
Released to income during the year	**(135)**	(126)
Total	**17,321**	17,456

26. RECYCLED CAPITAL GRANT – GROUP AND SOCIETY

Capital grant: relating to development activities funded by

	HCA	**GLA**	**Total**	HCA	GLA	Total
	2025	**2025**	**2025**	2024	2024	2024
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
At 31 March 2024	**3,979**	**1,750**	**5,729**	3,214	2,493	5,707
Inputs to fund:						
Grants recycled from reserves at point of sale	**2,960**	**366**	**3,326**	1,562	53	1,615
Transfer to deferred grant	**-**	**-**	**-**	(921)	-	(921)
Interest accrued	**126**	**47**	**173**	124	75	199
Repayment to GLA	**-**	**(1,743)**	**(1,743)**	-	(871)	(871)
Tax rebate	**-**	**-**	**-**	-	-	-
At 31 March 2025	**7,065**	**420**	**7,485**	3,979	1,750	5,729
Included in creditors: amounts due within one year	2,243	-	**2,243**	808	1,697	2,505
Included in creditors: amounts due after more than one year	4,822	420	**5,242**	3,171	53	3,224
At 31 March 2025	**7,065**	**420**	**7,485**	3,979	1,750	5,729

27. FAIR VALUE OF NET CURRENT ASSETS – GROUP AND SOCIETY

	2025	2024
	£'000	£'000
Financial assets		
Financial assets measured at fair value:		
Investments	-	394
Financial assets measured at historic cost:		
Trade receivables	**2,234**	2,316
Other receivables	**842**	1,668
Cash and cash equivalents	**25,698**	12,564
Total financial assets	**28,774**	16,942
Financial liabilities		
Financial liabilities measured at historic cost:		
Trade creditors	**(1,261)**	(1,167)
Other creditors	**(8,169)**	(9,102)
Total financial liabilities	**(8,234)**	(10,269)

For cash and cash equivalents, short term deposits, current receivables, current payables and loans payable, the carrying amounts approximate fair value, because of the short maturity of these instruments, and therefore fair value information is not included in the table above.

28. OPERATING LEASES – GROUP AND SOCIETY

The Group and the Society had minimum property lease payments under non-cancellable operating leases as set out below:

	2025	2024
	£'000	£'000
Amounts payable as lessee:		
Within one year	**966**	858
After one year but within five years	**3,732**	3,430
After five years	**17,614**	17,216
Total	**22,312**	21,504

29. CAPITAL COMMITMENTS – GROUP AND SOCIETY

	2025	2024
	£'000	£'000
Commitments contracted but not provided for:		
Major Works	**961**	-
Construction	**-**	-
Experience Programme	**66**	113
Commitments approved by the Board but not provided for:		
Major Works	**-**	-
Construction	**-**	528
Experience Programme	**-**	-
Total	**1,027**	641

Capital commitments for the Group and Society will be funded as follows:		
Social Housing Grant	**-**	-
Sales of properties	**-**	-
Donations	**-**	-
Existing cash and utilisation of facilities	**1,027**	641
Total	**1,027**	641

30. RELATED PARTY DISCLOSURES

Total charges received from Abbeyfield Properties Limited ("APL") for design-and-build fees amount to £144k (2024: £195k) that includes 5% mark up by APL. The costs relating to the design-and-build invoices from the contractors amount to £137k (2024: £186k). APL made no charitable donation to The Society during the year (2024: £nil).

No grant (2024: £nil) was made to Abbeyfield Research Foundation ("ARF") by the Society during the year.

During the year costs of £262k (2024: £673k) were incurred as part of the society's support for member societies. This includes a nominal allocation of central costs of £50k for Marketing, PR, Development and Accounting support. (2024: £255k).

In 2025 the below referenced related party relationships existed.

Name	Relationship	Value of transactions
M. Cox	Board Member Spouse	£5,816

[End of Report]

The Abbeyfield Living Society
Trading as: Abbeyfield Living Society
17-19 Hampton Lane
Solihull
B91 2QT

Registered Charity: 200719
Company No: 574816
Regulator of Social Housing No.: H1046
Care Quality Commission No.: 1-102642859

www.abbeyfieldliving.org.uk

THE ABBEYFIELD SOCIETY

England & Wales - Charity number 200719

Accounts

Annual Report and Financial Statements

For the Year ended 31 March 2024

[Left blank intentionally]

CONTENTS

Annual Report

About us	4
Our Board, Committees and Executive Team	6
Our Patrons and Advisors	7
Report of Our Chair	8
CEO Statement	9
Report of the Board (incorporating Strategic Report)	10
Operating and Financial Review	15
Value for Money	19
Risks and Mitigations	21
Statement of Responsibilities of the Board	22
Governance	23
Independent Auditor's Report to the members of The Abbeyfield Society	26

Financial Statements

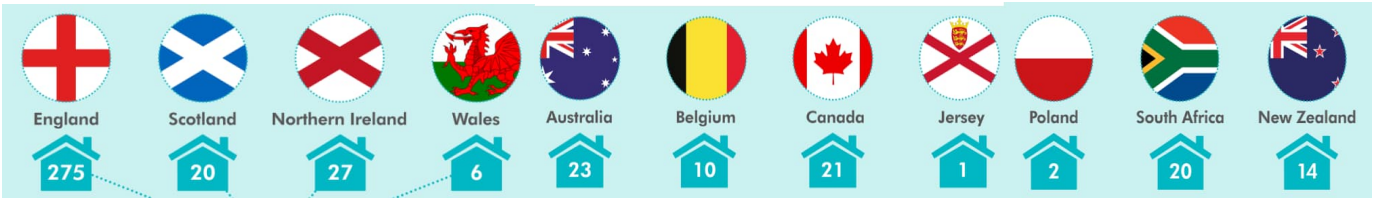
Consolidated Statement of Comprehensive Income	29
Society Statement of Comprehensive Income	30
Consolidated and Society Statements of Financial Position	31
Consolidated Statement of Cash Flow	32
Consolidated and Society Statements of Changes in Reserves	33
Notes to the Financial Statements	34

ABOUT US

The Abbeyfield Family

Abbeyfield was founded as a charity by Richard Carr-Gomm in 1956 with a mission to enhance the quality of life for older people through the provision of high quality accommodation in a stimulating environment and to help them maintain a socially active life. Abbeyfield homes are closely linked to their communities and community is at the heart of Abbeyfield, providing an environment where people come together to share activities and enjoy life. Abbeyfield is more than a home, it's a neighbourhood, a community, a family.

The Abbeyfield family is a membership organisation encompassing a number of independent member societies operating under the Abbeyfield brand umbrella. These member societies support older people in housing and residential care and nursing services, with each member society being managed independently by its own Board of Trustees. Today, a network of Abbeyfield homes has been created across the United Kingdom and overseas with over 400 homes in eight countries, including the United Kingdom, Australia, Belgium, Canada, Jersey, South Africa, Poland and New Zealand, providing a supportive community to over 6,000 residents.



Our Society

The Abbeyfield Society, which is now trading as the Abbeyfield Living Society, has, for a number of years, been acting both as a provider of homes and the umbrella organisation for all Abbeyfield Societies in the United Kingdom and internationally. During the year, following consultation with all Abbeyfield member organisations, a decision was made to create a new structure headed by the newly formed The Abbeyfield Society World Council (TASWC), with Abbeyfield England (AE) acting as a new umbrella organisation for all English Societies including the Abbeyfield Living Society. This constitutional change is beginning to take shape, with 2023-24 being a transitional year. With effect from 1 April 2023, The Abbeyfield Living Society (also referred to as the Society) ceased to serve as the umbrella entity for the Abbeyfield family. This will allow the Society to focus more on its residents, staff, and the service offerings to the communities within which it operates. For the year ended 31 March 2024, this report still covers the activities of the Society as a provider of both care and housing services and of membership services to the Abbeyfield family.

Our Charitable Objects

Our charitable objects are contained in our Memorandum and Articles of Association. These are:

- The relief and care of elderly persons of all classes, beliefs and nationalities suffering from the disabilities of old age or otherwise in need.
- The spreading of Christian principles to all human relationships and the application of humanitarian aims to promote the relief of the elderly.
- The provision of further education in the sphere of voluntary work, social work and similar activities so as to inculcate the principles of good citizenship.
- The provision and management of housing, accommodation or assistance, including providing and maintaining or assisting in, providing and maintaining houses and homes for the relief and care of elderly persons suffering from the disabilities of old age or otherwise being in need.
- Such other purposes recognised by English law as charitable as the Society shall determine from time to time.

ABOUT US (continued)

Our Services

Our service offerings include the provision of:

- Independent living accommodation
- Sheltered housing
- Residential care homes
- Dementia friendly care homes
- Care at home

Depending on the level of independence and the requirement for care support, our homes are tailored to cater for a broad range of residents' needs. Ranging from homes best suited for individuals that are active and self-reliant to homes specifically designed to help support residents living with dementia. Our homes are accessible to take into account the current and future needs (as far as possible) of the residents we support.

Our Vision

Our Vision is for a world without loneliness in later life. We seek to create communities that keep more people connected through our homes, activities, communal spaces and engagement with the communities around us.

Our Behaviours

Welcoming - We seek, hear, respect, value and welcome others and their views so we benefit from the different experiences of our communities.

Responsible - We are all part of Abbeyfield so we must each take personal responsibility for our words and actions and say when something is not right.

Adaptable - We are strong yet flexible, we evolve with the changes around us so we all continue to thrive and flourish.

Positives - We celebrate the positives. We celebrate later life and the many things we share so, when good things happen, we hear all about it and so does the world.

Collaborate – We champion collaboration and belonging, looking outwards and working together to achieve something better.

OUR BOARD, COMMITTEES AND EXECUTIVE TEAM

Board of Trustees

Mike Turner (Chair from 7th September 2023)
George Ashworth
Marc Marrero
Roger Lees
Sara Beamand
David Carr (from 1 September 2023)
Martin Cox (from 1 September 2023)
Terri Pettifer-Eagles (from 1 September 2023) (Vice Chair from 18 January 2024)
Alison Beachim (from 1st April 2024)

The following were also Board members during part of the year covered by this Annual Report:
Jenny Lawrence – Chair (until 7th September 2023)
Amanda Houlihan (until 7th September 2023)
Chris Smith CBE - Deputy Chair (until 30 October 2023)

Committees of the Board

Audit and Risk Committee
David Carr (Chair)
Marc Marrero

Customer Committee
Sara Beamand (Chair)
Martin Cox
Terri Pettifer- Eagles

Finance and Investment Committee
Roger Lees (Chair)
George Ashworth
Martin Cox

People Committee
Terri Pettifer-Eagles (Chair)
Mike Turner
Sara Beamand

Executive Team

Paul Tennant OBE - Chief Executive Officer
Daniel Murphy – Interim Finance Director (from 30 September 2023 until 30 June 2024)
Gail Manley - Director of Human Resources
Jonathan Sweet - Director of Legal, Compliance and Company Secretary
Julie Freear – Customer Operations Director
Tom Nisbet – Finance Director (from 1 July 2024)

The following were also Executive members during part of the year covered by this Annual Report:

Anna Boyes - Director of Marketing and Fundraising (until 14 April 2023)
Abiola Yusuf - Finance Director (until 29 September 2023)

OUR PATRONS AND ADVISORS

Royal Patron	His Majesty the King, King Charles III
Patrons	The Rt. Hon Baroness Bottomley of Nettlestone Michael Brooks Dame Judi Dench DBE The Lord Elis-Thomas Aled Jones Ron Kenyon OBE The Duchess of Northumberland The Rt. Hon Lord John Prescott of Kingston upon Hull John Robinson CBE Patricia Routledge OBE Martin Shreeve OBE MBA DSW BSc (Econ) Michael Staff MBE Dame Gillian Wagner DBE PhD Professor Alan Walker DLitt FRSA The Rt. Rev & Rt. Hon Baron Williams of Oystermouth The Carr-Gomm family (David Carr-Gomm, Adam Carr-Gomm, Harriet Carr-Gomm, Elizabeth Parker and Anna Newton)
Advisors	**External Auditors** Crowe U.K. LLP 55, Ludgate Hill London EC4M 7JW **Internal Auditors** Forvis Mazars 30 Old Bailey, London, EC4M 7AU **Bankers** Barclays Bank Plc 1 Churchill Place London E14 5HP **Solicitors** Anthony Collins LLP 134 Edmund Street Birmingham B3 2ES
Legal Status	**Registers** Registered company limited by guarantee with the Registrar of Companies, No 574816 Registered with the Regulator of Social Housing, No H1046 Registered with the Charity Commission, No. 200719 Registered with the Care Quality Commission, No.1-102642859 **Registered Office** 17-19 Hampton Lane Solihull, B91 2QJ Telephone: 01727 857536 Fax: 01727 846168 Email: post@abbeyfield.com

REPORT OF OUR CHAIR

Over the year, Abbeyfield Living Society (ALS) has continued to make progress in transforming the organisation for the future. This has included a new governance structure, a greater focus on customer service and initiating a major Sustainability Programme to reshape the Society.

ALS, along with all care and housing providers, has faced a challenging and changing operating environment. This has placed increasing pressure on the financial viability of the organisation. Without the actions we are now taking, ALS would be at significant risk as demonstrated by a declining position in our accounts.

The current external environment is experiencing a stagnating sales market, increasing supply chain costs, for example in energy, the scarcity of social care staff and ongoing economic turbulence. We also know that our current assets need continued investment to meet today's and future requirements. Following a detailed asset review, it was clear that some of our sites would not be able to meet the standards we require.

As a consequence, in 2023 we took the difficult decision to commence the Sustainability Programme. This has included a reduction in the number of our homes, a review of our operating costs, the creation of a new support team structure and the reinvestment of property sales receipts and recycled grant funding within the remaining portfolio, all of which are necessary to maintain our long-term future.

This year, we commenced consultations with residents and stakeholders about the future of our homes and this has resulted in the very difficult decision to close 40 properties. It has been exceptionally challenging, particularly for residents and their families. We are acutely aware of the impact this has had and as a longstanding charity we have explored every option possible to avoid this situation.

Within the year I have been encouraged by the CQC rating improvements we have seen across our care services. We are a customer centric organisation and the ratings awarded to us are testament to that.

I am pleased to note also that our resident feedback has been positive and that they are proud to be part of Abbeyfield Living Society. I am in no doubt that this reflects the excellent work our colleagues are undertaking day in day out and I wish to express my particular thanks to them for their commitment during this challenging time.

In 2023/24 we invested more than ever in our properties, totalling over £4m on capital works and a significant investment on internal decorations. This record year will be followed by significant future investment on our estate as the Sustainability Programme progresses.

I am optimistic that the steps we are now taking will allow us to provide an excellent and value for money service for the growing numbers of older people in the future. We all know that as the population ages the demand for the services we provide will increase and so we must ensure we are well placed, alongside other providers, to provide great quality and safe homes.

We have seen the green shoots of success in the later months of 2023/24 as a result of the Sustainability Programme. For example, employee satisfaction is increasing, our dependency on agency staff is reducing and occupancy rates are rising across our schemes. These are all important metrics that have a major impact on our financial performance.

I want to express my sincere gratitude to our residents and their families, our staff and our partners, and the community in which we work, who have stood by us during this difficult period, and encourage them to build upon the new foundations we are creating. Your unwavering support continues to inspire us and reinforces our commitment to those we serve.

In closing, I believe that challenges are opportunities in disguise. This includes innovation, collaboration, and the reaffirming of our shared commitment to the values that define us as a unique and outstanding organisation. With determination, compassion, and by working together, I am confident we will continue to make a positive difference to the lives of those we serve.

CEO Statement

As the Chairs report demonstrates, this has been a tough and challenging year for ALS, its residents and staff. We have consulted with everyone potentially affected over the sustainability of our homes and had to take many difficult decisions. We wanted to engage and to enable all alternative options to be considered before final decisions were reached, a process that gave us an even deeper appreciation of the value and importance of talking to residents. It also pushed us to look again at what more we could do to make resident engagement more effective within ALS.

We are a customer-facing organisation, and our dedicated frontline colleagues go above and beyond every day to support their residents, who are at the heart of everything we do. As such, we are keen to ensure that residents have a voice and can help shape how our business operates in order to improve the customer experience.

Our most recent resident satisfaction survey, carried out in early 2024, highlighted some positive feedback from residents including an 82% satisfaction rate with the overall service provided by Abbeyfield and 94% of respondents reporting that staff were friendly and approachable. While we are pleased with the high scores, we are committed to working with residents on an ongoing basis to make any improvements that have been identified and we have taken some significant steps to develop our approach.

This financial year we appointed a dedicated resident engagement manager and established a national residents' panel, which is open to all residents from our housing and care schemes. The panel was set up to provide residents with the opportunity to influence how Abbeyfield is run and is a direct link between them and the Board. The resident engagement manager regularly attends the Board's Customer Committee meetings to keep them informed of the panel's work and so that the Committee can offer their guidance and support. Residents are also invited to attend these meetings on an ad hoc basis.

The panel has worked collaboratively with the Executive team and the Board to develop a customer charter or 'resident commitment'. This document outlines the service level residents can expect from us and will act as a guide for staff so they know what is expected of them and how they can contribute to providing an exceptional customer experience.

In addition, Abbeyfield has recently joined Tpas (www.tpas.org.uk), a national organisation which champions tenant engagement and empowerment in social housing. This has opened up invaluable networking opportunities and access to training and webinars for our residents and staff and demonstrates our commitment to engaging with our customers to improve services for all.

In a direct response to many of our residents expressing their desire to engage with environmental issues and ensure that Abbeyfield continues to improve its approach to sustainability, we have undertaken various initiatives. These include making our operations more sustainable with solar-powered mobility scooter storage; the installation of LED lighting; EV charging points in the car parks; and the introduction of AMR smart meters. These not only help to reduce our carbon footprint, but also help residents and the business to save energy, save money and access clearer information about energy use.

Finally, in the midst of the consultation about the future of our homes we recognised the impact of changes on our residents and wanted to tackle this issue across the housing sector. We need more homes for older people, but without investment in existing homes we will lose many of the estimated 527,000 homes in the sector. ALS initiated an All-Party Parliamentary Group (APPG) Inquiry into 'The Regeneration of Outdated Sheltered Housing' to highlight this issue and promote the voice of current and future residents. The report was published in July 2024, and we hope many of its recommendations will be picked up in national and local government, and by social and private housing providers.

The Board and Executive team value the ongoing input and scrutiny from our residents tremendously and will continue to use this to shape our strategy and improve our services.

REPORT OF OUR BOARD (INCORPORATING STRATEGIC REPORT)

`The Board presents its report, which incorporates the Strategic Report as set out in company law, including the audited financial statements for the year ended 31 March 2024. Our aim is to strive to improve the quality of older peoples' lives by reducing the incidence of loneliness in later life. This means creating a caring and compassionate Abbeyfield community which provides warmth, support and wellbeing for all our residents. We believe that everyone, irrespective of their age, has a unique and invaluable contribution to make to the lives of others. By helping to create and grow communities which encourage people to remain happily together, we will deliver on that mission.

Our principal activities during the year were:

- The provision and development of accommodation, care and support services for older people and;
- The support of the activities of member societies, including the provision of technical, operational and administrative advice. During the year ALS were contracted to provide these services on behalf of Abbeyfield England.

We offer four housing and or care options namely:

- **Independent Living**: designed for active, self-reliant individuals. It allows our residents to live completely self-sufficient with communal hubs to socialise and connect with their neighbours.
- **Sheltered Housing**: sometimes known as assisted or supported living, offers the benefits of independent living whilst remaining a part of a friendly and sociable shared home.
- **Residential Care Homes**: Our residential care homes are designed for those with personal care needs or requiring one-to-one support from a qualified carer. Our residents live with the security of on-site staff who are present 24 hours a day to provide care and support.
- **Dementia Friendly Care Homes**: Our dementia friendly care homes have been designed to help support residents living with dementia or other forms of memory loss. These homes offer the same high quality support one will find in our care homes with extra tailored support for those living with dementia.

Abbeyfield takes great pride in the food that we offer in our homes, from light meals, baking competitions, Sunday roasts to celebrating festivities, food is always at the heart of what we do as we see this as a perfect way to bring people together.

The number of bed spaces within homes and associated assets owned and managed directly by the Society and, owned but managed on behalf of the association are:

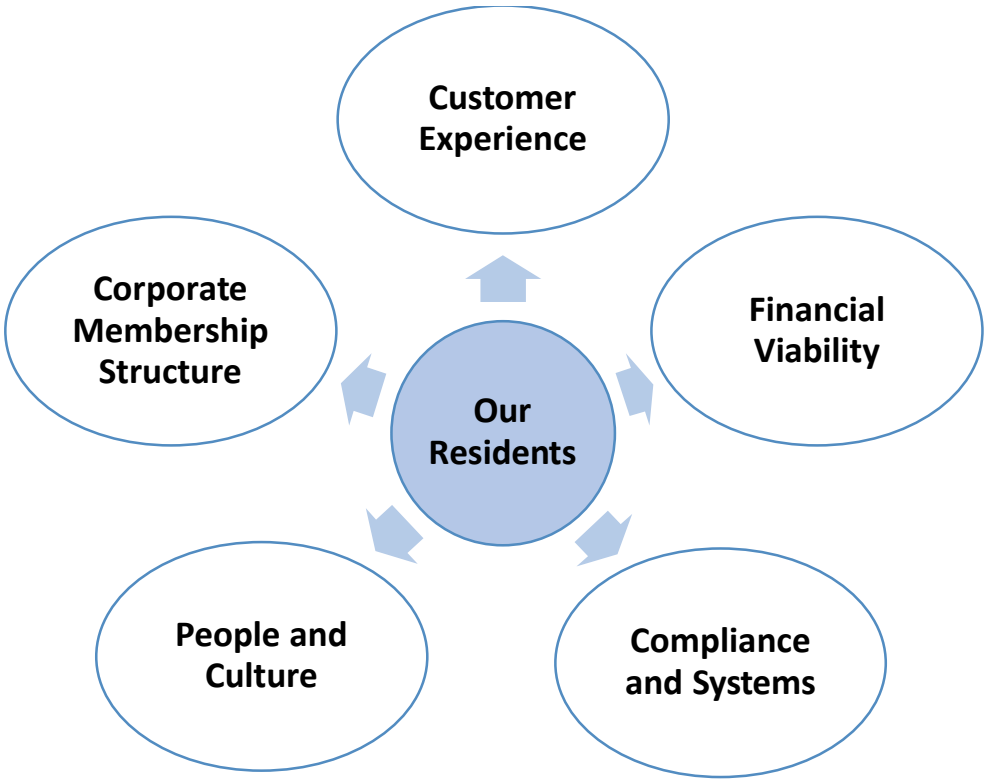
	As At March 2024	As at March 2023
Owned and managed directly		
Affordable Rent	114	114
Housing for older people (Rental)	898	950
Housing for older people (Shared Ownership)	5	5
Care Homes (residential, nursing and dementia)	518	653
Market Rent	76	77
Leasehold	97	97
Commercial	19	18
Restaurants	3	3
Total directly managed	**1,730**	**1,917**
Owned but managed by others		
Housing for older people (Rental)	75	75
Housing for older people (Shared ownership)	15	15
Housing for older people (Leasehold)	15	15
Total managed on our behalf	**105**	**105**
Total owned	**1,835**	**2,022**

During the year the number of units owned and managed directly decreased by a net 187 beds. The movements in the year include the closure of a number of properties via our ongoing sustainability project. Included in the total number of units directly managed at the end of the year are four care homes which were decommissioned by the year end. There was no movement in the number of units owned and managed by others.

Our Corporate Objectives 2023/24

This report and the financial statements correspond to the second year of our strategic focus following the appointment of a new CEO in January 2022. Having analysed our operating environment and a number of pressing challenges faced by the Society, the strategic focus for 2023/24 was to stabilise services following the pandemic which had a major impact on our residents, services and finances; launch a programme of improvements to processes, structures, planning, intelligence and business focus; and lead a transformation programme to right size and right shape the Society.

Five Corporate Objectives were agreed by the Board as set out below.



Placing our residents at the heart of all we do, we set ourselves the following five Corporate Objectives:

- To improve our customers' experience
- To improve our financial viability and maximise resources
- To strengthen our regulatory compliance and invest in systems infrastructure
- To enhance our culture and build the capacity and capability of our people
- To commence the restructuring plan of becoming a member organisation

To deliver on these Corporate Objectives, a number of detailed actions and milestones were set. Furthermore, the Corporate Objectives were developed into a Balanced Scorecard and are now measured and reported on quarterly basis to our Board. The Corporate Objectives have also been broken down into meaningful departmental objectives and linked to staff objectives to ensure all staff members are connected to the business plan objectives.

What We Achieved in the Year

The 2023-24 financial year has not been without its challenges. Although our financial performance lagged behind expectations, some progress was made towards achieving our Corporate Objectives.

Customer Experience	The results from this year's Residents' Engagement survey showed that 86% of Housing residents who responded are satisfied with the service provided by Abbeyfield, while 87% of Care Home residents who responded are satisfied with the overall standard of the service. Further more, 96% of Housing and 92% of Care Home respondents believe our staff are friendly and approachable. We improved on our care home ratings with the Care Quality Commission.
Financial Viability	We continued to remove stock which was identified as being no longer sustainable, whilst increasing our occupancy from 88% to 92% on our retained stock holding during the period. We also reviewed our overall organisation structure, identifying areas of both operational and financial efficiencies. The Society continues to operate free of debt.
Compliance and Systems	We maintained, and started to improve our regulatory compliance framework and reporting to, Regulators and the Charity Commission. We responded promptly and positively to internal audit recommendations and changes to legislation. We also revamped our Risk Management Framework and risk appetite, developing a new Corporate Risk Register. The Experience Programme (Technology transformation) also delivered improvements to the customer and staff experience by enhancing some of our systems including the roll out of new staff mobile phones, Office 365, Modern desktops to facilitate remote working and the installation of SD WAN and Wi-Fi in some of our homes.

People and Culture	We completed the 2023 B-Heard Survey (our employee engagement forum) which showed that 73% of the respondents are engaged and satisfied working for Abbeyfield. This is an improvement of 2% on the previous year. We also enhanced our pay rates, recruitment and retention benefits in response to the cost of living crisis.
Membership Structure	Following the 2020 and 2021 Annual General Meetings, the Abbeyfield Family approved a revised structure to deliver a more members-focused federation. We achieved the creation of two umbrella organisations namely, Abbeyfield England (AE) and The Abbeyfield Society World Council (TASWC). This also meant that with effect from 1 April 2023, the Society itself became a member society and ceased to be the umbrella organisation for the family. The Society continued to support the Abbeyfield Family during the transitional year from 1 April 2023 to 31 March 2024.

Our Strategic Focus 2024/25 and 2025/26

Acknowledging that some progress was made against the 2023/24 Strategic Objectives, we are committed to delivering value and high quality care and support to our residents. We acknowledge the 2024/25 and 2025/26 financial years are going to be equally challenging given the macro and micro economic factors faced by the housing sector and rightly set out in the Regulator's Sector Risk Profile 2023. The UK economy has been exposed to a sequence of severe shocks over the last few years. Rapid and prolonged inflation, a tight labour market, and continuing supply chain disruption are all increasing costs for providers such as ALS. This is not to underestimate the impact of rising interest rates on our supply chain. In common with similar organisations, we are inevitably faced with difficult trade-off decisions so as to ensure we are delivering on our core objectives for the long term.

For the coming financial years, the Board has agreed the following four Strategic Objectives:

- Achieve a sustainable operating surplus by the end of 2025;
- Improve our customers' experience of our housing, care and support services;
- Enhance our culture and build the capacity and capability of our team;
- Complete the transition from being an umbrella organisation to being a member society.

What Does Success Look Like

- **Achieve a sustainable operating surplus by the end of 2025**
  This is one of the key corporate priorities for the coming year for us as an organisation aiming to deliver economic, effective and efficient services to our residents. To achieve this, we will continue our in-depth review of our cost-base and understand the long-term viability of all our homes. We will look to complete the reshaping and resizing of the organisation and address future investment requirements.

  Key measures of success are:
  - Performance against approved budget and 30-year business plan
  - Liquidity Cover
  - Headline Social Cost per Unit that demonstrates Value for Money for our residents

- **Improve our customers' experience of our housing, care and support services**
  We will strive to deliver high levels of customer service at all times, encourage and respond to feedback regarding the lived experience of our customers and ensure our homes are safe and welcoming places where we are able to enrich the lives of all who live with us.

  Key measures of success are:
  - Implementation of resident engagement plan
  - Delivery of the Experience Programme projects
  - Reduction in the level of voids

- **Enhance our culture and build the capacity and capability of our team**
  We will recruit, retain and develop our staff and ensure we provide the right tools and resources to empower and inspire them and ensure great leadership and governance. We will celebrate successes, learn from failures and champion our values.

  Key measures of success are:
  - Improved outcome from the 2024 B-Heard Survey
  - Improved staff retention and reduction in staff turnover rate
  - Implementation of the HR and Payroll system's full functionalities

- **Complete the transition from being an umbrella organisation to being a member society**
  We will complete the implementation of the revised governance structure and improve our financial performance as a member society. We will work with Abbeyfield England and The Abbeyfield Society World Council through the various consultations, ensuring effective engagements during the transitional year.

  Key measures of success are:
  - Clear governance structure
  - New membership agreement
  - Agreed quality and reporting standards

In relation to all these objectives, a Balanced Scorecard approach is being taken for measuring and reporting on performance against objectives. The Balanced Scorecard is discussed with our Senior Leadership Team on a quarterly basis with updates provided to the Board also quarterly.

OPERATING AND FINANCIAL REVIEW

The operating environment for the Group remains challenging. At the end of the financial year, the reported Group deficit was £16.1m (2023: £7.4m). Despite the decommissioned properties, turnover remained stable compared to the prior year. Operating costs were 10.5% higher than last year and there was an impairment charge of £7.1m (2023: £1.95m). This resulted in an operating deficit of £18.2m (2023 £7.3m).

Turnover

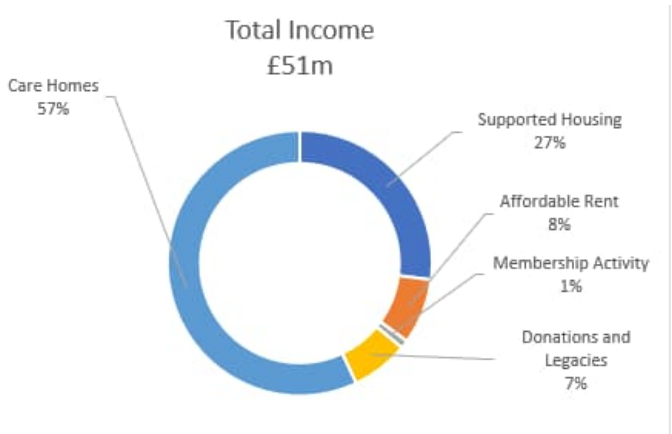
Income from housing, care and support services increased by £100k to £50.7m (2023: £50.6m). Fees and rental income increased by £1.6m with discounts given to local authorities also increasing by £500k and void losses decreasing by £400k. Other income including donations and legacies reduced by £1.4m.

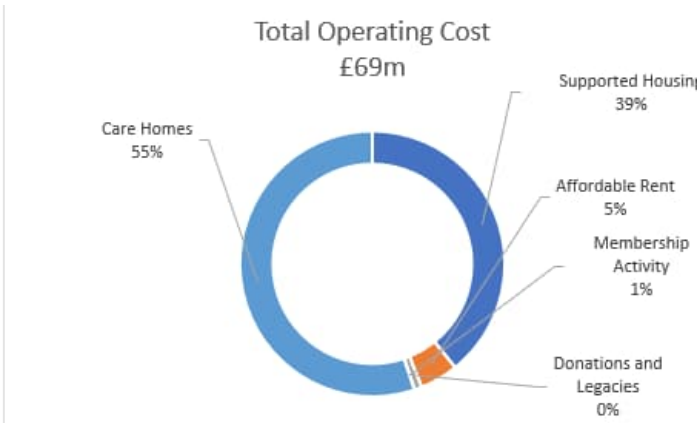
Operating Costs

Total operating costs before the impairment charge of £7.1m (2023: £1.95m) was £61.9m (2023: £56.0m). This represented a £5.9m (10.5%) increase on the prior year. Our direct employee costs increased by £1.3m to £29.9m, and we also saw an increase of £300k in our agency labour spend as a result of the high staff turnover rate. The annualised staff turnover rate was 30%, with 33% reported in our care homes and 18% reported in our supported housing. The Care Quality Commission (CQC) stated in a recent publication that the pandemic brought into sharp focus how much people depend on the skills and experience of health and social care staff. But across the breadth of health and social care services, providers are struggling desperately to recruit and retain staff with the right skills and in the right numbers to meet the increasing needs of people. The CQC reported an average staff turnover rate of 35.9% during the year, a decrease from 38.2% in prior year. As part of our cost mitigation strategy, we reviewed our recruitment and retention strategy, third party engagements, staff pay award and retention packages.

Operating and Net Deficits

The operating deficit at the end of the year was £18.2m (2023: £7.3m), as illustrated in the pie charts below. This included an impairment charge of £7.1m. Whilst we saw an increase in interest receivable from £0.26m to £0.53m resulting from optimising our cash deposits held with banks, the interest payable costs increased to £0.29m from £0.26m. Our property disposal programme lagged behind budget contributing to the net Group deficit of £16.1m at the year end (2023: £7.4m).





OPERATING AND FINANCIAL REVIEW (continued)

Summaries of the financial performance and statement of financial position, for the last five years, are set out below.

5-Year Overview of Income and Expenditure

For the year ended 31 March	2024	2023	2022	2021	2020
	£'000	£'000	£'000	£'000	£'000
Turnover	50,702	50,612	47,088	48,102	50,949
Operating Costs	(61,854)	(55,960)	(53,022)	(52,441)	(57,853)
Impairment	(7,087)	(1,951)	(10,869)	-	(6,421)
Operating Deficit	(18,239)	(7,299)	(16,803)	(4,339)	(13,325)
Other net (costs) or contributions	2,137	(134)	1,682	5,600	2,621
Net Deficit	**(16,102)**	**(7,433)**	**(15,121)**	**1,261**	**(10,704)**

5-Year Overview of Financial Position

As at 31 March	2024	2023	2022	2021	2020
	£'000	£'000	£'000	£'000	£'000
Housing properties	109,166	117,585	121,852	133,423	139,083
Other fixed assets and investment properties	1,945	2,033	858	945	1,178
Net current assets	6,027	12,374	22,553	24,845	11,833
Creditors falling due after more than one year	(22,073)	(20,825)	(26,663)	(25,492)	(19,634)
Net assets	**95,065**	**111,167**	**118,600**	**133,721**	**132,460**

5-Year Overview of Cash flow

For the year ended 31 March	2024	2023	2022	2021	2020
	£'000	£'000	£'000	£'000	£'000
Net cash (outflow)/inflow from operating activities	(5,473)	(7,508)	(6,571)	3,172	(2,235)
Net cash used in investing activities	2,559	(1,175)	7,764	9,622	3,472
Net cash (outflow)/inflow by financing activities	(289)	(262)	(172)	(143)	(211)
Net (decrease)/increase in cash and cash equivalents	(3,203)	(8,945)	1,021	12,651	1,026
Cash and cash equivalents	**12,564**	**15,767**	**24,712**	**23,691**	**11,040**

Capital Structure and Treasury Management

The Society is financed from its retained surpluses, part of which have arisen through the receipt of legacies and donations which may be restricted in their use. In addition, any surplus arising from the disposal of properties, following the closure of schemes deemed not financially viable, has contributed to our capital reserves. At the end of the financial year, the Society had an £8m overdraft facility. The bank facility is secured on a selection of the Society's properties. In October 2023 the Board decided not to renew the £5m RCF but instead to increase the overdraft from £5m to £8m. This new arrangement provides the Society with an adequate level of liquidity and removes the requirement to comply with the restrictive interest-cover covenant. The Society is unable to raise equity funding because of its legal form. As required by the Regulator of Social Housing, 30-year financial and cash flow forecasts are prepared annually to ensure that an adequate funding strategy is in place. The Society invests cash, that is surplus to immediate operating needs, in short term interest-bearing deposit accounts, in line with its Treasury Management policy.

Employees

The number of full time employees (FTEs) has reduced by 5.4% (2023: 10%) in the year. As at 31 March 2024, the total number of FTE employees was 859 (2023: 908) as per Note 8 to the Accounts.

Reserves Policy

An important role for the Board is ensuring the long-term sustainability of the Society. Abbeyfield's reserves policy sets out the basic principles that it should give the Society the resilience and financial capacity necessary to manage unforeseen business plan stresses; give assurance to lenders and creditors that the Society can meet its financial covenants and / or commitments; mitigate liquidity risks; protect the Society from a fall in income as a result of voids and boost working capital reserve to provide capital in the event that expenditure is needed ahead of income being received. In previous years, the Board sought to maintain minimum free reserves of £10m. With effect from 1 April 2023, liquidity cover of four months, with an aspiration of six months, has been set by the Board as part of its Golden Rules. The total reserves at the end of March 2024 were £95.1m (2023: £111.2m). Of this, the liquid funds (i.e. cash and cash equivalent with investments) were £12.95m (2023: £16.12m) and the total restricted reserves were £3.8m (2023: £5.6m). Therefore the free reserves at the end of the financial year were £9.2m, which is below the minimum £10m free reserves requirement. The liquidity cover at the end of the year was £21m (i.e. cash and cash equivalent, investments, RCF and Overdraft) representing four months of expenditure.

Going Concern and Viability

The net assets of the Group at the end of the year were £95.1m (2023: £111.2m) with total assets net of current liabilities of £117.1m. In addition to this, the Group had £8m of undrawn lending facilities through its overdraft facility. Although, the Group is reporting a net Group deficit of £16.1m (2023: £7.4m deficit), the Board has developed a long-term Business Plan based on a sustainability strategy that shows the Group's business activities will generate positive operating margins from 2025/26. The 30-year Business Plan, which has been stress-tested against challenging scenarios and a range of multi-variates, also shows a transformational plan which will lead to the Society achieving a net Group surplus from 2024/25.

A full financial and market viability review of the properties owned has been carried out. The Society has also revised its risk and mitigation framework and agreed a set of Trustees' risk appetites. The sustainability strategy is also supported by a set of newly developed Golden Rules with mitigating actions for financial resilience. The Society has committed significant sums for a major works programme over the next five years and will be setting up a development fund to ring-fence part of its sales proceeds for new investment. Performance against targets will continue to be monitored by the Finance and Investment Committee, Audit and Risk Committee and the Board. On this basis, the Board considers it has adequate resources to continue operations for the foreseeable future and to adopt the going concern basis as the basis for preparing these accounts.

OPERATING AND FINANCIAL REVIEW (continued)

Key Performance Indicators (KPIs)
In addition to the technical Value for Money metrics required by the Regulator of Social Housing, we have a suite of KPIs that are measured on a monthly basis some of which are detailed below.

	2023/24	2022/23	2021/22	2020/21
Operating Margin % (continuing operations excluding impairment)	(21%)	(9.2%)	(7.4)%	(5.9)%
Care occupancy %	84%	82%	76%	79%
Housing occupancy %	85%	85%	84%	87%
Development expenditure	£1.1m	£0.7m	£4.2m	£3.5m
Fundraising Income	£1.3m	£3.6m	£1.9m	£2.0m

Donations
The Society and its subsidiaries made no political donations during the year.

Health and Safety
The Society is aware of its responsibilities on matters relating to health and safety. The Society has prepared detailed health and safety policies and provides training and education to our staff on health and safety matters. Any notable accidents or incidents are reviewed by our Customer Committee on a quarterly basis to ensure lessons are learnt which can prevent similar occurrences in the future. In the reporting period, we had four Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) reports submitted to the Health and Safety Executive (HSE). The total number of serious incidents reported to the Charity Commission during the year was 32 (2023: 25).

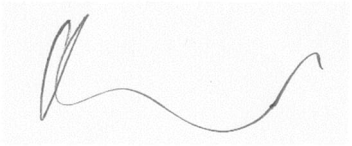
Residents' involvement
We actively encourage the involvement of residents and their families in decision-making by promoting forums where they can contribute to the decisions that affect them. We also carry out an annual Residents' Survey to measure satisfaction with care and housing services and to obtain feedback.

Complaint Handling
The Society adheres to the Housing Ombudsman's Complaint Handling Code (the Code). As part of compliance with the Code, an annual self-assessment of our complaint handling procedures is completed. The self-assessment in the year showed that the Society was fully compliant with 63 recommendations and partly compliant with six other recommendations. The residents' survey showed that 70% of respondents were satisfied with how their complaints were handled.

Compliance with Governance and Financial Viability Standard
The Board confirms that the Society has met the Regulator of Social Housing's regulatory requirements in the Governance and Financial Viability Standard applicable in the reporting year. During the year, following the stability check, the Regulator reaffirmed the strapline judgement and the ratings of G2 V2 were maintained.

Statements of Compliance
The Board confirms that this Strategic Report Review has been prepared in accordance with the principles set out in the 2018 SORP for registered housing providers. We are also pleased to report that the Society continues to comply with the principal recommendations of the NHF Code of Governance 2020.

The Strategic Report and Report of the Board were approved by the Board on 25th September 2024 and signed on its behalf by:



Mike Turner
Chair

VALUE FOR MONEY (VfM)

VfM Strategy

The Board is committed to delivering Value for Money through the Society's activities. Our VfM Strategy 2019-2024 was developed to ensure we continue to improve our understanding of our current value for money position; promote and embed a value for money culture; achieve year on year efficiency savings; target resources towards front line services; and maintain a high level of resident satisfaction with value for money.

Benchmarking

In order to maintain compliance with the VfM standard, we monitor the performance of the Society against appropriate benchmarks and also look to understand variances. For robustness, we have selected two benchmark groups to compare our performance against. We also present below our year-on-year comparison of the technical metrics. Explanations are also provided below where there is a significant variance from the peer groups.

Our Year-on-Year Comparison of Technical VfM metrics

The table below summarises our year-on-year VfM performance with a flag to illustrate whether there has been improvement, decline or an unchanged position. The table shows no new supply of social housing units in the year. We are pleased to report an improvement in the gearing ratio which resulted from the repayment of the Revolving Credit Facility and an increase in the reinvestment metric following a year of significant investment into our existing assets. There was however a decline or worsening in our EBITDA MRI Interest Cover, Headline Social Cost per Unit, Operating Margin %s and Return on Capital Employed. As these metrics are linked to contributions from operations or profitability, the reported deficits of the Society, year-on-year, has been the lead contributing factor.

	The Abbeyfield Society - Year on Year	2020/21	2021/22	2022/23	2023/24	Flag
1	Reinvestment %	5.5%	3,4%	2.6%	4.0%	↑
2a.	New Supply delivered – Social Housing Units	0.3%	0.0%	1.6%	0.0%	↓
2b.	New Supply delivered – Non Social Housing Units	0.0%	0.0%	0.0%	0.0%	↔
3	Gearing %	-14.0%	-16.2%	-13.4%	-12%	↑
4	EBITDA/MRI Interest Cover	-1870%	-3409%	-2188%	-3979%	↓
5	Headline Social Cost per Unit	£23042	£24,043	£25,047	£27,378	↓
6a.	Operating margin % - Social Housing lettings only	-25.2%	-23.9%	-21.98%	-27.94%	↓
6b.	Operating margin % - Overall	-9.0%	-9.0%	-10.93%	-16.21%	↓
7	Return on Capital Employed	-0.5%	-2.9%	-4.2%	-7.1%	↓

Key: ↑ an improvement on prior year ↓ a decline on prior year's performance ↔ similar to prior year

Comparison of VfM Performance to Peer Groups

The table below shows our VfM performance against our peer group and industry medians. The peer group comprises a selection of organisations which provide housing support and care and are registered with both the Care Quality Commission (CQC) and the Regulator of Social Housing. This is to reflect the dual regulatory environment within which we operate. We have also compared our performance against industry median which comprises of providers with less than 3000 units and which have at least 50% of their stock in supported housing and housing for older people. These providers and their performance were extracted from the Regulator of Social Housing 2023 Global Accounts

VALUE FOR MONEY (continued)

	The Abbeyfield Society	2023/24	Median - Peer Group 22/23	Median - Industry 22/23
1	Reinvestment %	4.0%	4.0%	6.7%
2a.	New Supply delivered – Social Housing Units	0.0%	1.1%	1.3%
2b.	New Supply delivered – Non Social Housing Units	0.0%	0.0%	0.0%
3	Gearing %	-12.0%	24.8%	45.3%
4	EBITDA/MRI Interest Cover	-3979.0%	220.0%	128.4%
5	Headline Social Cost per Unit	27,378	8,760	4,586
6a.	Operating margin % - Social Housing lettings only	-27.9%	14.8%	19.8%
6b.	Operating margin % - Overall	-16.2%	7.9%	18.2%
7	Return on Capital Employed	-7.1%	2.5%	2.8%

We compare favourably against the Peer Group and industry medians in new social housing units supplied and gearing %. However, we under-performed against both medians on the other metrics. Our operating margin % metric was below the medians as a result of the reported deficits. This also explains why the Earnings Before Interest, Tax and Depreciation Major Repairs Included (EBITDA MRI) was adverse compared to the peer group and industry medians. Our headline social housing cost per unit was higher than the peer groups reflecting the higher costs of delivering the Abbeyfield model of housing and care services. The unique mix of Abbeyfield's care and supported housing support needs to be considered in the context of the comparison with sector performance.

Improving on Our VfM Metrics and Cost per Unit

VfM is a key consideration for social landlords and there is an increasing focus on demonstrating VfM especially given the rapidly shifting economic climate, increased demands from customers and overstretched budgets and funding pots. As such, one focus for the coming year will be to develop our VfM Strategy for 2024-27.

We will ensure the strategy addresses how we will:

- Continue to improve our understanding of our current value for money position;
- Promote and embed a value for money culture;
- Achieve year on year efficiency savings;
- Target resources towards frontline services;
- Maintain a high level of resident satisfaction with value for money;
- Streamline processes and procedures to reduce costs;
- Invest in technology to improve service delivery and reduce costs;
- Conduct regular value for money assessments to identify opportunities for improvement;
- Benchmark performance against other social landlords to identify areas for improvement;
- Engage our residents to understand their needs and preferences, and tailor services accordingly and;
- Focus on preventative maintenance to reduce the need for costly repairs.

RISKS AND MITIGATIONS

The Board is aware of the key risks faced by the Society and has assessed their likely impact and severity against the organisation's strategic objectives. During the year, the Board overhauled the entire risk management framework which resulted in a deep dive into the corporate risk register and the setting of a new Trustees' risk appetite. The Board also considered the Social Housing Sector Risk Profile for 2023 to ensure we have captured relevant risks in our risk register and have appropriate mitigation plans for identified risks.

The Risk Assurance Framework covers strategic and operational risks which are regularly reviewed by the Executive Team, the Audit and Risk Committee and by the Board. Controls are identified for all risks and an assessment made as to their effectiveness. The Board also conducts stress testing of the business plan for the Society. This involves testing what would happen under a range of different scenarios and if multiple risks crystallised. The Board considers mitigating strategies in respect of the risk exposures.

The top three Corporate Risks are:

Risks	Impact	Mitigations
Financial instability	Continued year-on-year deficits resulting in depleted reserves, depleting assets, service failure and inability of the Society to continue as a Going Concern.	• Understand the stock profile, capital investment requirements and scheme viability • Robust business plan, stress tested and mitigation plans • Set Golden Rules to serve as early prompts • Regular cash flow forecasts and effective treasury management • Effective financial and management reporting, ensuring accuracy and timeliness • Cost efficiencies targets
Safeguarding, health and safety risks	Poor safeguarding of residents which can lead to downgrade of services or care home and attract Regulatory involvement	• Safeguarding policies and procedures fully implemented • Systems in place to closely monitor and report divergent promptly to the Customer Committee • Internal Audit programme of assurance • Keeping abreast of prevailing legislations • Business continuity planning and appropriate levels of management oversights
Compliance Risks	Risk of intervention by local authority, Care Quality Commission (CQC) or the Regulator of Social Housing (RSH)	• Robust internal and external audits along with quality assurance frameworks • Staff training and residents engagement • Care management policies and produces are up to date • Recruitment of Head of Care Compliance • Gap analysis of NHF Code of Governance

STATEMENT OF RESPONSIBILITIES OF THE BOARD

The Board is responsible for preparing the Strategic Report, Annual Report and the Financial Statements, in accordance with applicable law and regulation.

Company law and social housing legislation require the Board to prepare Financial Statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Board must not approve the Financial Statements unless it is satisfied that they give a true and fair view of the state of affairs of the Society and of the surplus or deficit of the Society for that period.

In preparing these Financial Statements, the Board members are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice "Accounting by Registered Social Housing Providers 2018" and FRS102 have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Society will continue in business.

Board members are also responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society and enable it to ensure that its financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Registered Providers of Social Housing 2022.

The Board is also responsible for safeguarding the assets of the Society and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Board members are also responsible for ensuring that the Report of the Board is prepared in accordance with the Statement of Recommended Practice "Accounting by Registered Social Housing Providers 2018" and FRS 102. The Board is responsible for ensuring that the assets of the Society are properly applied under charity law. The annual report and accounts are published on the Society's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions.

The Board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Slavery and human trafficking statement

The Modem Slavery Act 2015 introduced new obligations in relation to slavery and human trafficking. The Society is fully supportive of the legislation as it is in keeping with our ethos and principles. The statement includes compliance for our supply chain partners.

GOVERNANCE

Board members and Executive Team
The Society's Board members who served during the year are set out on page 6. The Board members are drawn from a wide range of backgrounds bringing together professional, commercial and other relevant experience.

The Board, which comprises the company directors, has overall responsibility for the direction, management and control of the Society. Overall operational management is delegated to the Chief Executive and the Executive Team. The Board adopts the National Housing Federation (NHF) Code of Governance 2020 and the Company Secretary and the Executive Team provide support to the Board in monitoring compliance with the Code.

The Board may comprise up to 10 trustees and requires a minimum of five trustees including the Chair. Board members are appointed by the Board.

Applications to be considered for appointment to the Board are invited following recruitment and advertising. Candidates are nominated for appointment by the People Committee having regard to the need for the persons appointed having the necessary range of skills, experience, gender, age and ethnicity.

Board members may serve for fixed terms of three years up to a maximum of nine years. The Board formally met seven times during the year, with additional sessions to discuss strategy and performance.

Throughout the year, the Board continued to monitor its effectiveness and the terms of reference for the various committees of the Board, to ensure that they are following best practice in the sector. Board members are encouraged to acquaint themselves with all aspects of the Society, particularly operational matters. The Executive Team hold no financial interest in the Society, except for their remuneration arrangements, and act as executives within the authority delegated to them by the Board. The Executive Team is entitled to join the Society's stakeholder pension scheme on the same terms as other employees. Details of their remuneration are disclosed in Note 9 (Board and Executive Remuneration).

Insurance policies indemnify Board members and officers against liability when acting for the Society.

Directors Duties and section 172 reporting
The Directors of the Society must act in accordance with a set of general duties embodied in section 172 (1) (a-f) of the Companies Act 2006 (1), summarised as follows:

A Director must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so, have regard (amongst other matters) to:

- The likely consequences of any decisions in the long-term.
- The interests of the company's employees.
- The need to foster the company's business relationships with suppliers, customers and others.
- The impact of the company's operations on the community and environment.
- The desirability of the company maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the company.

As part of the induction process, Directors are briefed on their duties, including the long-term stewardship of the Society to ensure it delivers against its strategic objectives as set out in the Trustees' Report above. Our Board monitors the impact of its decisions against the long-term financial plan on an annual basis, and more often if the situation demands. We operate to a strategic plan that involves setting both operational and financial targets that address our charitable objectives as set out in the Report of the Board.

Our employees are fundamental to the delivery of our plan. We are a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and well-being of our employees is one of our primary considerations in the way we conduct our business. We have policies on fraud, anti-bribery and a

whistleblowing policy which encourages colleagues to raise issues of suspected malpractice. Our Audit and Risk Committee also receives reports if issues are raised.

Internal Controls Assurance

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. We recognise that any system can only manage, and not eliminate, risk and can only provide reasonable, and not absolute, assurance against material misstatement or loss. The Board is satisfied that controls are in place and it ensures there is ongoing review as part of a process of continuous improvement. Forvis Mazars LLP were appointed in 2018 to provide internal audit function.

The Board approves the annual budgets, business plans and risk management framework on recommendation of the Finance and Audit Committees. A delegated authority framework is in place for incurring and approving expenditure, with formal involvement of members of the Board for larger transactions. Quarterly updates on performance against business objectives and the budget are provided to the Board. The Society has staff recruitment and appraisal processes in place. This includes monitoring of staff performance through one-to-ones and the effectiveness of training programmes undertaken by our staff. Whilst the Board cannot delegate ultimate responsibility for the system of internal control, it has delegated the review of the effectiveness of the Society's system of internal control to the Audit and Risk Committee. The Board receives minutes of all meetings of the Audit and Risk Committee and gets assurance from the committee that arrangements are in place to manage the risk of fraud.

Environment

We have made a positive start towards improving our own Environmental Sustainability. In May 2021, an Environmental Working Group was formed, comprising various interested parties from across the Society. This was used as a hub to raise ideas of how Abbeyfield could evolve to be a greener place to live and work. We further appointed an Environmental Sustainability Co-ordinator during the year to lead on our approach to delivering environmental sustainability in our homes. We have established targets to reduce energy

Consumption 2023/24

	KWh	Mileage	Kg CO2e
	000	000	000
Electric	6,877		1,603
Gas	16,017		3,734
Transport		392	92
Total	22,894	392	5,429

Consumption 2022/23

	KWh	Mileage	Kg CO2e
	000	000	000
Electric	6,232		1,453
Gas	17,696		4,126
Transport		384	105
Total	23,928	384	5,684

Year on Year Improvement	255
% Improvement	4%

consumption, plans to increase resource focused on environmental initiatives and funding for specific capital expenditure in our schemes to deliver environmental efficiency.

Our impact on the environment is set-out in the Streamlined Energy Carbon Report (SECR) below. The SECR framework is a mandatory UK-wide reporting scheme to improve transparency and help reduce carbon emissions. The carbon footprint table below reflects activity across the Society.

The actual gas and electricity consumption was recorded in KWh. To convert kWh to kg of carbon (Kg Co2e) released based on Greenhouse gas reporting, a conversion factor from Department for Business, Energy and Industrial Strategy (BEIS) has been used. The conversion factor is 0.23314 kg CO2 is saved for each kWh

produced from a carbon free source. The factor is based on the carbon emissions generated by the current UK power stations per kWh generated.

The data reflects an overall reduction in carbon emissions of 4%. During the year, there was an 10% increase in electric consumption but a 9% decrease in gas consumption. Given that we saw a smaller increase in electricity pricing, we switched, where possible, to electricity usage over gas. This approach led to an overall cost saving in our energy costs. We continue to install new energy efficient boilers and make a huge effort to embed better energy efficiency practices in our homes.

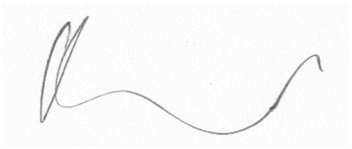
Fundraising

We are committed to achieving the highest standards of professional fundraising. We are corporate members of the Institute of Fundraising and registered with the Fundraising Regulator, to whom we pay the Fundraising Levy. Through the systems and processes we have put in place, we aim to achieve the standards set out in the Fundraising Code of Practice. We are signed up to the Fundraising Preference Service. Our small team of fundraising staff are aware of and pay due attention to data protection practices to ensure we are compliant with the General Data Protection Regulation (GDPR) when handling personal data. Complaints from fundraising activities are contained in the Complaints / Whistleblowing Register which is reviewed regularly by the Audit and Risk Committee and or the Customer Committee. During the year, we had no fundraising complaints (2023: nil).

Statement of Public Benefit

As a public benefit entity providing housing, care and support to older people, our Board has complied with its duty to have due regards to the Charity Commission's guidance on public benefit when exercising their powers and duties to which the guidance relates. Our Mission and Values are discussed on page 5. Our Charitable Object is for the relief and care of elderly persons of all classes, beliefs and nationalities. Our homes are open to all that apply and we ensure the necessary assessments are done to ensure individuals are placed in the right home and / or care environment suitable to their needs. We also undertake annual residents' surveys as part of our approach to engaging with residents and evaluating residents' satisfaction, year on year.

The report of the Board was approved by the Board on 25th September 2024 and signed on its behalf by:



Mike Turner
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD SOCIETY

We have audited the financial statements of The Abbeyfield Society ('the Society') and its subsidiaries ('the group') for the year ended 31 March 2024 which comprise the consolidated and Society statements of comprehensive income, the consolidated and Society statement of financial position, the consolidated statement of cash flows, the consolidated and Society statement of changes in reserves and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 - the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the Society's affairs as at 31 March 2024 and of the group and society's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to Going Concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Society's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board member with respect to going concern are described in the relevant sections of this report.

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Board, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Report of the Board have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD SOCIETY (continued)

Matters on which we are required to report by exception
In light of the knowledge and understanding of the group and the Society and their environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board, incorporating the Strategic Report.

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

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

Responsibilities of the Board
As explained more fully in the Board members responsibilities statement set out on page 22, the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the Board are responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Group or the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below. 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/auditors responsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Society and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Housing and Regeneration Act 2008 together with the Accounting Direction for Private Registered Providers of Social Housing 2022 and the Housing SORP 2018 (Statement of Recommended Practice for registered social housing providers). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Society's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Society and the group for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing and the Care Quality Commission, Health and Safety legislation, employment legislation and General Data Protection Regulations (GDPR).

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD SOCIETY (continued)

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board members and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of rental, care and legacy income, the capital costs of development, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Regulator of Social Housing, the Charity Commission and Care Quality Commission, substantive testing of key income streams, substantive testing of development expenditure and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our Report
This report is made solely to the Society's members, as a body, in accordance in accordance with the Housing and egeneration Act 2008 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Julia Poulter
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London, UK

27 September 2024

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2024

	Note	**Total 2024 £'000**	Total 2023 £'000
Turnover	4	**50,702**	50,612
Operating costs		**(61,854)**	(55,960)
Impairment	15	**(7,087)**	(1,951)
Total Operating Costs	4	**(68,941)**	(57,911)
Operating (deficit)/ surplus	4	**(18,239)**	(7,299)
(Deficit) / surplus on disposal of Housing Properties	11	**1,856**	(185)
Other interest receivable and similar income	12	**532**	264
Interest and financing costs	13	**(289)**	(262)
Movement in fair value of investment properties	17	**-**	80
Movement in fair value of investments	21	**38**	(31)
(Deficit) / surplus before taxation		**(16,102)**	(7,433)
Taxation	14	**-**	-
(Deficit)/surplus after taxation and total comprehensive (expense) / income for the year		**(16,102)**	(7,433)

The Notes on pages 34 to 57 form part of these Financial Statements.

Society Statement of Comprehensive Income

for the year ended 31 March 2024

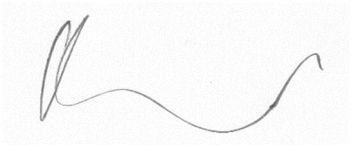
	Note	**Total 2024 £'000**	Total 2023 £'000
Turnover	4	**50,702**	50,588
Operating costs		**(61,854)**	(55,959)
Impairment	15	**(7,087)**	(1,951)
Total Operating Costs	4	**(68,941)**	(57,910)
Operating (deficit)/ surplus	4	**(18,239)**	(7,322)
(Deficit)/ surplus on disposal of Housing Properties	11	**1,856**	(185)
Other interest receivable and similar income	12	**532**	264
Interest and financing costs	13	**(289)**	(262)
Movement in fair value of investment properties	17	**-**	80
Movement in fair value of investments	21	**38**	(31)
(Deficit) / surplus before taxation		**(16,102)**	(7,456)
Taxation	14	**-**	-
(Deficit) /surplus before and after taxation and total comprehensive (expense) / income for the year		**(16,102)**	**(7,456)**

The Notes on pages 34 to 57 form part of these Financial Statements.

Consolidated and Society Statements of Financial Position at 31 March 2024

	Note	**Group 2024 £'000**	Group 2023 £'000	**Society 2024 £'000**	Society 2023 £'000
Fixed assets					
Tangible fixed assets - housing properties	15	**109,166**	117,585	**110,446**	118,885
Other fixed assets - Tangible and Intangible	16	**1,065**	1,153	**1,065**	1,153
Investment properties	17	**880**	880	**880**	880
		111,111	119,618	**112,391**	120,918
Current assets					
Properties held for sale	19	**1,859**	2,717	**1,894**	2,752
Debtors - receivable within one year	20	**3,752**	3,962	**4,075**	4,258
Debtors - receivable after one year	20	**232**	238	**232**	238
Investments	21	**394**	356	**394**	356
Cash and cash equivalents		**12,564**	15,767	**12,350**	15,372
		18,801	23,040	**18,945**	22,976
Creditors: amounts due within one year	22	**(12,774)**	(10,666)	**(12,956)**	(10,629)
Net current assets		**6,027**	12,374	**5,989**	12,347
Total assets less current liabilities		**117,138**	131,992	**118,380**	133,265
Creditors: amounts due after one year	23	**(20,873)**	(20,825)	**(20,873)**	(20,856)
Provision for Liabilities and Charges due after one year	24	**(1,200)**	-	**(1,200)**	-
Net assets		**95,065**	111,167	**96,307**	112,409
Capital and reserves					
Income and expenditure reserve		**91,265**	105,557	**92,507**	106,799
Restricted reserve		**3,800**	5,610	**3,800**	5,610
Total Capital and reserves		**95,065**	111,167	**96,307**	112,409

The financial statements were approved by the Board and authorised for issue on 25th September 2024 and signed on their behalf by:



Mike Turner
Chair

The Notes on pages 34 to 57 form part of these Financial Statements.

FINANCIAL STATEMENTS

Consolidated statement of Cash Flows for the year ended 31 March 2024

		2024	2023
		£'000	£'000
Cash flows from operating activities			
(Deficit) / surplus for the financial year		**(16,102)**	(7,433)
Adjustments for:			
Impairment of housing properties	7	**7,087**	1,951
Depreciation of fixed assets - housing properties	7	**2,526**	2,485
Accelerated depreciation on disposal of components	7	**93**	266
Impairment of current assets	7	**-**	-
Depreciation of other fixed assets - Tangible and Intangible	16	**249**	44
Amortisation of grant	5	**(126)**	(125)
Movement in fair value of investments	21	**(38)**	31
Interest payable and finance costs	13	**289**	262
Interest received	12	**(532)**	(264)
Deficit / (surplus) on the disposal of fixed assets	11	**(1,856)**	185
(Increase) / decrease in trade and other debtors	20	**216**	(144)
(Increase) / decrease in properties held for sale	19	**858**	(540)
Increase / (decrease) in creditors		**1,863**	(4,171)
Net cash (outflow)/inflow from operating activities		**(5,473)**	(7,453)
Cash flows from investing activities			
Transaction costs for sale of housing properties	11	**(158)**	(77)
Grant repaid		**-**	-
Sale of current asset investments	21	**-**	205
Proceeds from sale of fixed assets - housing properties	11	**6,536**	2,700
Purchase of fixed assets - housing properties	15	**(4,196)**	(3,223)
Purchase of Other fixed assets - Tangible and Intangible	16	**(161)**	(1,167)
Receipt of grant and other movements	25	**-**	-
Net loan repayments from/(advances) to member societies	20	**6**	68
Interest received	12	**532**	264
Net cash generated/(used) in investing activities		**2,559**	(1,230)
Cash flows from financing activities			
Interest paid	13	**(289)**	(262)
Net cash (outflow)/inflow by financing activities		**(289)**	(262)
Net (decrease)/increase in cash and cash equivalents		**(3,203)**	(8,945)
Cash and cash equivalents at beginning of year		**15,767**	24,712
Cash and cash equivalents at end of year		**12,564**	15,767

The Notes on pages 34 to 57 form part of these Financial Statements.

FINANCIAL STATEMENTS

Consolidated statement of changes in reserves for the year ended 31 March 2024

	Income and expenditure reserve	Restricted reserves	Total
	£'000	£'000	£'000
Balance at 31 March 2023	105,557	5,610	111,167
(Deficit) / Surplus for the year	(14,292)	(1,810)	(16,102)
Balance at 31 March 2024	**91,265**	**3,800**	**95,065**

Society statement of changes in reserves for the year ended 31 March 2024

	Income and expenditure reserve	Restricted reserves	Total
	£'000	£'000	£'000
Balance at 31 March 2023	106,799	5,610	112,409
(Deficit) / Surplus for the year	(14,292)	(1,810)	(16,102)
Balance at 31 March 2024	**92,507**	**3,800**	**96,307**

Consolidated statement of changes in reserves for the year ended 31 March 2023

	Income and expenditure reserve	Restricted reserves	Total
	£'000	£'000	£'000
Balance at 31 March 2022	111,628	6,972	118,600
(Deficit) / Surplus for the year	(6,071)	(1,362)	(7,433)
Balance at 31 March 2023	**105,557**	**5,610**	**111,167**

Society statement of changes in reserves for the year ended 31 March 2023

	Income and expenditure reserve	Restricted reserves	Total
	£'000	£'000	£'000
Balance at 31 March 2022	112,893	6,972	119,865
(Deficit) / Surplus for the year	(6,094)	(1,362)	(7,456)
Balance at 31 March 2023	**106,799**	**5,610**	**112,409**

The Notes on pages 34 to 57 form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. LEGAL STATUS

The Group consists of the following three trading entities: The Abbeyfield Society Limited ("the Society", company number 574816), Abbeyfield Properties Limited (company number 9482576) and The Abbeyfield Research Foundation (company number 9705217). The Society is a company limited by guarantee, incorporated in England and Wales, having no share capital and with solely charitable objectives. The Society is registered with the Regulator of Social Housing and the Charity Commission. The Society's registered address is 17-19 Hampton Lane, Solihull, B91 2QJ. The Society is a member of the wider Abbeyfield Family, headed by Abbeyfield England and The Abbeyfield Society World Council. The Abbeyfield Society is now trading as The Abbeyfield Living Society.

The Society and the Group do not have a controlling interest in any Abbeyfield Member Society. The Society is a public benefit entity. These financial statements do not reflect the assets, liabilities or financial transactions of any member societies other than the Society. Abbeyfield Properties Limited is a company limited by shares, incorporated in England and Wales, having a share capital of £1. Abbeyfield Properties Limited is a wholly owned subsidiary of the Society. It was set up by the Society as a design-and-build company for undertaking new developments. Abbeyfield Research Foundation is a company limited by guarantee, incorporated in England and Wales, having no share capital and with solely charitable objectives. It is registered with the Charity Commission (Charity No. 1167685). Abbeyfield Research Foundation is a wholly owned subsidiary of the Society. Abbeyfield Research Foundation is a fundraising and grant making body, which focuses on funding research into issues that affect older people.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable law and UK accounting standards in the United Kingdom (United Kingdom Generally Accepted Accounting Practice) which for the Society includes the Companies Act, Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland", and the Statement of Recommended Practice (SORP) for Registered Social Housing Providers, "Accounting by Registered Social Housing Providers" 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The accounts are prepared under the historic cost basis except for the modification to a fair value basis for certain financial instruments and investment properties, as specified in the accounting policies below. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the management to exercise judgement in applying the Group's accounting policies. In preparing the separate financial statements of the Society, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the Society;
- Disclosures in respect of the Society's financial instruments have not been presented since equivalent disclosures have been provided in respect of the Group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Society as their remuneration is included in the totals shown for the Group as a whole.

The following principal accounting policies have been applied:

Basis of Consolidation
The consolidated financial statements present the results of the Society, a registered provider of social housing and its subsidiaries (together "the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

Income

The Society's turnover principally comprises income receivable from residents, annual membership fees due from Member Societies, donations from third parties, legacies and sale of properties. The residents' charges are composite amounts covering rent, service charges and care income. Income is measured at the fair value of the consideration received or receivable. The Group generates the following material income streams:

- Rental income (excluding rent from void properties available for letting);
- Service charges receivable;
- Donations and legacies;
- Membership fees;
- Property sales proceeds;
- Market rents.

Turnover from social housing lettings is recognised on delivery of services to end users, as the Society performs its obligations. Income from donations and legacies is accounted for on a receivable basis when it is more likely than not that the economic benefits will flow to the Society and the amount of the income can be measured reliably together with any related costs. Proceeds from the sale of properties are recognised on completion of sales. Rental income is recognised from the point when properties under development reach practical completion and are formally let. Income from properties built for sale is recognised at the point of legal completion of the sale. The Group adopts a fixed method for calculating and charging service charges to its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the estimated amounts chargeable.

Legacy Income

Legacy income is recognised in the accounts when receipt is considered probable. Legacy receipts are usually considered probable when the executors have confirmed there is a bequest to the Society.

Value Added Tax

The Group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. Recoverable VAT arising from partially exempt activities is credited to the Statement of Comprehensive Income.

Corporation Tax

The society pays corporation tax at the applicable rate within the United Kingdom, however due to its charitable status as recognised by HMRC, the Group benefits from the relief applicable to charities and housing associations.

Finance Costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the applicable interest rate so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Pension Costs

Contributions to the Group's defined contribution pension scheme are charged to the Statement of Comprehensive Income in the year in which they become payable.

Holiday Pay Accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Tangible Fixed Assets- Housing Properties

Housing properties constructed or acquired (including land) on the open market are stated at cost less depreciation and impairment where applicable. Housing properties received as part of a transfer of

Tangible Fixed Assets- Housing Properties (continued)

undertakings were initially recorded at fair value; depreciation and impairment has been deducted as applicable. The cost of freehold land and property represents their purchase price and any directly attributable costs of acquisition which may include an appropriate amount for staff costs and other costs of managing development.

Expenditure on major refurbishment of properties are capitalised where the works will increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income with the exception of components, which are capitalised as they have a life of more than one year. Housing properties in the course of construction, excluding the estimated cost of the element of shared ownership properties expected to be sold in first tranche, are included in Tangible Fixed Assets and held at cost less any impairment, and are transferred to completed properties when ready for letting.

Depreciation of Housing Properties

Housing properties are split between freehold land, structure and other major components that are expected to require replacement over time. The portion of shared ownership property retained or expected to be retained is not depreciated on account of the high residual value. Neither the depreciable amount nor the expected annual depreciation charge for such assets is considered material, individually or in aggregate. Assets in the course of construction are not depreciated until they are completed and ready for use. Freehold land is not depreciated on account of its indefinite useful economic life. The cost of all other housing property including shared ownership properties (net of accumulated depreciation to date and impairment, where applicable) and components is depreciated over the useful lives of the assets on the following basis:

Description	Estimated useful life (years)
Structure	100
Roofs	50
Kitchen	30
Bathroom	30
Windows and doors	30
Electrical	20
Heating	15
Lifts	15
Furniture and Equipment	10

Allocation of Costs for Mixed Tenure and Shared Ownership Developments

Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. Where it is not possible to relate costs to a specific tenure type costs the costs are allocated by square footage.

Other Fixed Assets – Tangible & Intangible

Other tangible and intangible fixed assets are stated at historic cost less accumulated depreciation and any accumulated impairment losses. Historic cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Society. The carrying amount of the replaced part is written off. Repairs and maintenance are charged to SOCI during the period in which they are incurred.

Depreciation of Other Fixed Assets - Tangible and Intangible

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

Description	Estimated useful life (Years)
Furniture and equipment	10
Motor vehicles	5
Office furniture	5
Office equipment and computer software	3-5

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised below operating surplus/(deficit), in the statement of comprehensive income.

Investment Properties

Investment properties consist of properties not held for social benefit or use in operations. They are properties held to earn rental income or for capital appreciation. They are initially measured at cost and subsequently at fair value as determined by external valuers. No depreciation is provided. Changes in fair value are recognised in SOCI.

Government Grants

Grant received in relation to constructed or acquired housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018. Grant is carried as deferred income in the balance sheet and released to the Statement of Comprehensive Income on a systematic basis over the useful economic lives of the asset for which it was received. Where social housing grant ("SHG") funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property if not transferred to the purchaser if they are an RP. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the Statement of Comprehensive Income. Where properties with grant attached are received as part of a transfer of undertakings the ultimate requirement to recycle/repay grant sits within the Society and is recorded as a contingent liability. Grants relating to revenue are recognised in the Statement of Comprehensive Income over the same period as the expenditure to which they relate once performance related conditions have been met. Grants due from government organisations or received in advance are included as current assets or liabilities.

Recycled Capital Grant Fund

On the occurrence of certain relevant events, primarily the sale of dwellings, Homes England can direct the Society to recycle capital grants or to make repayments of the recoverable amount. The Group adopts a policy of recycling, for which a separate fund is maintained. If unused within a three-year period, grant should be repayable to Homes England with interest. Any unused recycled capital grant held, is disclosed in the balance sheet under "creditors due after more than one year", except where the property disposal was greater than two years previous and this is disclosed, as creditors due less than one year.

Valuation of Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Investments in listed company shares, which have been classified as current asset investments, are stated at fair value at each balance sheet date. Gains and losses are recognised in the Statement of Comprehensive Income for the period.

Impairment of Tangible Fixed Assets
The housing property portfolio for the Group is assessed for indicators of impairment at each balance sheet date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. An option appraisal is carried out to determine the option which produces the highest net realisable value. Some properties have been valued at value-in-use service potential. The Society defines cash generating units at unit level. Where the recoverable amount of an asset or cash generating unit is lower than its carrying value an impairment is recorded through a charge to Statement of Comprehensive Income.

Properties Held for Sale
Properties held for sale comprises work in progress and completed properties, including housing properties developed for transfer to other registered providers; closed properties received as part of a transfer of undertakings that are held for sale; properties developed for outright sale; and shared ownership properties. For shared ownership properties the value held as properties held for sale is the estimated cost to be sold as a first tranche. Properties held for sale are stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs.

Shared Ownership
The share of shared ownership properties which is to be sold in the first tranche sale is held within stock. The remainder, comprising further tranches and the element which is to be retained by the Society is held within fixed assets.

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

Recoverable Amount of Rental and Other Trade Receivables
The Group estimates the recoverable value of rental and other receivables and impairs any debtors by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historic collection rates and the class of debt.

Loans to Member Societies
Loans to Member Societies are regarded as concessionary loans (FRS 102). Those loans are made at a rate of interest which is below the prevailing market rate of interest. These loans are measured at the amount advanced at the inception of the loan less amounts received and any provisions for impairment. Any associated grant is recognised as deferred income until the loan is redeemed.

Rent and Service Charge Agreements
The Group has made arrangement with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

Loans, Investments and Short-Term Deposits
These instruments are initially recorded at the transaction price less any transaction costs (historic cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost. Loans and investments that are payable or receivable within one year are not discounted.

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

Cash and Cash Equivalents
Cash and cash equivalents in the Group's balance sheet consists of cash at bank and on deposit with an original maturity of three months or less.

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

Reserves
Income received, and expenditure incurred, for restricted purposes is separately accounted for as restricted funds. Restricted funds arise from either the conditions of the legacy or donation and are substantially for the upkeep of property and welfare of residents. Realised and unrealised gains and losses on assets held as restricted funds are also allocated to the restricted fund. Unrestricted reserves are accounted for under the income and expenditure reserves.

Leased Assets: Lessee
Where assets are financed by leasing agreements that give rights to the Group approximating to ownership (finance leases), the assets are treated as if they has been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease. Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognized over the term of the lease as an integral part of the total lease expense.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

- whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset;
- the anticipated costs to complete a development scheme are based on anticipated construction cost, effective rate of interest on loans during the construction period, legal and other costs. Based on the costs to complete, the recoverability of the cost of properties developed for outright sale and/or land held for sale is considered. This judgement is also based on the best estimate of sales value taking on board the economic conditions within the area of development;
- the appropriate allocation of costs relating to shared ownership between current and fixed assets;
- the appropriate allocation of depreciation as highlighted in the policy on page 36, the group do not depreciate shared ownership properties.
- the categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset;
- the categorisation of leases as operating, or finance leases based on the risk and rewards of ownership of the asset over the economic life of the asset, such as for the key Southampton scheme where the assessment shows that the risks and rewards are predominately with the lessor over the economic life of the site and it is accordingly accounted for as an operating lease.

- Going concern and viability as highlighted on page 17.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Other Key Sources of Estimation Uncertainty

Tangible Fixed Assets including shared ownership properties (see Note 15) are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components. Investments (see Note 21): The most critical estimates, assumptions and judgements relate to the determination of carrying value of investments which are determined using the values provided by Waverton Investment Management;

Debtors (see Note 20): The estimate for receivables involves an assessment of recoverability of the balances outstanding at the year end, including a review of the age profile of the debt, historic collection rates and the class of debt;

Investment properties (see Note 17): Investment properties are valued annually using yield methodology. This requires the use of market rental values capitalised at a market capitalisation rate. There is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Key input into the valuation are the rent receivable, net initial yield and location / condition of the property.

Onerous lease (see Note 24): During the year, the charity identified a contract for the lease of office space that has become onerous due to a significant decrease in the need for office space as a result of increased remote working.

.

4. Particulars of turnover, operating costs and operating surplus - Group

	Note	**Turnover 2024 £'000**	**Cost of Sales 2024 £'000**	**Operating costs 2024 £'000**	**Operating (deficit) / surplus 2024 £'000**
Social housing lettings	5	**12,768**	**-**	**(20,628)**	**(7,860)**
Care Homes	5	**30,153**		**(42,450)**	**(12,297)**
Activities other than Social Housing Activities					
Affordable rent (Independent Living) and other		**4,858**	**-**	**(4,297)**	**561**
Property Sales		**1,074**	**(861)**	**-**	**213**
Membership activity		**553**	**-**	**(530)**	**23**
International activity		**9**	**-**	**(30)**	**(21)**
Other		**1**	**-**	**-**	**1**
Donations and legacies		**1,286**	**-**	**(145)**	**1,141**
Furlough Income		**-**	**-**	**-**	**-**
Total		**50,702**	**(861)**	**(68,080)**	**(18,239)**

	Note	Turnover 2023 £'000	Cost of Sales 2023 £'000	Operating costs 2023 £'000	Operating (deficit) / surplus 2023 £'000
Social housing lettings	5	13,519	-	(19,637)	(6,118)
Care Homes	5	28,584		(33,673)	(5,089)
Activities other than Social Housing Activities					
Affordable rent (Independent Living) and other		4,119	-	(3,561)	558
Property Sales		-	-	-	-
Membership activity		682	-	(769)	(87)
International activity		8	-	(45)	(37)
Other		1	-		1
Donations and legacies		3,580	-	(226)	3,354
Furlough Income		119	-	-	119
Total		50,612	-	(57,911)	(7,299)

4. Particulars of turnover, operating costs and operating surplus - Society

	Note	**Turnover 2024 £'000**	**Cost of Sales 2024 £'000**	**Operating costs 2024 £'000**	**Operating (deficit) / surplus 2024 £'000**
Social housing lettings	5	**12,768**	**-**	**(20,628)**	**(7,860)**
Care Homes	5	**30,153**		**(42,450)**	**(12,297)**
Activities other than Social Housing Activities					
Affordable rent (Independent Living) and other		**4,858**	**-**	**(4,297)**	**561**
Property Sales		**1,074**	**(861)**	**-**	**213**
Membership activity		**553**	**-**	**(530)**	**23**
International activity		**9**	**-**	**(30)**	**(21)**
Other		**1**	**-**		**1**
Donations and legacies		**1,286**	**-**	**(145)**	**1,141**
Furlough Income		**-**	**-**	**-**	**-**
Total		**50,702**	**(861)**	**(68,080)**	**(18,239)**

	Note	Turnover 2023 £'000	Cost of Sales 2023 £'000	Operating costs 2023 £'000	Operating (deficit) / surplus 2023 £'000
Social housing lettings	5	13,519	-	(19,637)	(6,118)
Care Homes	5	28,584		(33,673)	(5,089)
Activities other than Social Housing Activities					
Affordable rent (Independent Living) and other		4,119	-	(3,561)	558
Membership activity		682	-	(769)	(87)
International activity		8	-	(45)	(37)
Other		1	-	1	2
Donations and legacies		3,556	-	(226)	3,330
Furlough Income		119	-	-	119
Total		50,588	-	(57,910)	(7,322)

5. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS – GROUP AND SOCIETY

	Care	Supported Housing	Total 2024	Total 2023
	£'000	£'000	£'000	£'000
Income				
Rents net of identifiable service charges	30,027	3,249	**33,276**	31,932
Service charge income	-	9,519	**9,519**	10,046
Grant amortisation	126	-	**126**	125
Turnover from social housing lettings	30,153	12,768	**42,921**	42,103
Expenditure				
Management	(10,009)	(5,276)	**(15,285)**	(9,418)
Service charge costs	-	(9,306)	**(9,306)**	(8,930)
Charges for support services	(25,037)	-	**(25,037)**	(26,321)
Routine maintenance	(631)	(1,938)	**(2,569)**	(3,379)
Major repairs expenditure	(529)	(137)	**(666)**	(589)
Bad debts	(84)	(183)	**(267)**	165
Impairment (Housing Properties)	(4,653)	(2,434)	**(7,087)**	(1,951)
Accelerated depreciation	(23)	(62)	**(85)**	(216)
Depreciation (Housing Properties)	(1,318)	(1,208)	**(2,526)**	(2,058)
Depreciation (Other Fixed Assets)	(165)	(84)	**(249)**	(44)
Abortive Costs	(1)	-	**(1)**	(569)
Operating expenditure on social housing lettings	**(42,450)**	**(20,628)**	**(63,078)**	(53,310)
Operating (deficit)/surplus on social housing lettings	**(12,297)**	**(7,860)**	**(20,157)**	(11,207)
Void losses	**(6,122)**	**(2,610)**	**(8,732)**	(9,042)

6. UNITS OF HOUSING STOCK – GROUP AND SOCIETY

	2024 Total	2023 Total
Supported Housing	**898**	950
Residential care home bed spaces	**518**	653
Affordable Rent	**292**	293
Total Owned and Directly Managed accommodation	**1,708**	1,896
Units owned by the Society but managed by others	**105**	105
Non Housing Stock (Restaurants and Commercial units)	**22**	21
Total Commercial and Indirectly Managed accommodation	**127**	126
Total units owned and managed	**1,835**	**2,022**

7. OPERATING DEFICIT

	Group 2024 £'000	Group 2023 £'000	**Society 2024 £'000**	Society 2023 £'000
The operating deficit is arrived at after charging:				
Depreciation of housing properties: charge for the year	**2,021**	2,058	**2,021**	2,058
Depreciation of market let properties: charge for the year	**505**	427	**505**	427
Depreciation of other fixed assets - tangible and intangible	**249**	44	**249**	44
Accelerated depreciation of housing properties	**93**	216	**93**	216
Accelerated depreciation of market let properties	**-**	50	**-**	50
Impairment (Housing Properties)	**7,087**	1,951	**7,087**	1951
Operating lease charges	**817**	769	**817**	769
Auditors' remuneration:				
Group accounts	**95**	90	**95**	90
Subsidiaries	**11**	11	**11**	11
other audit related assurance	**8**	8	**8**	8
tax advice	**13**	13	**13**	13

8. EMPLOYEES

All employees for the Group are employed through the Society, therefore the costs and employee numbers are the same for the group and the society.

8.1 Employee Costs

	Group 2024 £'000	Group 2023 £'000
Staff costs (including Executive Management Team) consist of:		
Wages and salaries	**26,907**	25,592
Social Security costs	**2,045**	2,060
Cost of defined contribution scheme	**905**	887
Total	**29,857**	28,539

8.2 Employee numbers

The average number of employees including part time staff is shown as headcount. The Full Time Equivalents (FTE's), calculated based on a standard working week of 35 hours during the year were as follows:

	FTE's 2024	FTE's 2023	**Headcount 2024**	Headcount 2023
Administration	**96**	109	**122**	134
Development	**1**	1	**1**	2
Housing, Support and Care	**762**	798	**1,098**	1,136
Total	**859**	908	**1,221**	1,272

9. Board and executive remuneration

None of the members of the Board received any emoluments (2023: £nil). Board expenses for the year are **£6,020** (2023: £6,773).

	Group 2024 £'000	Group 2023 £'000	**Society 2024 £'000**	Society 2023 £'000
Executive emoluments	**811**	827	**811**	827
Employer NI	**102**	107	**102**	107
Contributions to money purchase pension schemes	**39**	41	**39**	41
Total	**952**	975	**952**	975

The total amount payable to the Chief Executive post, who was also the highest paid director, in respect of emoluments was **£191,436** (2023: £186,600). Employer pension contributions totalling **£7,000** were made during the year for a defined contribution scheme which is open to all employees

.

The remuneration paid to staff (including the Executive Management Team) earning over £60,000:

	Group 2024 number	Group 2023 number	**Society 2024 number**	Society 2023 number
£60,001 - £70,000	12	14	12	14
£70,001 - £80,000	8	4	8	4
£80,001 - £90,000	2	3	2	3
£90,001 - £100,000	3	2	3	2
£110,001 - £120,000	1	2	1	2
£130,001 - £140,000	1	-	1	-
£170,001 - £180,000	-	1	-	1
£190,001 - £200,000	1	-	1	-

10. BOARD AND COMMITTEE MEMBERS

Board/Committee Member	**Group Board**	**People Committee**	**Audit and Risk Committee**	**Finance & Investment Committee**	**Customer Committee**
David Carr	✓		✓		
Martin Cox	✓			✓	✓
Terri Pettifer-Eagles	✓	✓			✓
Sara Beamand	✓	✓			✓
Roger Lees	✓			✓	
George Ashworth	✓			✓	
Mike Turner	✓	✓			
Marc Marrero	✓		✓		

11. SURPLUS ON DISPOSAL OF FIXED ASSETS – GROUP AND SOCIETY

	2024	2023
	£'000	£'000
Disposal proceeds	**6,536**	2,700
Net Book Value	**(4,159)**	(2,455)
Impairment reversed at sale	**1,252**	(166)
Selling costs	**(158)**	(77)
Grant recycled	**(1,615)**	(187)
	1,856	**(185)**

12. INTEREST RECEIVABLE AND INCOME FROM INVESTMENTS – GROUP AND SOCIETY

	Group	Group	**Society**	Society
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Interest on loans to member societies	**17**	9	**17**	9
Bank and Investment Interest	**515**	255	**515**	255
Total	**532**	264	**532**	264

13. INTEREST PAYABLE AND SIMILAR CHARGES – GROUP AND SOCIETY

	Group	Group	**Society**	Society
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Bank Loans and overdrafts	**90**	145	**90**	145
Recycled capital grant fund	**199**	117	**199**	117
Total	**289**	262	**289**	262

14. TAXATION

There was no tax charge for the year (2023: £nil) as the Society's activities are charitable in nature.

15. HOUSING PROPERTIES – GROUP

	Care Housing and Independent Living completed £'000	Care, Housing and Independent Living under construction £'000	Shared Ownership completed £'000	Total £'000
Cost:				
As at 31 March 2023	**147,742**	**9,838**	**793**	**158,373**
Additions:				
Construction Costs	-	11	-	11
Replaced components	4,184	-	-	4,184
Component disposal	(204)	-	-	(204)
Closed property disposal	(5,632)	-	-	(5,632)
Construction assets completed during the year	11	(11)	-	-
As at 31 March 2024	**146,101**	**9,838**	**793**	**156,732**
Depreciation:				
As at 31 March 2023	**23,153**	-	-	**23,153**
Charge for the year	2,526	-	-	2,526
Eliminated on disposals: components	(111)	-	-	(111)
Eliminated on disposals: other	(1,473)	-	-	(1,473)
As at 31 March 2024	**24,095**	-	-	**24,095**
Impairment:				
As at 31 March 2023	**7,797**	**9,836**	**-**	**17,633**
Charge for the year	7,513	-	-	7,513
Reversed prior year impairment	(426)	-	-	(426)
Released in the year at sale	(1,251)	-	-	(1,251)
Adjustment to PY	-	2	-	2
As at 31 March 2024	**13,633**	**9,838**	**-**	**23,471**
Net book value at 31 March 2024	**108,373**	-	**793**	**109,166**
Net book value at 31 March 2023	**116,792**	**-**	**793**	**117,585**

15. HOUSING PROPERTIES – SOCIETY

	Care Housing and Independent Living completed £'000	Care, Housing and Independent Living under construction £'000	Shared Ownership completed £'000	Total £'000
Cost:				
As at 31 March 2023	**149,042**	**9,838**	**793**	**159,673**
Additions:				
Construction Costs	-	9	-	9
Replaced components	4,163	-	-	4,163
YE Adjustment	-	3	-	3
Component disposal	(204)	-	-	(204)
Closed property disposal	(5,632)	-	-	(5,632)
Construction assets completed during the year	12	(12)	-	-
As at 31 March 2024	**147,381**	**9,838**	**793**	**158,012**
Depreciation:				
As at 31 March 2023	**23,153**	-	-	**23,153**
Charge for the year	2,526	-	-	2,526
Eliminated on disposals: components	(111)	-	-	(111)
Eliminated on disposals: other	(1,473)	-	-	(1,473)
As at 31 March 2024	**24,095**	**-**	**-**	**24,095**
Impairment:				
As at 31 March 2023	**7,797**	9,838	-	**17,635**
Charge for the year	7,513	-	-	7,513
Reversed prior year impairment	(426)	-	-	(426)
Released in the year at sale	(1,251)	-	-	(1,251)
As at 31 March 2024	**13,633**	**9,838**	-	**23,471**
Net book value at 31 March 2024	**109,653**	**-**	**793**	**110,446**
Net book value at 31 March 2023	118,092	-	793	118,885

15. HOUSING PROPERTIES – FURTHER ANALYSES

Freehold vs Leasehold

	Society 2024 £'000	Society 2023 £'000
Freehold	107,933	116,337
Long leasehold	2,513	2,549
Total	110,446	118,886

Major Works

	Society 2024 £'000	Society 2023 £'000
Improvements to existing properties capitalised	4,163	2,216
Total	4,163	2,216

Capital Grants – Housing Properties Grants in Reserves

Capital grant - Housing Properties in Reserves	Society 2024 £'000	Society 2023 £'000
Capital grant - Housing Properties in reserves	23,616	25,340
Capital grant - Housing Properties in creditors	17,457	16,661
Recycled Capital Grant Fund	5,729	5,707
Total	46,802	47,708

The Society had property with a book value of £17.6m pledged as security at 31 March 2024 (2023: £17.6m). The bank revaluation exercise completed as at year end date reported total security value of £30.9m

16. OTHER FIXED ASSETS, TANGIBLE AND INTANGIBLE – GROUP AND SOCIETY

	Fixtures, fittings and furniture £'000	Computer and other office equipment £'000	**Total £'000**
Cost:			
As at 31 March 2023	**3**	**1,660**	**1,663**
Additions	-	161	**161**
Disposals	-	(181)	**(181)**
As at 31 March 2024	**3**	**1,640**	**1,643**
Depreciation:			
As at 31 March 2023	**2**	**508**	**510**
Charge for the year	-	249	**249**
Disposals	-	(182)	**(181)**
As at 31 March 2024	**2**	**575**	**578**
Net book value at 31 March 2024	**1**	**1,065**	**1,065**
Net book value at 31 March 2023	1	1,152	1,153

Included in the Other Fixed Assets net book value as at 31 March 2024 are intangible assets of £334k (2023: £246k) representing software costs.

17. INVESTMENT PROPERTIES

Group and Society

	Market rent £'000
Cost:	
As at 1 April 2023	880
Revaluation	-
At 31 March 2024	**880**

The valuations were undertaken by Savills LLP as at 31 March 2023 in accordance with the RICS Valuation Global Standards 2017 and the RICS Valuation - Professional Standards 2014. In valuing investment properties an investment method of valuation was used. Details of the assumptions made and the key sources of estimation uncertainty are given in Note 3

17. INVESTMENT PROPERTIES (continued)

If investment property had been accounted for under the historic cost accounting rules the properties would have been measured as follows

	Group 2024 £'000	Group 2023 £'000	**Society 2024 £'000**	Society 2023 £'000
Cost:				
Historic cost	**591**	591	**591**	591
Accumulated Depreciation	**(149)**	(145)	**(149)**	(145)
At 31 March 2023	**442**	446	**442**	446

18. INVESTMENTS

	Country of incorporation or registration	**Voting rights % held**	**Nominal value of the shares held**	**Nature of business**	**Nominal value of the share held**
Subsidiary Undertakings					
Abbeyfield Properties Limited	England	100%	£1	Design-and-build	Incorporated company, limited by shares
The Abbeyfield Research Foundation	England	100%	£nil	Fundraising and grant making	Incorporated company, limited by guarantee
Pebblemist Limited	England	100%	£nil	Dormant	Incorporated company, limited by guarantee

All above Subsidiary undertakings are registered at The Abbeyfield Society, 17-19 Hampton Lane, Solihull, B91 2QJ

19A. PROPERTIES FOR SALE - GROUP

	Closed properties held for sale £'000	Developed units £'000	2024 Total £'000	2023 Total £'000
Completed properties - developed and closed	**2,337**	**-**	**2,337**	2,337
Completed properties - acquired	**380**	**-**	**380**	380
Properties sold	**(858)**	**-**	**(858)**	**-**
Total	**1,859**	**-**	**1,859**	2,717

19B. PROPERTIES FOR SALE – SOCIETY

	Closed properties held for sale £'000	Developed units £'000	2024 Total £'000	2023 Total £'000
Completed properties - developed and closed	**2,372**	**-**	**2,372**	2,372
Completed properties - acquired	**380**	**-**	**380**	380
Properties sold	**(858)**	**-**	**(858)**	**-**
Total	**1,894**	-	**1,894**	2,752

Properties developed for sale do not include capitalised interest.

20. DEBTORS – GROUP AND SOCIETY

	Group 2024 £'000	Group 2023 £'000	Society 2024 £'000	Society 2023 £'000
Due within one year				
Rent and service charge arrears	**2,316**	1,333	**2,316**	1,333
Less: Provision for doubtful debts	**(467)**	(266)	**(467)**	(266)
	1,849	1,067	**1,849**	1,067
Abbeyfield member societies	**71**	61	**71**	61
Other debtors	**141**	235	**465**	531
Prepayments and accrued income	**1,691**	2,599	**1,690**	2,599
Total	**3,752**	3,962	**4,075**	4,258
Due after one year				
Due from Abbeyfield member societies	**232**	238	**232**	238

21. CURRENT ASSET INVESTMENTS – GROUP AND SOCIETY

	2024	2023
	£'000	£'000
Opening fair value	**356**	592
Additions	**-**	-
Fair Value Adjustment	**38**	(31)
Disposals	**-**	(205)
Closing fair value	**394**	356

All current asset investments are shares held in listed companies which trade on a regular basis. Investments in the year were managed by LGT Wealth Management (Vestra) and Waverton Investment Management. The closing fair value as at 31 March 2024 related to investments held with Waverton Investment Management only which had original cost of investment of £307k.

22. CREDITORS: FALLING DUE WITHIN ONE YEAR – GROUP AND SOCIETY

	Group	Group	**Society**	Society
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Trade creditors	**1,167**	973	**1,167**	973
Taxation and social security	**521**	856	**521**	856
Other creditors	**778**	1,938	**524**	1,868
Deferred capital grant (note 25)	**126**	125	**126**	125
Recycled Capital Grant Fund (note 26)	**2,505**	1.949	**2,505**	1,949
Accruals and deferred income	**7,277**	4,825	**7,554**	4,760
Amount owed to group undertakings	**-**	-	**159**	98
Onerous Lease Provision	**400**	-	**400**	-
Total	**12,774**	10,666	**12,956**	10,629

Taxation and social security above incudes 1 month's pension liability of £148k (2023 £450k)

Of the Recycled Capital Grant Fund, £1,697k (2023: £861k) is likely to be repaid to the Greater London Authority if approval is not given for extended use.

23. CREDITORS: FALLING DUE AFTER ONE YEAR – GROUP AND SOCIETY

	Group	Group	**Society**	Society
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Deferred capital grant (note 25)	**17,331**	16,536	**17,331**	16,536
Recycled Capital Grant Fund (note 26)	**3,224**	3,758	**3,224**	3,758
Bank Loan	**-**	-	**-**	-
Other creditors	**318**	531	**318**	562
Total	**20,873**	20,825	**20,873**	20,856

24. ONEROUS CONTRACTS – GROUP AND SOCIETY

During the year, the charity identified a contract for the lease of office space that has become onerous due to a significant decrease in the need for office space as a result of increased remote working. The provision for this onerous contract has been calculated as follows:

Description of the Contract: Lease of office space at St Peters House

Reason for Provision: Reduced need for office space due to remote working

Total Provision: £1.6m

Calculation Basis: The provision represents the unavoidable costs of the lease contract, less any expected sublease income.

Expected Settlement Date: The provision is expected to be settled over the remaining lease term of 4 years.

Within note 22 £0.4m is shown as due within 1 year with the balance of £1.2m being shown as due after 1 year but within 5 years.

25. DEFERRED CAPITAL GRANT – GROUP AND SOCIETY

	2024	2023
	£'000	£'000
At 31 March 2023	**16,661**	16,786
Grants recycled from the recycled grant fund	**921**	-
Released to income during the year	**(126)**	(125)
Total	**17,456**	16,661

26. RECYCLED CAPITAL GRANT – GROUP AND SOCIETY

Capital grant: relating to development activities funded by

	HCA	**GLA**	**Total**	HCA	GLA	Total
	2024	**2024**	**2024**	2023	2023	2023
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
At 31 March 2023	**3,214**	**2,493**	**5,707**	2,968	2,580	5,548
Inputs to fund:						
Grants recycled from reserves at point of sale	**1,562**	**53**	**1,615**	187	-	187
Transfer to deferred grant	**(921)**	**-**	**(921)**	-	-	-
Interest accrued	**124**	**75**	**199**	67	51	118
Repayment to GLA	**-**	**(871)**	**(871)**	-	(133)	(133)
Tax rebate	**-**	**-**	**-**	(8)	(5)	(13)
At 31 March 2024	**3,979**	**1,750**	**5,729**	3,214	2,493	5,707
Included in creditors: amounts due within one year	808	1,697	**2,505**	1,087	862	1,949
Included in creditors: amounts due after more than one year	3,171	53	**3,224**	2,127	1,631	3,758
At 31 March 2024	**3,979**	**1,750**	**5,729**	3,214	2,493	5,707

27A. LOANS AND BORROWINGS – GROUP AND SOCIETY

	Bank loans 2024 £'000	Bank loans 2023 £'000
Maturity of debt:		
More than one year and up to two years	-	-
Total	-	-

The Group has a £8 million overdraft facility with Barclays Bank. The facility are secured by charges on certain housing and care properties of the Group, as disclosed in Notes 15 and 18. The overdraft is available but undrawn at year end.

27B. FAIR VALUE OF NET CURRENT ASSETS – GROUP AND SOCIETY

	2024 £'000	2023 £'000
Financial assets		
Financial assets measured at fair value:		
Investments	**394**	356
Financial assets measured at historic cost:		
Trade receivables	**2,316**	1,333
Other receivables	**1,668**	2,867
Cash and cash equivalents	**12,564**	15,767
Total financial assets	**16,942**	20,323

Financial liabilities		
Financial liabilities measured at historic cost:		
Trade creditors	**(1,167)**	(973)
Other creditors	**(9,102)**	(7,619)
Total financial liabilities	**(10,269)**	(8,592)

For cash and cash equivalents, short term deposits, current receivables, current payables and loans payable, the carrying amounts approximate fair value, because of the short maturity of these instruments, and therefore fair value information is not included in the table above.

28. CONTINGENT LIABILITIES

The Group receives grants from Homes England and from the Greater London Authority, which are used to fund the acquisition and development of housing properties and their components. Where member societies and other organisations have transferred their net assets to the Group through a transfer of undertakings, any related grants are taken into account in the fair value of the assets and this is credited to reserves as part of the surplus/deficit on transfer. The Group has a future obligation to recycle such grants once the properties are disposed of. The amount of grant on properties which are not operational which will be recycled on disposal, where not already accrued is £11,451k.

Through the Abbeyfield Research Foundation, grants are awarded to fund research into issues affecting the care of older people, with the aim of developing practical solutions to improve care. At 31 March 2024 the outstanding commitment made by Abbeyfield Research Foundation is £78k (2023: £353k).

Total Grants in reserves relating to ALS amount to £23.62m (2023 £25.34m).

29. OPERATING LEASES – GROUP AND SOCIETY

The Group and the Society had minimum property lease payments under non-cancellable operating leases as set out below:

	2024	2023
	£'000	£'000
Amounts payable as lessee:		
Within one year	**858**	769
After one year but within five years	**3,430**	2,996
After five years	**17,216**	15,791
Total	**21,504**	19,556

30. CAPITAL COMMITMENTS – GROUP AND SOCIETY

	2024	2023
	£'000	£'000
Commitments contracted but not provided for:		
Major Works	**-**	2,120
Construction	**-**	239
Experience Programme	**113**	211
Commitments approved by the Board but not provided for:		
Major Works	**-**	3,407
Construction	**528**	200
Experience Programme	**-**	159
Total	**641**	6,336

Capital commitments for the Group and Society will be funded as follows:		
Social Housing Grant	**-**	920
Sales of properties	**-**	3,846
Donations	**-**	1,200
Existing cash and utilisation of facilities	**641**	370
Total	**641**	6,336

31. RELATED PARTY DISCLOSURES

Total charges received from Abbeyfield Properties Limited ("APL") for design-and-build fees amount to £195k (2023: £927k) that includes 5% mark up by APL. The costs relating to the design-and-build invoices from the contractors amount to £186k (2023: £882k). APL made no charitable donation to The Society during the year (2023: £24k).

No grant (2023: £nil) was made to Abbeyfield Research Foundation ("ARF") by the Society during the year.

During the year costs of £673k (2023: £769k) were incurred as part of the society's support for member societies. This includes a nominal allocation of central costs of £255k for Markieting, PR, Development and Accounting support. (2023:£334k).

In 2024 the below referenced related party relationships existed.

Name	Relationship	Value of transactions
M. Cox	Board Member Spouse	£630

[End of Report]

The Abbeyfield Society
Trading as: Abbeyfield Living Society
17-19 Hampton Lane
Solihull
B91 2QT

Registered Charity: 200719
Company No: 574816
Regulator of Social Housing No.: H1046
Care Quality Commission No.: 1-102642859

THE ABBEYFIELD SOCIETY

England & Wales - Charity number 200719

Accounts

The Abbeyfield Society

Annual Report and Financial Statements

For the Year ended 31 March 2023

The Abbeyfield Society
Trading as: Abbeyfield Living Society
17-19 Hampton Lane
Solihull
B91 2QJ

Registered Charity: 200719
Company No: 574816
Regulator of Social Housing No.: H1046
Care Quality Commission No.: 1-102642859

[Left blank intentionally]

CONTENTS

Annual Report

About us	4
Our Board, Committees and Executive Team	6
Our Patrons and Advisors	7
Report of Our Chair	8
Report of the Board (incorporating Strategic Report)	10
Operating and Financial Review	15
Value for Money	19
Risks and Mitigations	21
Statement of Responsibilities of the Board	22
Governance	23
Independent Auditor's Report to the members of The Abbeyfield Society	26

Financial Statements

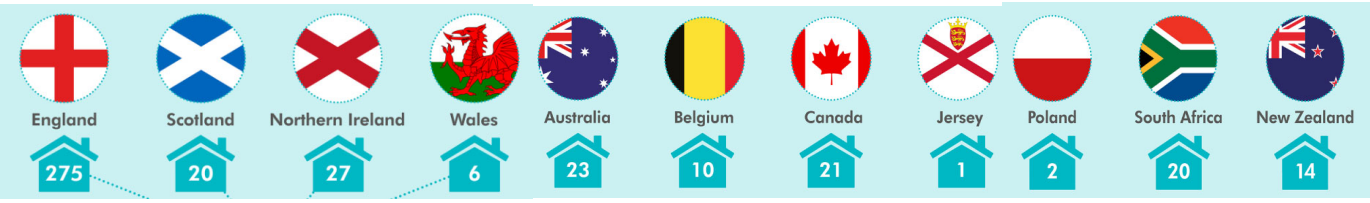
Consolidated Statement of Comprehensive Income	29
Society Statement of Comprehensive Income	30
Consolidated and Society Statements of Financial Position	31
Consolidated Statement of Cash Flow	32
Consolidated and Society Statements of Changes in Reserves	33
Notes to the Financial Statements	34

ABOUT US

The Abbeyfield Family

Abbeyfield was founded as a charity by Richard Carr-Gomm in 1956 with a mission to enhance the quality of life for older people through the provision of high quality accommodation in a stimulating environment and to help them maintain a socially active life. Abbeyfield homes are closely linked to their communities and community is at the heart of Abbeyfield, providing an environment where people come together to share activities and enjoy life. Abbeyfield is more than a home, it's a neighbourhood, a community, a family.

The Abbeyfield family is a membership organisation encompassing a number of independent member societies operating under the Abbeyfield brand umbrella. These member societies support older people in housing and residential care and nursing services, with each member society being managed independently by its own Board of Trustees. Today, a network of Abbeyfield homes has been created across the United Kingdom and overseas with over 400 homes in eight countries, including the United Kingdom, Australia, Belgium, Canada, Jersey, South Africa, Poland and New Zealand, providing a supportive community to over 6,000 residents.



Our Society

The Abbeyfield Society, which is also now trading as the Abbeyfield Living Society, has, for a number of years, been acting both as a provider of homes and the umbrella organisation for all Abbeyfield Societies in the United Kingdom and internationally. During the year, following consultation with all Abbeyfield member organisations, a decision was made to create a new structure headed by the newly formed The Abbeyfield Society World Council (TASWC), with Abbeyfield England (AE) acting as a new umbrella organisation for all English Societies including the Abbeyfield Living Society. This constitutional change is beginning to take shape, with 2023-24 being a transitional year. With effect from 1 April 2023, The Abbeyfield Living Society (also referred to as the Society) ceased to serve as the umbrella entity for the Abbeyfield family. This will allow the Society to focus more on its residents, staff, and the service offerings to the communities within which it operates. For the year ended 31 March 2023, this report still covers the activities of the Society as a provider of both care and housing services and of membership services to the Abbeyfield family.

Our Charitable Objects

Our charitable objects are contained in our Memorandum and Articles of Association. These are:

- The relief and care of the elderly persons of all classes, beliefs and nationalities suffering from the disabilities of old age or otherwise in need.
- The spreading of Christian principles to all human relationships and the application of humanitarian aims to promote the relief of the elderly.
- The provision of further education in the sphere of voluntary work, social work and similar activities so as to inculcate the principles of good citizenship.
- The provision and management of housing, accommodation or assistance, including providing and maintaining or assisting in, providing and maintaining houses and homes for the relief and care of the elderly persons suffering from the disabilities of old age or otherwise being in need.
- Such other purposes recognised by English law as charitable as the Society shall determine from time to time.

ABOUT US (continued)

Our Services

Our service offerings include the provision of:

- Independent living accommodation
- Sheltered housing
- Residential care homes
- Dementia friendly care homes
- Care at home

Depending on the level of independence and the requirement for care support, our homes are tailored to cater for a broad range of residents' needs. Ranging from homes best suited for individuals that are active and self-reliant to homes specifically designed to help support residents living with dementia. Our homes are accessible to take into account the current and future needs (as far as possible) of the residents we support.

Our Vision

Our Vision is for a world without loneliness in later life. We seek to create communities that keep more people connected through our homes, activities, communal spaces and engagement with the communities around us.

Our Behaviours

W **Welcoming** - We seek, hear, respect, value and welcome others and their views so we benefit from the different experiences of our communities.

R **Responsible** - We are all part of Abbeyfield so we must each take personal responsibility for our words and actions and say when something is not right.

A **Adaptable** - We are strong yet flexible, we evolve with the changes around us so we all continue to thrive and flourish.

P **Positives** - We celebrate the positives. We celebrate later life and the many things we share so, when good things happen, we hear all about it and so does the world.

C **Collaborate** – We champion collaboration and belonging, looking outwards and working together to achieve something better.

OUR BOARD, COMMITTEES AND EXECUTIVE TEAM

Board of Trustees

Jenny Lawrence – Chair
Chris Smith CBE - Deputy Chair
Amanda Houlihan
André Decraene (until 15 September 2022)
Cedric Meiring (until 11 October 2022)
David Carr (from 1 September 2023)
George Ashworth
Jeff Medlock (until 15 September 2022)
Marc Marrero (from 15 September 2022)
Martin Cox (from 1 September 2023)
Mike Turner
Roger Lees
Rt. Rev Dr Stephen Venner (until 30 June 2022)
Sara Beamand
Terri Pettifer-Eagles (from 1 September 2023)
Professor Brian Williams CBE (until 15 November 2022)

Committees of the Board

Audit and Risk Committee
Chris Smith (Chair)
Marc Marrero
David Carr

Customer Committee
Sara Beamand (Chair)
Chris Smith
Martin Cox

Finance and Investment Committee
Roger Lees (Chair)
George Ashworth
Mike Turner

People Committee
Amanda Houlihan (Chair)
Jenny Lawrence
Sara Beamand
Terri Pettifer-Eagles

Property Committee
Roger Lees (Chair)
Chris Smith
George Ashworth
Mike Turner

Executive Team

Paul Tennant OBE - Chief Executive Officer
John Clark - Finance Director (until 31 December 2022)
Abiola Yusuf - Finance Director (from 1 December 2022)
Anna Boyes - Director of Marketing and Fundraising (until 14 April 2023)
Gail Manley - Director of Human Resources
Jonathan Sweet - Director of Legal, Compliance and Company Secretary
Julie Freear – Customer Operations Director
Richard Virr - Director of Property and Development (until 12 August 2022)

Other Directors

Theresa Wilson – Director of Housing
Jacqueline McCann – Director of Care Operations

OUR PATRONS AND ADVISORS

Royal Patron	His Majesty the King, King Charles III* **Following His Majesty The King's Accession, the Royal Household is conducting a review of Royal Patronage.* .
Patrons	The Rt. Hon Baroness Bottomley of Nettlestone Michael Brooks Dame Judi Dench DBE The Lord Elis-Thomas Aled Jones Ron Kenyon OBE The Duchess of Northumberland The Rt. Hon Lord John Prescott of Kingston upon Hull John Robinson CBE Patricia Routledge OBE Martin Shreeve OBE MBA DSW BSc (Econ) Michael Staff MBE Dame Gillian Wagner DBE PhD Professor Alan Walker DLitt FRSA The Rt. Rev & Rt. Hon Baron Williams of Oystermouth The Carr-Gomm family (David Carr-Gomm, Adam Carr-Gomm, Harriet Carr-Gomm, Elizabeth Parker and Anna Newton)
Advisors	**External Auditors** Crowe U.K. LLP 55, Ludgate Hill London EC4M 7JW **Internal Auditors** Mazars 30 Old Bailey, London, EC4M 7AU **Bankers** Barclays Bank Plc 1 Churchill Place London E14 5HP **Solicitors** Anthony Collins LLP 134 Edmund Street Birmingham B3 2ES
Legal Status	**Registers** Registered company limited by guarantee with the Registrar of Companies, No 574816 Registered with the Regulator of Social Housing, No H1046 Registered with the Charity Commission, No. 200719 Registered with the Care Quality Commission, No.1-102642859 **Registered Office** 17-19 Hampton Lane Solihull, B91 2QJ Telephone: 01727 857536 Fax: 01727 846168 Email: post@abbeyfield.com

REPORT OF OUR CHAIR

The financial year ended March 2023 has proven to be another challenging year, albeit with a number of positives to reflect upon and celebrate. Our focus was on a small number of clear priorities to improve our performance and I am pleased to report that progress has been made in a number of areas.

A Relief

Thankfully, we saw a significant easing of the challenges caused by Coronavirus (Covid-19) after the trauma and worry of the last three years, and the desperately sad loss of so many people who are still in our thoughts. It is a relief to be able to transition back to a more normal environment. However, the implications of Covid-19 are still with us and the Board recognises how difficult the operating environment has been in recent years and the significant challenges over the year.

Performance Outcomes

In September 2022, Abbeyfield England and The Abbeyfield Society World Council were established as the two new umbrella organisations to oversee membership affairs within England and globally respectively. As a result, the Society became a member of Abbeyfield England on 1 April 2023 to allow it to focus on its core operations, which are to deliver excellent care, housing, and support to its residents, within stimulating environments. For the year ended 31 March 2023, this report still covers the activities of the Society as a provider of both care and housing services and of membership services to the Abbeyfield family.

The ongoing cost-of-living crisis has significantly affected our residents and staff as well as the Society's cost base, with increasing energy costs, insurance premiums and supplier costs. The challenge of increasing occupancy has proven stubborn to overcome and, as highlighted on page 18 of this report, care occupancy only improved by 1% from 84% in 2021/22 to 85%. I was pleased to see that all but three of our care homes are rated as Overall Good or Outstanding by the Care Quality Commission. However, through our revised Quality Assurance programme our ambition is to continue to improve these ratings.

Recruiting and retaining staff in the housing and social care sectors remains a national issue. The shortage of staff in the sectors and the competition for hires resulted in the requirement to employ a number of costly agency staff. Whilst this has been necessary to continue delivering the best care and support to our residents, it has come at a cost to business performance, with staff costs already forming the largest proportion of total costs. We have made significant changes to our pay and rewards to attract new permanent recruits and retain staff.

The Decent Homes Standard, and the need for effective asset strategies and planned investment to meet future demands, is key. The Society completed a property stock condition survey during the year to identify the investment required to adequately maintain our homes over the next 30 years, including reviewing the energy efficiency of each home and making recommendations on energy improvement works required to achieve a minimum EPC (Energy Performance Certificate) C rating by 2030 and be Net Zero Carbon by 2050.

Our people are a vital resource and I am pleased that we have maintained strong engagement reflected once again in the B-Heard staff satisfaction survey. Whilst I am pleased we retained our "one to watch" status and were seen again by Best Companies as one of the best large companies to work for in the UK, we want to do better. A great deal of effort has gone into working with, supporting and developing our staff. This will be more difficult in the coming year with the organisational changes underway.

The effects of Covid-19 infections and travel restrictions also impacted other areas such as, property and maintenance works as we experienced backlogs due both to access issues and availability of contractors. The catch-up work that is now necessary will impact our financial results in the forthcoming year, as we are budgeting to spend an extra £1.1m on building safety works, on top of the 2023/24 budget.

The Society has reduced its development programme in recent years but announced the completion of the scheme at Horsted Keynes, Westall House. This modernised independent living accommodation comprises 24 apartments, 16 of which are for market rent and eight for outright sale. We look forward to welcoming its first resident in the new financial year.

REPORT OF OUR CHAIR (continued)

Financial Outturn
Impacted by the operational challenges, our financial outturn at the end of the year was a net deficit of £7.4m. Although, this was an improvement on last year's net deficit of £15.3m, I am disappointed with the combined net loss of £32.7m over the last 5 years as set out on page 16 of this report. Whilst £18.4m of this relates to impairment write-offs, this is not a position we wish to be in. Against the current economic backdrop, one can expect cost inflation to continue to rise. According to the Office of National Statistics (ONS), the Consumer Prices Index (CPI) including owner occupiers' housing costs (CPIH) rose by 8.9% in the 12 months to March 2023 with the biggest drivers being housing and household services (such as electricity, gas, fuels, food, and non-alcoholic beverages). Similarly, the ONS reported that wage inflation was 6.6% between December 2022 and February 2023. The Board is therefore committed to ensuring the Society focuses on becoming sustainable in the coming years.

Moving Forward
We have a big agenda ahead and know that our resources are stretched and finite. However, I am confident that the Executive Team will continue to work hard with the Board of Trustees to secure the longer-term sustainability of the Society. We will use the insights we have about our homes to drive financial capabilities and seek opportunities to leverage our assets so that we can continue to build on our legacy of preventing and alleviating the loneliness that can come with later life through the delivery of quality homes and excellent care and support. As discussed on page 12, we will focus on how we can improve customers' experience of our services, enhance the culture of our workforce, improve our financial viability, and strengthen our compliance and regulatory framework. Our guiding principle is placing our residents at the heart of all we do.

Support
The work we do cannot be complete without the support, financial and non-financial, that we receive from our staff and wonderful team of volunteers, donors, and patrons. My heartfelt gratitude goes to our network of volunteers who tirelessly return to our services, committed to ensuring our residents are engaged and staffing activities supported. We are also grateful for the financial donations and legacies received during the year with particular thanks to the Mary Feilding Guild Trust for their donation in June 2022 and an additional donation received in April 2023 both of which will go towards enhancing the digital and technological advancements of our homes and enhancing the quality of lives of our residents.

Giving Back
In recent years, through our subsidiary company – The Abbeyfield Research Foundation – we have financially supported research projects focussed on alleviating loneliness, enhancing well-being, and improving the quality of lives of older people. I am pleased to confirm the completion of five such projects this year. These include a feasibility study on *Enhancing Person-centeredness in Community Support of Older People* – conducted by a researcher from the University of York; *Identifying Barriers and Enablers to the Use of Digital Technology for Self Management of Long-term Conditions in Older Adults* – conducted by a researcher from Sheffield Teaching Hospital and; A*n Exploration of The Social, Psychological and Physical Impacts of living with Dementia in Supported Housing* - conducted by a researcher from the University of West Scotland. We are currently reviewing our future research approach to reflect the needs of our current and future residents.

Board Changes and Appreciations
During the year, André Decraene, Cedric Meiring, Jeff Medlock, Rt. Rev Dr Stephen Venner and Professor Brian Williams CBE stepped down from the Board. I would like to reiterate my thanks to them for their excellent contributions whilst on the Board. Their professionalism, expertise and knowledge of the sector and the Abbeyfield Family as a whole will be missed. In September 2023, we welcomed Martin Cox, Terri Pettifer-Eagles and David Carr to the Board. As well as strengthening our Trustee Board, Martin, Terri and David will be providing support to the Customer, People and Audit and Risk Committees, respectively.

As I also step down from the Board of the Society, I have been deeply honoured to become the Chair of The Abbeyfield Society World Council. I would like to note my deepest gratitude to my fellow Board members for their immense contributions and counsel, and for the assurance they bring in shaping the direction of the Society. I would also like to express my admiration and thanks to the Executive Team, staff and volunteers for making a difference in so many people's lives.

REPORT OF OUR BOARD (INCORPORATING STRATEGIC REPORT)

The Board presents its report, which incorporates the Strategic Report as set out in company law, including the audited financial statements for the year ended 31 March 2023. Our aim is to strive to improve the quality of older peoples' lives by reducing the incidence of loneliness in later life. This means creating a caring and compassionate Abbeyfield community which provides warmth, support and wellbeing for all our residents. We believe that everyone, irrespective of their age, has a unique and invaluable contribution to make to the lives of others. By helping to create and grow communities which encourage people to remain happily together, we will deliver on that mission.

Our principal activities during the year were:

- The provision and development of accommodation, care and support services for older people and;
- The promotion and support of the activities of member societies, including the provision of technical, operational and administrative advice.

We offer four housing and or care options namely:

- **Independent Living**: designed for active, self-reliant individuals. It allows our residents to live completely self-sufficient with communal hubs to socialise and connect with their neighbours.
- **Sheltered Housing**: sometimes known as assisted or supported living, offers the benefits of independent living whilst remaining a part of a friendly and sociable shared home.
- **Residential Care Homes**: Our residential care homes are designed for those with personal care needs or requiring one-to-one support from a qualified carer. Our residents live with the security of on-site staff who are present 24 hours a day to provide care and support.
- **Dementia Friendly Care Homes**: Our dementia friendly care homes have been designed to help support residents living with dementia or other forms of memory loss. These homes offer the same high quality support one will find in our care homes with extra tailored support for those living with dementia.

Abbeyfield takes great pride in the food that we offer in our homes, from light meals, baking competitions, Sunday roasts to celebrating festivities, food is always at the heart of what we do as we see this as a perfect way to bring people together.

The number of homes and associated assets owned and managed directly by the Society and, owned but managed on behalf of the association are:

	As At March 2023	As at March 2022
Owned and managed directly		
Affordable Rent	114	114
Housing for older people (Rental)	950	971
Housing for older people (Shared Ownership)	5	5
Care Homes (residential, nursing and dementia)	653	653
Market Rent	77	61
Leasehold	97	89
Commercial	18	18
Restaurants	3	3
Total directly managed	**1,917**	**1,914**
Owned but managed by others		
Housing for older people (Rental)	75	75
Housing for older people (Shared ownership)	15	15
Housing for older people (Leasehold)	15	15
Total managed on our behalf	**105**	**105**
Total owned	**2,022**	**2,019**

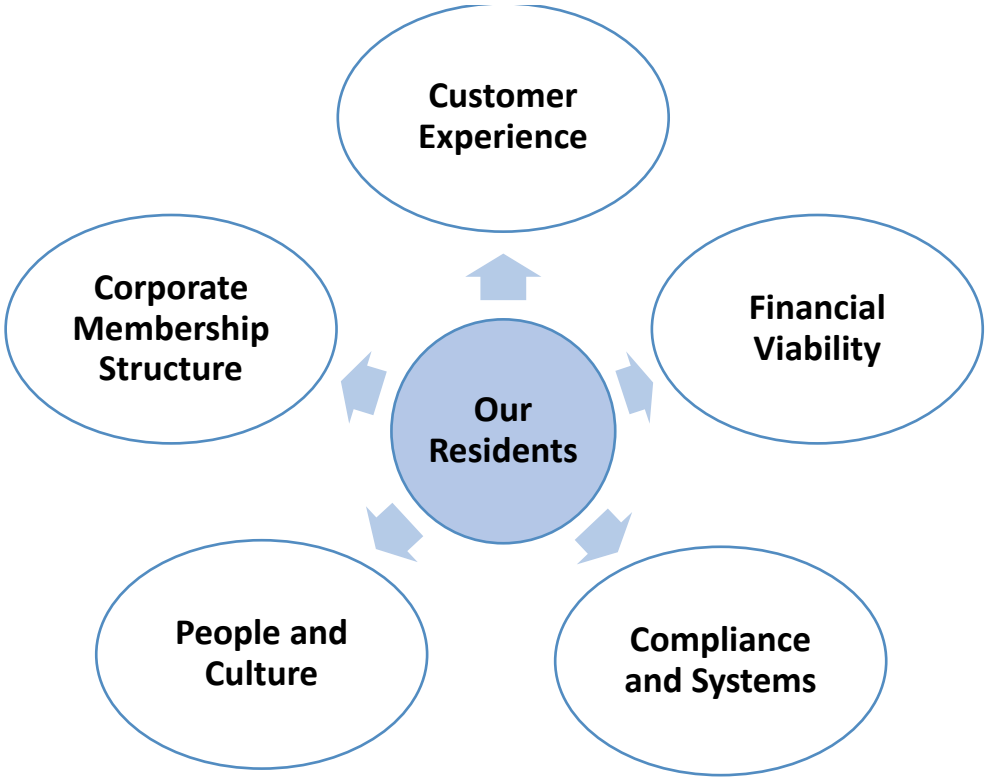
REPORT OF OUR BOARD (continued)

During the year the number of units owned and managed directly increased by a net three beds. The movements in the year include the development growth of 24 units (16 of which were developed as market rents and eight are for outright leasehold sales) and the disposal of a 21-unit scheme, in line with our Asset Management Strategy. Included in the total number of units directly managed at the end of the year are four care homes which were decommissioned by the year end. These have been earmarked as discontinued operations in the financial statements. There was no movement in the number of units owned and managed by others.

Our Corporate Objectives 2022/23

This report and the financial statements correspond to the first year of our strategic focus following the appointment of a new CEO in January 2022. Having analysed our operating environment and a number of pressing challenges faced by the Society, the strategic focus for 2022/23 was to stabilise services following the pandemic which had a major impact on our residents, services and finances; launch a programme of improvements to processes, structures, planning, intelligence and business focus; and lead a transformation programme to right size and right shape the Society.

Five Corporate Objectives were agreed by the Board as set out below.



REPORT OF OUR BOARD (continued)

Placing our residents at the heart of all we do, we set ourselves the following five Corporate Objectives:

- To improve our customers' experience
- To improve our financial viability and maximise resources
- To strengthen our regulatory compliance and invest in systems infrastructure
- To enhance our culture and build the capacity and capability of our people
- To commence the restructuring plan of becoming a member organisation

To deliver on these Corporate Objectives, a number of detailed actions and milestones were set. Furthermore, the Corporate Objectives were developed into a Balanced Scorecard and are now measured and reported on quarterly basis to our Board. The Corporate Objectives have also been broken down into meaningful departmental objectives and linked to staff objectives to ensure all staff members are connected to the business plan objectives.

What We Achieved in the Year

The 2022-23 financial year has not been without its challenges. Although our financial performance lagged behind expectations, some progress was made towards achieving our Corporate Objectives.

Customer Experience	The results from this year's Residents' Engagement survey showed that 88% of Housing residents who responded are satisfied with the service provided by Abbeyfield, while 87% of Care Home residents who responded are satisfied with the overall standard of the service. Further more, 97% of Housing and 94% of Care Home respondents believe our staff are friendly and approachable. We improved on our care home ratings with the Care Quality Commission.
Financial Viability	We achieved Practical Completion of 24 new social housing units at Westall House, Horsted Keynes. We also repaid our bank loan which improved our gearing ratio. We revamped our Treasury Management policy to allow us to optimise our cash holdings and improve interest yields whilst reducing counterparty and liquidity risks. We improved on our restricted reserves utilisation and also saw a slight improvement in our operating margin % - social housing letting as reflected in Value for Money metrics.
Compliance and Systems	We kept up with our regulatory compliance and reporting frameworks to our lender, Regulators, and the Charity Commission. We responded promptly to internal audit recommendations and changes to legislation. We also revamped our Risk Management Framework and risk appetite, developing a new Corporate Risk Register. The Experience Programme (Technology transformation) also delivered improvements to the customer and staff experience by enhancing some of our systems including the roll out of new mobile phones, Office 365, Modern desktops to facilitate remote working and the installation of SD WAN and Wi-Fi in some of our schemes.

People and Culture	We completed an exercise to externally benchmark and enhance the pay rates of our frontline staff and also moved to consistent pay rates, a legacy from working in the past as a regionalised organisation. We completed the 2022 B-Heard Survey (our employee engagement forum) which showed that 71% of the respondents are engaged and satisfied working for Abbeyfield. This is an improvement of 4% on the previous year. We also enhanced our recruitment and retention benefits in response to the Cost of Living crisis.
Membership Structure	Following the 2020 and 2021 Annual General Meetings, the Abbeyfield Family approved a revised structure to deliver a more members-focused federation. We achieved the creation of two umbrella organisations namely, Abbeyfield England (AE) and The Abbeyfield Society World Council (TASWC). This also meant that with effect from 1 April 2023, the Society itself became a member society and ceased to be the umbrella organisation for the family. The Society however continue to support the Abbeyfield Family during the transitional year from 1 April 2023 to 31 March 2024.

Our Strategic Focus 2023/24 and 2024/25

Acknowledging that some progress was made against the 2022/23 Strategic Objectives, we are committed to delivering value and quality care and support to our residents. We acknowledge the 2023/24 and 2024/25 financial years are going to be equally challenging given the macro and micro economic factors faced by the housing sector and rightly set out in the Regulator's Sector Risk Profile 2022. The UK economy has been exposed to a sequence of severe shocks over the last few years. Recovering from the pandemic, the economy is reported to be smaller than it was at the start of 2022. Rapid and increasingly prolonged inflation, a tight labour market, and continuing supply chain disruption are all increasing costs for providers. This is not to underestimate the impact of rising interest rates on our supply chain. In common with similar Boards, we are inevitably faced with difficult trade-off decisions so as to ensure we are delivering on our core objectives.

For the coming financial years, the Board has agreed the following four Strategic Objectives:

- Achieve operating surplus by the end of 2025;
- Improve our customers' experience of our housing, care and support services;
- Enhance our culture and build the capacity and capability of our team;
- Complete the transition from being an umbrella organisation to being a member society.

What Does Success Look Like

- **Achieve operating margin by 2025**
  This is one of the key corporate priorities for the coming year as an organisation delivering economic, effective and efficient services to our residents. To achieve this, we will undertake an in-depth review of our cost-base and understand the long-term viability of all our schemes. We will look to reshape and resize the organisation and address future investment requirements.

  Key measures of success are:
  - Performance against approved budget and 30-year business plan
  - Liquidity Cover
  - Headline Social Cost per Unit that demonstrates Value for Money for our residents

REPORT OF OUR BOARD (continued)

- **Improve our customers' experience of our housing, care and support services**
  We will strive to deliver high levels of customer service at all times, encourage and respond to feedback regarding the lived experience of our customers and ensure our homes are safe and welcoming places where we are able to enrich the lives of all who live with us.

  Key measures of success are:
  - Reduction in the level of voids
  - Implementation of resident engagement plan
  - Delivery of the Experience Programme projects

- **Enhance our culture and build the capacity and capability of our team**
  We will recruit, retain and develop our staff ensuring we provide the right tools and resources to empower and inspire great leadership in our staff and governance. We will celebrate successes, learn from failures and champion our values.

  Key measures of success are:
  - Improved outcome from the 2023 B-Heard Survey
  - Reduction in staff turnover rate
  - Implementation of the HR and Payroll system's full functionalities

- **Complete the transition from being an umbrella organisation to being a member society**
  We will complete structural changes in a revised governance structure and improve our financial performance as a member society. We will work with Abbeyfield England and The Abbeyfield Society World Council through the various consultations, ensuring effective engagements during the transitional year.

  Key measures of success are:
  - Clear governance structure
  - New membership agreement
  - Agreed quality and reporting standards

In relation to these objectives, a Balanced Scorecard approach is being taken in measuring and reporting on performance against objectives. The Balanced Scorecard is discussed with our Senior Leadership Team quarterly with updates provided to the Board also quarterly.

OPERATING AND FINANCIAL REVIEW

The operating environment for the Group remains challenging. At the end of the financial year, the reported Group deficit was £7.4m (2022: £15.1m), £6.0m of which related to continuing operations and £1.4m discontinued operations. The discontinued operations represent four care homes that were decommissioned during the year, in line with our asset management strategy. Despite the decommissioned care homes, there was a 7% increase in turnover compared to the prior year. Operating costs were 6% higher than last year and there was an impairment charge of £1.95m (2022: £10.9m). This resulted in an operating deficit of £7.3m, before accounting for the net loss of £0.1m realised from the disposal of housing properties and revaluation of investment property.

Turnover

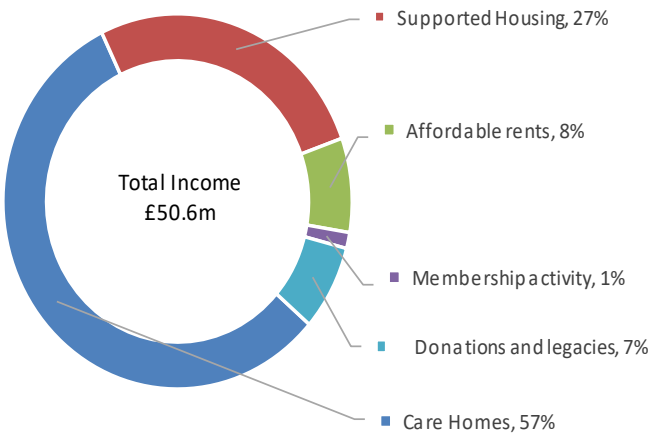
Turnover increased by £3.5m to £50.6m (2022: £47.1m). The 7% increase in turnover can be attributed to the rent increases applied in accordance with the 2022 Rent Standard for supported housing lettings and increased residential care fees. £28.6m (57%) of the income realised in the year was from care home fees, £13.5m (27%) was from supported housing, £4.1m (8%) from affordable rents, £3.7m (7%) from fundraising and legacy income and the remaining £0.7m (1%) from membership and other activities. The income losses as a result of voided properties were £9.0m (2022: £10.2m).

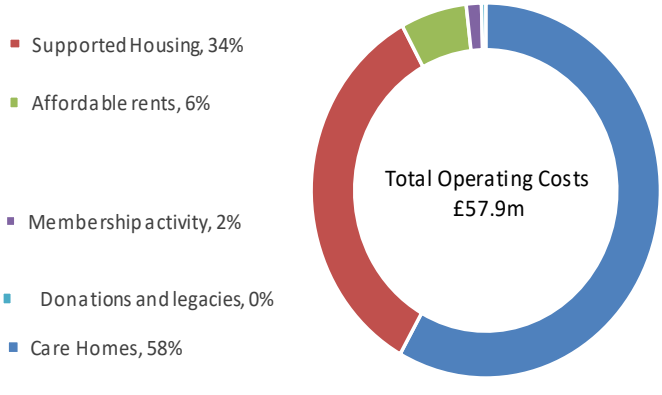
Operating Costs

Total operating costs was £57.9m (2022: £63.9m) and includes an impairment charge of £1.95m (2022: £10.9m). 51% of our operating costs, net of the impairment charge, are staffing costs. Although our employee costs reduced from £30.1m to £28.6m, there was a notable spend on agency labour resulting from high staff turnover rate. The annualised staff turnover rate was 34%, with 41% reported in our care homes and 21% reported in our supported housing. The Care Quality Commission (CQC) stated in a recent publication that the pandemic brought into sharp focus how much people depend on the skills and experience of health and social care staff. But across the breadth of health and social care services, providers are struggling desperately to recruit and retain staff with the right skills and in the right numbers to meet the increasing needs of people. The CQC reported an average staff turnover rate of 38.2% during the year, an increase from 26.5% in prior year. As part of our cost mitigation strategy, we reviewed our recruitment and retention strategy, third party engagements, staff pay award and retention packages. Energy costs also saw a significant increase although we managed to mitigate part of the increase by fixing contracts, as soon as was possible.

Operating and Net Deficits

The operating deficit at the end of the year was £7.3m (2022: £16.8m), as illustrated in the pie charts below. This included an impairment charge of £1.95m. Whilst we saw an increase in interest receivable from £0.07m to £0.26m resulting from optimising our cash deposits held with banks, the interest payable costs increased to £0.26m from £0.17m. Our property disposal programme lagged behind budget contributing to the net Group deficit of £7.4m at the year end (2022: £15.1m).





OPERATING AND FINANCIAL REVIEW (continued)

Summaries of the financial performance and statement of financial position, for the last five years, are set out below.

5-Year Overview of Income and Expenditure

For the year ended 31 March	2023	2022	2021	2020	2019
	£'000	£'000	£'000	£'000	£'000
Turnover	50,612	47,088	48,102	50,949	54,793
Operating Costs	(55,960)	(53,022)	(52,441)	(57,853)	(56,891)
Impairment	(1,951)	(10,869)	-	(6,421)	851
Operating Deficit	(7,299)	(16,803)	(4,339)	(13,325)	(1,247)
Other net (costs) or contributions	(134)	1,682	5,600	2,621	534
Net Deficit	**(7,433)**	**(15,121)**	**1,261**	**(10,704)**	**(713)**

5-Year Overview of Financial Position

As at 31 March	2023	2022	2021	2020	2019
	£'000	£'000	£'000	£'000	£'000
Housing properties	117,585	121,852	133,423	139,083	151,947
Other fixed assets and investment properties	2,033	858	945	1,178	1,404
Net current assets	12,374	22,553	24,845	11,833	13,145
Creditors falling due after more than one year	(20,825)	(26,663)	(25,492)	(19,634)	(23,332)
Net assets	**111,167**	**118,600**	**133,721**	**132,460**	**143,164**

5-Year Overview of Cash flow

For the year ended 31 March	2023	2022	2021	2020	2019
	£'000	£'000	£'000	£'000	£'000
Net cash (outflow)/inflow from operating activities	(7,508)	(6,571)	3,172	(2,235)	2,578
Net cash used in investing activities	(1,175)	7,764	9,622	3,472	(5,665)
Net cash (outflow)/inflow by financing activities	(262)	(172)	(143)	(211)	(325)
Net (decrease)/increase in cash and cash equivalents	(8,945)	1,021	12,651	1,026	(3,412)
Cash and cash equivalents	**15,767**	**24,712**	**23,691**	**11,040**	**10,014**

OPERATING AND FINANCIAL REVIEW (continued)

Capital Structure and Treasury Management
The Society is financed from its retained surpluses, part of which have arisen through the receipt of legacies and donations which may be restricted in their use. In addition, any surplus arising from the disposal of properties, following the closure of schemes deemed not financially viable, has contributed to our capital reserves. At the end of the financial year, the Society had a Revolving Credit Facility (RCF) of £5m which was undrawn, as well as, a £5m overdraft. Both bank facilities are secured on a selection of the Society's properties. After the year end date but prior to the signing of the accounts, the Board decided not to renew the RCF but instead to increase the overdraft to £8m. This new arrangement will provide the Society with an adequate level of liquidity and remove the requirement to comply with the restrictive interest cover covenant. The Society is unable to raise equity funding because of its legal form. As required by the Regulator of Social Housing, 30-year financial and cash flow forecasts are prepared annually to ensure that an adequate funding strategy is in place. The Society invests cash surplus to immediate operating needs in short term interest-bearing deposit accounts, in line with its Treasury Management policy.

Employees
The number of full time employees (FTEs) has reduced by 10% (2022: 11.5%) in the year. As at 31 March 2023, the total number of FTE employees was 876 (2022: 974) as per Note 9 to the Accounts.

Reserves Policy
An important role for the Board is ensuring the long-term sustainability of the Society. Abbeyfield's reserves policy sets out the basic principles that it should give the Society the resilience and financial capacity necessary to manage unforeseen business plan stresses; give assurance to lenders and creditors that the Society can meet its financial covenants and / or commitments; mitigate liquidity risks; protect the Society from a fall in income as a result of voids and boost working capital reserve to provide capital in the event that expenditure is needed ahead of income being received. In previous years, the Board sought to maintain minimum free reserves of £10m. With effect from 1 April 2023, liquidity cover of four months, with an aspiration of six months, has been set by the Board as part of its Golden Rules. This equates to a range between £18.7m and £28.0m. The liquidity cover at the end of the year was £26m (i.e. cash and cash equivalent, investments, RCF and overdraft) representing five months of expenditure.

Cash and cash equivalent with investments at the end of the financial year were £16.1m (2022: £25.3m) and there were restricted reserves of £5.6m (2022: £6.97m) leaving the Society with free reserves of £10.5m at the end of the year.

Going Concern and Viability
The net assets of the Group at the end of the year were £111.2m (2022: £118.6m) with total assets net of current liabilities of £132m. In addition to this, the Group had £10m of undrawn lending facilities. Although, the Group is reporting a net deficit of £7.4m (2022: £15.1m deficit), the Board has developed a long-term Business Plan based on a sustainability strategy that shows the Group's business activities will generate positive operating margins from 2025/26. The 30-year Business Plan, which has been stress-tested against challenging scenarios and a range of multi-variates, also shows a transformational plan which will lead to the Society achieving a net surplus from 2024/25.

A full financial and market viability review of the properties owned has been carried out. The Society has also revised its risk and mitigation framework and agreed a set of Trustees' risk appetites. The sustainability strategy is also supported by a set of newly developed Golden Rules with mitigating actions for financial resilience. The Society has committed significant sums for a major works programme over the next five years and will be setting up a development fund to ring-fence part of its sales proceeds for new investment. Performance against targets will continue to be monitored by the Finance and Investment Committee, Audit and Risk Committee and the Board. On this basis, the Board considers it has adequate resources to continue operations for the foreseeable future and to adopt the going concern basis as the basis for preparing these accounts.

OPERATING AND FINANCIAL REVIEW (continued)

Key Performance Indicators (KPIs)
In addition to the technical Value for Money metrics required by the Regulator of Social Housing, we have a suite of KPIs that are measured on a monthly basis some of which are detailed below.

	2022/23	2021/22	2020/21	2019/20
Operating Margin % (continuing operations excluding impairment)	(9.2%)	(7.4)%	(5.9)%	(7.5)%
Care occupancy %	82%	76%	79%	88%
Housing occupancy %	85%	84%	87%	87%
Development expenditure	£0.7m	£4.2m	£3.5m	£8.5m
Fundraising Income	£3.6m	£1.9m	£2.0m	£1.1m

Donations
The Society and its subsidiaries made no political donations during the year.

Health and Safety
The Society is aware of its responsibilities on matters relating to health and safety. The Society has prepared detailed health and safety policies and provides training and education to our staff on health and safety matters. Any notable accidents or incidents are reviewed by our Customer Committee on a quarterly basis to ensure lessons are learnt which can prevent similar occurrences in the future. In the reporting period, we had four Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) reports submitted to the Health and Safety Executive (HSE). The total number of serious incidents reported to the Charity Commission during the year was 25 (2022: 12).

Residents' involvement
We actively encourage the involvement of residents and their families in decision-making by promoting forums where they can contribute to the decisions that affect them. We also carry out an annual Residents' Survey to measure satisfaction with care and housing services and to obtain feedback.

Complaint Handling
The Society adheres to the Housing Ombudsman's Complaint Handling Code (the Code). As part of compliance with the Code, an annual self-assessment of our complaint handling procedures is completed. The self-assessment in the year showed that the Society was fully compliant with 63 recommendations and partly compliant with six other recommendations. The residents' survey showed that 70% of respondents were satisfied with how their complaints were handled.

Compliance with Governance and Financial Viability Standard
The Board confirms that the Society has met the Regulator of Social Housing's regulatory requirements in the Governance and Financial Viability Standard applicable in the reporting year. During the year, following the stability check, the Regulator reaffirmed the strapline judgement and the ratings of G2 V2 were maintained.

Statements of Compliance
The Board confirms that this Strategic Report Review has been prepared in accordance with the principles set out in the 2018 SORP for registered housing providers. We are also pleased to report that the Society continues to comply with the principal recommendations of the NHF Code of Governance 2020.

The Strategic Report and Report of the Board were approved by the Board on 7 September 2023 and signed on its behalf by:

Jenny Lawrence
Chair

VALUE FOR MONEY (VfM)

VfM Strategy

The Board is committed to delivering Value for Money through the Society's activities. Our VfM Strategy 2019-2024 was developed to ensure we continue to improve our understanding of our current value for money position; promote and embed a value for money culture; achieve year on year efficiency savings; target resources towards front line services; and maintain a high level of resident satisfaction with value for money.

Benchmarking

In order to maintain compliance with the VfM standard, we monitor the performance of the Society against appropriate benchmarks and also look to understand variances. For robustness, we have selected two benchmark groups to compare our performance against. We also present below our year-on-year comparison of the technical metrics. Explanations are also provided below where there is a significant variance from the peer groups.

Our Year-on-Year Comparison of Technical VfM metrics

The table below summarises our year-on-year VfM performance with a flag to illustrate whether there has been improvement, decline or an unchanged position. The table shows we made an improvement in the new supply delivered for social housing units. Achieving Practical Completion of the scheme at Horsted Keynes, Westall House, in the current economic climate is remarkable. The scheme offers 16 market rented units and 8 for outright leasehold sale and we look forward to welcoming new residents in the coming year. We are also pleased to report an improvement in the gearing ratio which resulted from the repayment of the Revolving Credit Facility. There was however a decline in our Reinvestment %, EBITDA MRI Interest Cover, Headline Social Cost per Unit, Operating Margin %s and Return on Capital Employed. As these metrics are linked to contributions from operations or profitability, the reported deficits of the Society, year-on-year, has been the lead contributing factor.

	The Abbeyfield Society - Year on Year	2019/20	2020/21	2021/22	2022/23	Flag
1	Reinvestment %	6.3%	5.5%	3.4%	2.6%	↓
2a.	New Supply delivered – Social Housing Units	4.9%	0.3%	0.0%	1.6%	↑
2b.	New Supply delivered – Non Social Housing Units	0.0%	0.0%	0.0%	0.0%	↔
3	Gearing %	13.4%	-14.0%	-16.2%	-13.4%	↑
4	EBITDA/MRI Interest Cover	-2511%	-1870%	-3409%	-2188%	↑
5	Headline Social Cost per Unit	£25,363	£23,042	£24,403	£25,047	↓
6a.	Operating margin % - Social Housing lettings only	-19.9%	-25.2%	-23.9%	-21.98%	↑
6b.	Operating margin % - Overall	-13.9%	-9.0%	-9.0%	-10.93%	↓
7	Return on Capital Employed	-4.7%	0.5%	-2.9%	-4.2%	↓

Key: ↑ an improvement on prior year ↓ a decline on prior year's performance ↔ similar to prior year

Comparison of VfM Performance to Peer Groups

The table below shows our VfM performance against our peer group and industry medians. The peer group comprises a selection of organisations which provide housing support and care and are registered with both the Care Quality Commission (CQC) and the Regulator of Social Housing. This is to reflect the dual regulatory environment within which we operate. We have also compared our performance against industry median which comprises of providers with less than 3000 units and which have at least 50% of their stock in supported housing and housing for older people. These providers and their performance were extracted from the Regulator of Social Housing 2022 Global Accounts

VALUE FOR MONEY (continued)

	The Abbeyfield Society	2022/23	Median - Peer Group 21/22	Median - Industry 21/22
1	Reinvestment %	2.6%	4.6%	5.4%
2a.	New Supply delivered – Social Housing Units	1.6%	1.2%	1.3%
2b.	New Supply delivered – Non Social Housing Units	0.0%	0.0%	0.0%
3	Gearing %	-13.4%	25.2%	3.7%
4	EBITDA/MRI Interest Cover	-2188%	245%	194%
5	Headline Social Cost per Unit	£25,047	£8,768	£11,858
6a.	Operating margin % - Social Housing lettings only	-21.98%	14.8%	3.7%
6b.	Operating margin % - Overall	-10.93%	7.9%	3.4%
7	Return on Capital Employed	-4.2%	2.5%	1.5%

We compare favourably against the Peer Group and industry medians in new social housing units supplied and gearing %. However, we under-performed against both medians on the other metrics. Our operating margin % metric was below the medians as a result of the reported deficits. This also explains why the Earnings Before Interest, Tax and Depreciation Major Repairs Included (EBITDA MRI) was adverse compared to the peer group and industry medians. Our headline social housing cost per unit was higher than the peer groups reflecting the higher costs of delivering the Abbeyfield model of housing and care services. The unique mix of Abbeyfield's care and supported housing support needs to be considered in the context of the comparison with sector performance.

Improving on Our VfM Metrics and Cost per Unit

VfM is a key consideration for social landlords and there is an increasing focus on demonstrating VfM especially given the rapidly shifting economic climate, increased demands from customers and overstretched budgets and funding pots. As such, one focus for the coming year will be to develop our VfM Strategy for 2024-27.

We will ensure the strategy addresses how we will:

- Continue to improve our understanding of our current value for money position;
- Promote and embed a value for money culture;
- Achieve year on year efficiency savings;
- Target resources towards frontline services;
- Maintain a high level of resident satisfaction with value for money;
- Streamline processes and procedures to reduce costs;
- Invest in technology to improve service delivery and reduce costs;
- Conduct regular value for money assessments to identify opportunities for improvement;
- Benchmark performance against other social landlords to identify areas for improvement;
- Engage our residents to understand their needs and preferences, and tailor services accordingly and;
- Focus on preventative maintenance to reduce the need for costly repairs.

RISKS AND MITIGATIONS

The Board is aware of the key risks faced by the Society and has assessed their likely impact and severity against the organisation's strategic objectives. During the year, the Board overhauled the entire risk management framework which resulted in a deep dive into the corporate risk register and the setting of a new Trustees' risk appetite. The Board also considered the Social Housing Sector Risk Profile for 2022 to ensure we have captured relevant risks in our risk register and have appropriate mitigation plans for identified risks.

The Risk Assurance Framework covers strategic and operational risks which are regularly reviewed by the Executive Team, the Audit and Risk Committee and by the Board. Controls are identified for all risks and an assessment made as to their effectiveness. The Board also conducts stress testing of the business plan for the Society. This involves testing what would happen under a range of different scenarios and if multiple risks crystallised. The Board considers mitigating strategies in respect of the risk exposures.

The top three Corporate Risks are:

Risks	Impact	Mitigations
Financial instability	Continued year-on-year deficits resulting in depleted reserves, depleting assets, service failure and inability of the Society to continue as a Going Concern.	• Understand the stock profile, capital investment requirements and scheme viability • Robust business plan, stress tested and mitigation plans • Set Golden Rules to serve as early prompts • Regular cash flow forecasts and effective treasury management • Effective financial and management reporting, ensuring accuracy and timeliness • Cost efficiencies targets
Safeguarding, health and safety risks	Poor safeguarding of residents which can lead to downgrade of services or care home and attract Regulatory involvement	• Safeguarding policies and procedures fully implemented • Systems in place to closely monitor and report divergent promptly to the Customer Committee • Internal Audit programme of assurance • Keeping abreast of prevailing legislations • Business continuity planning and appropriate levels of management oversights
Compliance Risks	Risk of intervention by local authority, Care Quality Commission (CQC) or the Regulator of Social Housing (RSH)	• Robust internal and external audits along with quality assurance frameworks • Staff training and residents engagement • Care management policies and produces are up to date • Recruitment of Head of Care Compliance • Gap analysis of NHF Code of Governance

STATEMENT OF RESPONSIBILITIES OF THE BOARD

The Board is responsible for preparing the Strategic Report, Annual Report and the Financial Statements, in accordance with applicable law and regulation.

Company law and social housing legislation require the Board to prepare Financial Statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Board must not approve the Financial Statements unless it is satisfied that they give a true and fair view of the state of affairs of the Society and of the surplus or deficit of the Society for that period.

In preparing these Financial Statements, the Board members are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice "Accounting by Registered Social Housing Providers 2018" and FRS102 have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Society will continue in business.

Board members are also responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society and enable it to ensure that its financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Registered Providers of Social Housing 2022.

The Board is also responsible for safeguarding the assets of the Society and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Board members are also responsible for ensuring that the Report of the Board is prepared in accordance with the Statement of Recommended Practice "Accounting by Registered Social Housing Providers 2018" and FRS 102. The Board is responsible for ensuring that the assets of the Society are properly applied under charity law. The annual report and accounts are published on the Society's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions.

The Board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Slavery and human trafficking statement

The Modem Slavery Act 2015 introduced new obligations in relation to slavery and human trafficking. The Society is fully supportive of the legislation as it is in keeping with our ethos and principles. The statement includes compliance for our supply chain partners.

GOVERNANCE

Board members and Executive Team
The Society's Board members who served during the year are set out on page 6. The Board members are drawn from a wide range of backgrounds bringing together professional, commercial and other relevant experience.

The Board, which comprises the company directors, has overall responsibility for the direction, management and control of the Society. Overall operational management is delegated to the Chief Executive and the Executive Team. The Board adopts the National Housing Federation (NHF) Code of Governance 2020 and the Company Secretary and the Executive Team provide support to the Board in monitoring compliance with the Code.

The Board may comprise up to 10 trustees and requires a minimum of five trustees including the Chair. Board members are appointed by the Board.

Applications to be considered for appointment to the Board are invited following recruitment and advertising. Candidates are nominated for appointment by the People Committee having regard to the need for the persons appointed having the necessary range of skills, experience, gender, age and ethnicity.

Board members may serve for fixed terms of three years up to a maximum of nine years. The Board formally met seven times during the year, with additional sessions to discuss strategy and performance.

Throughout the year, the Board continued to monitor its effectiveness and the terms of reference for the various committees of the Board, to ensure that they are following best practice in the sector. Board members are encouraged to acquaint themselves with all aspects of the Society, particularly operational matters. The Executive Team hold no financial interest in the Society, except for their remuneration arrangements, and act as executives within the authority delegated to them by the Board. The Executive Team is entitled to join the Society's stakeholder pension scheme on the same terms as other employees. Details of their remuneration are disclosed in Note 10 (Board and Executive Remuneration).

Insurance policies indemnify Board members and officers against liability when acting for the Society.

Directors Duties and section 172 reporting
The Directors of the Society must act in accordance with a set of general duties embodied in section 172 (1) (a-f) of the Companies Act 2006 (1), summarised as follows:

A Director must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so, have regard (amongst other matters) to:

- The likely consequences of any decisions in the long-term.
- The interests of the company's employees.
- The need to foster the company's business relationships with suppliers, customers and others.
- The impact of the company's operations on the community and environment.
- The desirability of the company maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the company.

GOVERNANCE (continued)

As part of the induction process, Directors are briefed on their duties, including the long-term stewardship of the Society to ensure it delivers against its strategic objectives as set out in the Trustees' Report above. Our Board monitors the impact of its decisions against the long-term financial plan on an annual basis, and more often if the situation demands. We operate to a strategic plan that involves setting both operational and financial targets that address our charitable objectives as set out in the Report of the Board.

Our employees are fundamental to the delivery of our plan. We are a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and well-being of our employees is one of our primary considerations in the way we conduct our business. We have policies on fraud, anti-bribery and a whistleblowing policy which encourages colleagues to raise issues of suspected malpractice. Our Audit and Risk Committee also receives reports if issues are raised.

Internal Controls Assurance

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. We recognise that any system can only manage, and not eliminate, risk and can only provide reasonable, and not absolute, assurance against material misstatement or loss. The Board is satisfied that controls are in place and it ensures there is ongoing review as part of a process of continuous improvement. Mazars LLP were appointed in 2018 to provide internal audit function.

The Board approves the annual budgets, business plans and risk management framework on recommendation of the Finance and Audit Committees. A delegated authority framework is in place for incurring and approving expenditure, with formal involvement of members of the Board for larger transactions. Quarterly updates on performance against business objectives and the budget are provided to the Board. The Society has staff recruitment and appraisal processes in place. This includes monitoring of staff performance through one-to-ones and the effectiveness of training programmes undertaken by our staff. Whilst the Board cannot delegate ultimate responsibility for the system of internal control, it has delegated the review of the effectiveness of the Society's system of internal control to the Audit and Risk Committee. The Board receives minutes of all meetings of the Audit and Risk Committee and gets assurance from the committee that arrangements are in place to manage the risk of fraud.

Environment

We have made a positive start towards improving our own Environmental Sustainability. In May 2021, an Environmental Working Group was formed, comprising various interested parties from across the Society. This was used as a hub to raise ideas of how Abbeyfield could evolve to be a greener place to live and work. We further appointed an Environmental Sustainability Co-ordinator during the year to lead on our approach to delivering environmental sustainability in our homes. We have established targets to reduce energy consumption, plans to increase resource focused on environmental initiatives and funding for specific capital expenditure in our schemes to deliver environmental efficiency.

Our impact on the environment is set-out in the Streamlined Energy Carbon Report (SECR) below. The SECR framework is a mandatory UK-wide reporting scheme to improve transparency and help reduce carbon emissions. The carbon footprint table below reflects activity across the Society.

Consumption 2022/23	KWh '000	Mileage '000	Kg CO2e '000
Electric	6,232		1,453
Gas	17,696		4,126
Transport		384	105
Total	**23,928**	**384**	**5,684**

Consumption 2021/22	KWh '000	Mileage '000	Kg CO2e '000
Electric	5,268		1,228
Gas	19,550		4,558
Transport		372	102
Total	**24,818**	**372**	**5,888**

Year on Year Improvement	204
% Improvement	3%

GOVERNANCE (continued)

The actual gas and electricity consumption was recorded in KWh. To convert kWh to kg of carbon (Kg Co2e) released based on Greenhouse gas reporting, a conversion factor from Department for Business, Energy and Industrial Strategy (BEIS) has been used. The conversion factor is 0.23314 kg CO2 is saved for each kWh produced from a carbon free source. The factor is based on the carbon emissions generated by the current UK power stations per kWh generated.

The data reflects an overall reduction in carbon emissions of 3%. During the year, there was an 18% increase in electric consumption but a 9% decrease in gas consumption. Given that we saw a smaller increase in electricity pricing, we switched, where possible, to electricity usage over gas. This approach led to an overall cost saving in our energy costs. We also installed 12 new energy efficient boilers during year and made a huge effort to embed better energy efficiency practices in our homes.

Fundraising

We are committed to achieving the highest standards of professional fundraising. We are corporate members of the Institute of Fundraising and registered with the Fundraising Regulator, to whom we pay the Fundraising Levy. Through the systems and processes we have put in place, we aim to achieve the standards set out in the Fundraising Code of Practice. We are signed up to the Fundraising Preference Service. Our small team of fundraising staff are aware of and pay due attention to data protection practices to ensure we are compliant with the General Data Protection Regulation (GDPR) when handling personal data. We do not adopt intrusive fundraising approach and do not place undue pressure on a person to give money or other property. Complaints from fundraising activities are contained in the Complaints / Whistleblowing Register which is reviewed regularly by the Audit and Risk Committee and or the Customer Committee. During the year, we had no fundraising complaints (2022: nil).

Statement of Public Benefit

As a public benefit entity providing housing, care and support to older people, our Board has complied with its duty to have due regards to the Charity Commission's guidance on public benefit when exercising their powers and duties to which the guidance relates. Our Mission and Values are discussed on page 5. Our Charitable Object is for the relief and care of elderly persons of all classes, beliefs and nationalities. Our homes are open to all that apply and we ensure the necessary assessments are done to ensure individuals are placed in the right home and / or care environment suitable to their needs. We also undertake annual residents' surveys as part of our approach to engaging with residents and evaluating residents' satisfaction, year on year. We are also pleased to report that the Society continues to comply with the principal recommendations of the NHF Code of Governance 2020

The report of the Board was approved by the Board on 7 September 2023 and signed on its behalf by:

Jenny Lawrence
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD SOCIETY

We have audited the financial statements of The Abbeyfield Society ('the Society') and its subsidiaries ('the group') for the year ended 31 March 2023 which comprise the consolidated and Society statements of comprehensive income, the consolidated and Society statement of financial position, the consolidated statement of cash flows, the consolidated and Society statement of changes in reserves and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 - the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the Society's affairs as at 31 March 2023 and of the group's and society's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to Going Concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Society's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board member with respect to going concern are described in the relevant sections of this report.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Board, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Report of the Board have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD SOCIETY (continued)

Matters on which we are required to report by exception
In light of the knowledge and understanding of the group and the Society and their environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board, incorporating the Strategic Report.

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

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

Responsibilities of the Board
As explained more fully in the Board members responsibilities statement set out on page 22, the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the Board are responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Group or the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below. 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/auditors responsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Society and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Housing and Regeneration Act 2008 together with the Accounting Direction for Private Registered Providers of Social Housing 2022 and the Housing SORP 2018 (Statement of Recommended Practice for registered social housing providers). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.
In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Society's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Society and the group for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing and the Care Quality Commission, Health and Safety legislation, employment legislation and General Data Protection Regulations (GDPR).

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD SOCIETY (continued)

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board members and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of rental, care and legacy income, the capital costs of development, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Regulator of Social Housing, the Charity Commission and Care Quality Commission, substantive testing of key income streams, substantive testing of development expenditure and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our Report
This report is made solely to the Society's members, as a body, in accordance in accordance with the Housing and Regeneration Act 2008 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Julia Poulter
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London, UK
28 September 2023

FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income
For the year ended 31 March 2023

	Note	Continuing operations 2023 £'000	Discontinued operations 2023 £'000	**Total 2023 £'000**	Continuing operations 2022 £'000	Discontinued operations 2022 £'000	Total 2022 £'000
Turnover	4	44,811	5,801	**50,612**	41,822	5,266	47,088
Operating costs		(48,927)	(7,033)	**(55,960)**	(45,006)	(8,016)	(53,022)
Impairment	12,16	(1,951)	-	**(1,951)**	(12,125)	1,256	(10,869)
Total Operating Costs	4	(50,878)	(7,033)	**(57,911)**	(57,131)	(6,760)	(63,891)
Operating (deficit)/ surplus	4,8	(6,067)	(1,232)	**(7,299)**	(15,309)	(1,494)	(16,803)
(Deficit) / surplus on disposal of Housing Properties	12	-	(185)	**(185)**	-	1,707	1,707
Other interest receivable and similar income	13	264	-	**264**	74	-	74
Interest and financing costs	14	(262)	-	**(262)**	(172)	-	(172)
Movement in fair value of investment properties	18	80	-	**80**	-	-	-
Movement in fair value of investments	22	(31)	-	**(31)**	73	-	73
(Deficit) / surplus before taxation		(6,016)	(1,417)	**(7,433)**	(15,334)	213	(15,121)
Taxation	15	-	-	**-**	-	-	-
(Deficit)/surplus after taxation and total comprehensive (expense) / income for the year		(6,016)	(1,417)	**(7,433)**	(15,334)	213	(15,121)

The Notes on pages 34 to 56 form part of these Financial Statements.

FINANCIAL STATEMENTS

Society Statement of Comprehensive Income
For the year ended 31 March 2023

	Note	Continuing operations 2023 £'000	Discontinued operations 2023 £'000	**Total 2023 £'000**	Continuing operations 2022 £'000	Discontinued operations 2022 £'000	Total 2022 £'000
Turnover	4	44,787	5,801	**50,588**	41,821	5,266	47,087
Operating costs		(48,926)	(7,033)	**(55,959)**	(44,991)	(8,015)	(53,006)
Impairment	12,16	(1,951)	-	**(1,951)**	(12,125)	1,256	(10,869)
Total Operating Costs	4	(50,877)	(7,033)	**(57,910)**	(57,116)	(6,759)	(63,875)
Operating (deficit)/ surplus	4,8	(6,090)	(1,232)	**(7,322)**	(15,295)	(1,493)	(16,788)
(Deficit)/ surplus on disposal of Housing Properties	12	-	(185)	**(185)**	-	1,707	1,707
Other interest receivable and similar income	13	264	-	**264**	74	-	74
Interest and financing costs	14	(262)	-	**(262)**	(172)	-	(172)
Movement in fair value of investment properties	18	80	-	80	-	-	-
Movement in fair value of investments	22	(31)	-	**(31)**	73	-	73
(Deficit) / surplus before taxation		(6,039)	(1,417)	**(7,456)**	(15,320)	214	(15,106)
Taxation	15	-	-	**-**	-	-	-
(Deficit) /surplus before and after taxation and total comprehensive (expense) / income for the year		(6,039)	(1,417)	**(7,456)**	**(15,320)**	**214**	**(15,106)**

The Notes on pages 34 to 56 form part of these Financial Statements.

FINANCIAL STATEMENTS

Consolidated and Society Statement of Financial Position
As at 31 March 2023

	Note	**Group 2023 £'000**	Group 2022 £'000	**Society 2023 £'000**	Society 2022 £'000
Fixed assets					
Tangible fixed assets - housing properties	16	**117,585**	121,852	**118,885**	123,043
Other fixed assets - Tangible and Intangible	17	**1,153**	58	**1,153**	58
Investment properties	18	**880**	800	**880**	800
		119,618	122,710	120,918	123,901
Current assets					
Properties held for sale	20	**2,717**	2,177	**2,752**	2,300
Debtors - receivable within one year	21	**3,962**	3,818	**4,258**	4,227
Debtors - receivable after one year	21	**238**	306	**238**	306
Investments	22	**356**	592	**356**	592
Cash and cash equivalents		**15,767**	24,712	**15,372**	24,235
		23,040	31,605	**22,976**	31,660
Creditors: amounts due within one year	23	**(10,666)**	(9,177)	**(10,629)**	(8,959)
Net current assets		**12,374**	22,428	**12,347**	22,701
Total assets less current liabilities		**131,992**	145,138	**133,265**	146,602
Creditors: amounts after more than one year	24	**(20,825)**	(26,538)	**(20,856)**	(26,737)
Net assets		**111,167**	118,600	**112,409**	119,865
Capital and reserves					
Income and expenditure reserve		**105,557**	111,628	**106,799**	112,893
Restricted reserve		**5,610**	6,972	**5,610**	6,972
Total Capital and reserves		**111,167**	118,600	**112,409**	119,865

The financial statements were approved by the Board and authorised for issue on 7 September 2023 and signed on their behalf by:

Jenny Lawrence
Chair

The Notes on pages 34 to 56 form part of these Financial Statements.

FINANCIAL STATEMENTS

Consolidated Statement of Cash Flow
For the year ended 31 March 2023

		2023	2022
		£'000	£'000
Cash flows from operating activities			
(Deficit) / surplus for the financial year		**(7,433)**	(15,121)
Adjustments for:			
Impairment of housing properties	8	**1,951**	9,836
Depreciation of fixed assets - housing properties	8	**2,485**	2,485
Accelerated depreciation on disposal of components	8	**266**	266
Impairment of current assets	8	**-**	1,033
Depreciation of other fixed assets - Tangible and Intangible	17	**44**	85
Amortisation of grant	5	**(125)**	(125)
Movement in fair value of investments	22	**31**	(73)
Interest payable and finance costs	14	**262**	172
Interest received	13	**(264)**	(74)
Deficit / (surplus) on the disposal of fixed assets	12	**185**	(1,707)
(Increase) / decrease in trade and other debtors	21	**(144)**	(859)
(Increase)/decrease in properties held for sale	20	**(540)**	(1,265)
(Increase)/decrease in creditors including Revolving Credit Facility		**(4,171)**	(1,224)
Net cash (outflow)/inflow from operating activities		**(7,453)**	(6,571)
Cash flows from investing activities			
Transaction costs for sale of housing properties	12	**(77)**	(150)
Sale of current asset investments	22	**205**	1,156
Proceeds from sale of fixed assets - housing properties	12	**2,700**	6,345
Purchase of fixed assets - housing properties	16	**(3,223)**	(4,182)
Purchase of Other fixed assets - Tangible and Intangible	17	**(1,167)**	(2)
Net loan repayments from/(advances) to member societies	21	**68**	4,523
Interest received	13	**264**	74
Net cash used in investing activities		**(1,230)**	7,764
Cash flows from financing activities			
Interest paid	14	**(262)**	(172)
Net cash (outflow)/inflow by financing activities		**(262)**	(172)
Net (decrease)/increase in cash and cash equivalents		**(8,945)**	1,021
Cash and cash equivalents at beginning of year		**24,712**	23,691
Cash and cash equivalents at end of year		**15,767**	24,712

Analysis of Changes in Net Debt	**At Start of Year**	**Cashflows**	**At end of Year**
	£'000	£'000	£'000
Cash	24,712	(8,945)	15,767
Loans Falling due within 1 year	(5,000)	5,000	-
Loans Falling due after more than one year	-	-	-
Total	**19,712**	**(3,945)**	**15,767**

The Notes on pages 34 to 56 form part of these Financial Statements.

FINANCIAL STATEMENTS

Consolidated Statement of Changes in Reserves
For the year ended 31 March 2023

	Income and expenditure reserve £'000	Restricted reserves £'000	**Total £'000**
Balance at 31 March 2022	111,628	6,972	**118,600**
(Deficit) / Surplus for the year	(7,433)	-	**(7,433)**
Transfer from /(to) restricted reserves	1,362	(1,362)	**-**
Balance at 31 March 2023	**105,557**	**5,610**	**111,167**

Society Statement of Changes in Reserves
For the year ended 31 March 2023

	Income and expenditure reserve £'000	Restricted reserves £'000	**Total £'000**
Balance at 31 March 2022	112,893	6,972	**119,865**
(Deficit) / Surplus for the year	(7,456)	-	**(7,456)**
Transfer from /(to) restricted reserves	1,362	(1,362)	**-**
Balance at 31 March 2023	**106,799**	**5,610**	**112,409**

Consolidated Statement of Changes in Reserves
For the year ended 31 March 2022

	Income and expenditure reserve £'000	Restricted reserves £'000	**Total £'000**
Balance at 31 March 2021	120,953	12,768	**133,721**
(Deficit) / Surplus for the year	(15,121)	-	**(20,917)**
Transfer from /(to) restricted reserves	5,796	(5,796)	**-**
Balance at 31 March 2022	**111,628**	**6,972**	**112,804**

Society Statement of Changes in Reserves
For the year ended 31 March 2022

	Income and expenditure reserve £'000	Restricted reserves £'000	**Total £'000**
Balance at 31 March 2021	122,203	12,768	**134,971**
(Deficit) / Surplus for the year	(15,106)	-	**(15,106)**
Transfer from / (to) restricted reserves	5,796	(5,796)	**-**
Balance at 31 March 2022	**112,893**	**6,972**	**119,865**

The Notes on pages 34 to 56 form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. LEGAL STATUS

The Group consists of the following three trading entities: The Abbeyfield Society Limited ("the Society", company number 574816), Abbeyfield Properties Limited (company number 9482576) and The Abbeyfield Research Foundation (company number 9705217). The Society is a company limited by guarantee, incorporated in England and Wales, having no share capital and with solely charitable objectives. The Society is registered with the Regulator of Social Housing and the Charity Commission. The Society's registered address is 17-19 Hampton Lane, Solihull, B91 2QJ. The Society is a member of the wider Abbeyfield Family, headed by Abbeyfield England and The Abbeyfield Society World Council. The Abbeyfield Society is now trading as The Abbeyfield Living Society.

The Society and the Group do not have a controlling interest in any Abbeyfield Member Society. The Society is a public benefit entity. These financial statements do not reflect the assets, liabilities or financial transactions of any member societies other than the Society. Abbeyfield Properties Limited is a company limited by shares, incorporated in England and Wales, having a share capital of £1. Abbeyfield Properties Limited is a wholly owned subsidiary of the Society. It was set up by the Society as a design-and-build company for undertaking new developments. Abbeyfield Research Foundation is a company limited by guarantee, incorporated in England and Wales, having no share capital and with solely charitable objectives. It is registered with the Charity Commission (Charity No. 1167685). Abbeyfield Research Foundation is a wholly owned subsidiary of the Society. Abbeyfield Research Foundation is a fundraising and grant making body, which focuses on funding research into issues that affect older people.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable law and UK accounting standards in the United Kingdom (United Kingdom Generally Accepted Accounting Practice) which for the Society includes the Companies Act, Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland", and the Statement of Recommended Practice (SORP) for Registered Social Housing Providers, "Accounting by Registered Social Housing Providers" 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The accounts are prepared under the historic cost basis except for the modification to a fair value basis for certain financial instruments and investment properties, as specified in the accounting policies below. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the management to exercise judgement in applying the Group's accounting policies. In preparing the separate financial statements of the Society, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the Society;
- Disclosures in respect of the Society's financial instruments have not been presented since equivalent disclosures have been provided in respect of the Group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Society as their remuneration is included in the totals shown for the Group as a whole.

The following principal accounting policies have been applied:

Basis of Consolidation
The consolidated financial statements present the results of the Society, a registered provider of social housing and its subsidiaries (together "the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

Income

The Society's turnover principally comprises income receivable from care and housing services, annual membership fees due from Member Societies, donations from third parties, legacies and sale of properties. The residents' charges are composite amounts covering rent, service charges and care income. Income is measured at the fair value of the consideration received or receivable. The Group generates the following material income streams:

- Rental income (excluding rent from void properties available for letting);
- Care fees
- Service charges receivable;
- Donations and legacies;
- Membership fees;
- Property sales proceeds;
- Market rents.

Turnover from social housing lettings and care services is recognised on delivery of services to end users, as the Society performs its obligations. Income from donations and legacies is accounted for on a receivable basis when it is more likely than not that the economic benefits will flow to the Society and the amount of the income can be measured reliably together with any related costs. Proceeds from the sale of properties are recognised on completion of sales. Rental income is recognised from the point when properties under development reach practical completion and are formally let. The Group adopts a fixed method for calculating and charging service charges to its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the estimated amounts chargeable.

Legacy Income

Legacy income is recognised in the accounts when receipt is considered probable. Legacy receipts are usually considered probable when the executors have confirmed there is a bequest to the Society which can be estimated. A general provision is made against estimated legacies to prevent over-estimation of legacy income.

Value Added Tax

The Group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. Recoverable VAT arising from partially exempt activities is credited to the Statement of Comprehensive Income.

Finance Costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the applicable interest rate so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Pension Costs

Contributions to the Group's defined contribution pension scheme are charged to the Statement of Comprehensive Income in the year in which they become payable.

Holiday Pay Accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Tangible Fixed Assets- Housing Properties

Housing properties constructed or acquired (including land) on the open market are stated at cost less depreciation and impairment where applicable. Housing properties received as part of a transfer of

undertakings were initially recorded at fair value; depreciation and impairment has been deducted as applicable. The cost of freehold land and property represents their purchase price and any directly attributable costs of acquisition which may include an appropriate amount for staff costs and other costs of managing development.

Tangible Fixed Assets- Housing Properties (continued)

Expenditure on major refurbishment of properties are capitalised where the works will increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income with the exception of components, which are capitalised as they have a life of more than one year. Housing properties in the course of construction, excluding the estimated cost of the element of shared ownership properties expected to be sold in first tranche, are included in Tangible Fixed Assets and held at cost less any impairment, and are transferred to completed properties when ready for letting.

Depreciation of Housing Properties and investment properties held at costs

Housing properties are split between freehold land, structure and other major components that are expected to require replacement over time. The portion of shared ownership property retained or expected to be retained is not depreciated on account of the high residual value. Neither the depreciable amount nor the expected annual depreciation charge for such assets is considered material, individually or in aggregate. Assets in the course of construction are not depreciated until they are completed and ready for use. Freehold land is not depreciated on account of its indefinite useful economic life. The cost of all other housing property (net of accumulated depreciation to date and impairment, where applicable) and components is depreciated over the useful lives of the assets on the following basis:

Description	Estimated useful life (years)
Structure	100
Roofs	50
Kitchen	30
Bathroom	30
Windows and doors	30
Electrical	20
Heating	15
Lifts	15
Furniture and Equipment	10

Allocation of Costs for Mixed Tenure and Shared Ownership Developments

Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. Where it is not possible to relate costs to a specific tenure type costs the costs are allocated by square footage.

Other Fixed Assets – Tangible & Intangible

Other tangible and intangible fixed assets are stated at historic cost less accumulated depreciation and any accumulated impairment losses. Historic cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Society. The carrying amount of the replaced part is written off. Repairs and maintenance are charged to Statement of Comprehensive Income during the period in which they are incurred.

Depreciation of Other Fixed Assets - Tangible and Intangible

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

Description	Estimated useful life (Years)
Furniture and equipment	10
Motor vehicles	5
Office furniture	5
Office equipment and computer software	3-5

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised below operating surplus/(deficit), in the statement of comprehensive income.

Investment Properties
Investment properties consist of properties not held for social benefit or use in operations. They are properties held to earn rental income or for capital appreciation. They are initially measured at cost and subsequently at fair value as determined by external valuers. No depreciation is provided. Changes in fair value are recognised in income or expenditure.

Government Grants
Grant received in relation to constructed or acquired housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018. Grant is carried as deferred income in the balance sheet and released to the Statement of Comprehensive Income on a systematic basis over the useful economic lives of the asset for which it was received. Where social housing grant ("SHG") funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the Statement of Comprehensive Income. Where properties with grant attached are received as part of a transfer of undertakings the ultimate requirement to recycle/repay grant sits within the Society and is recorded as a contingent liability. When properties are identified for sale and a grant liability will crystallise that is not covered by the anticipated sales proceeds, additional provision for impairment is recorded. Grants relating to revenue are recognised in the Statement of Comprehensive Income over the same period as the expenditure to which they relate once performance related conditions have been met. Grants due from government organisations or received in advance are included as current assets or liabilities.

Recycled Capital Grant Fund
On the occurrence of certain relevant events, primarily the sale of dwellings, Homes England can direct the Society to recycle capital grants or to make repayments of the recoverable amount. The Group adopts a policy of recycling, for which a separate fund is maintained. If unused within a three-year period, grant should be repayable to Homes England with interest. Any unused recycled capital grant held, is disclosed in the balance sheet under "creditors due after more than one year", except where the property disposal was greater than two years previous and this is disclosed, as creditors due less than one year.

Valuation of Investments
Investments in subsidiaries are measured at cost less accumulated impairment. Investments in listed company shares, which have been classified as current asset investments, are stated at fair value at each balance sheet date. Gains and losses are recognised in the Statement of Comprehensive Income for the period.

Impairment of Tangible Fixed Assets
The housing property portfolio for the Group is assessed for indicators of impairment at each balance sheet date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. An option appraisal is carried out to determine the option which produces the highest net realisable value.

Some properties have been valued at value-in-use service potential. The Society defines cash generating units at unit level. Where the recoverable amount of an asset or cash generating unit is lower than its carrying value an impairment is recorded through a charge to Statement of Comprehensive Income.

Properties Held for Sale
Properties held for sale comprises work in progress and completed properties, including housing properties developed for transfer to other registered providers; closed properties received as part of a transfer of undertakings that are held for sale; properties developed for outright sale; and shared ownership properties. For shared ownership properties the value held as properties held for sale is the allocation of total costs based on the estimated percentage to be sold as a first tranche. Properties held for sale are stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs.

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

Recoverable Amount of Rental and Other Trade Receivables
The Group estimates the recoverable value of rental and other receivables and impairs any debtors by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historic collection rates and the class of debt.

Loans to Member Societies
Loans to Member Societies are regarded as concessionary loans (FRS 102). Those loans are made at a rate of interest which is below the prevailing market rate of interest. These loans are measured at the amount advanced at the inception of the loan less amounts received and any provisions for impairment. Any associated grant is recognised as deferred income until the loan is redeemed.

Rent and Service Charge Agreements
The Group has made arrangement with individuals and households for arrears payments of rent and service charges. These arrangements are effectively concessionary loans granted at nil interest rate.

Loans, Investments and Short-Term Deposits
These instruments are initially recorded at the transaction price less any transaction costs (historic cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost. Loans and investments that are payable or receivable within one year are not discounted.

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

Cash and Cash Equivalents
These consists of cash at bank and deposit with an original maturity of 6 months or less.

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

Reserves
Income received, and expenditure incurred, for restricted purposes is separately accounted for as restricted funds. Restricted funds arise from either the conditions of the legacy or donation. Realised and unrealised gains and losses on assets held as restricted funds are also allocated to the restricted fund. Unrestricted reserves are accounted for under the income and expenditure reserves.

Leased Assets: Lessee
Where assets are financed by leasing agreements that give rights to the Group approximating to ownership (finance leases), the assets are treated as if they has been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease. Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognized over the term of the lease as an integral part of the total lease expense

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

- whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset;
- the appropriate allocation of costs relating to shared ownership between current and fixed assets;
- the categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset;
- the categorisation of leases as operating, or finance leases based on the risk and rewards of ownership of the asset over the economic life of the asset.
- Investments (see Note 22): The most critical estimates, assumptions and judgements relate to the determination of carrying value of investments which are determined using the values provided by Waverton Investment Management;

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

- the anticipated costs to complete a development scheme are based on anticipated construction cost, effective rate of interest on loans during the construction period, legal and other costs. Based on the costs to complete, the recoverability of the cost of properties developed for outright sale and/or land held for sale is considered. This judgement is also based on the best estimate of sales value taking on board the economic conditions within the area of development;
- Debtors (see Note 21): The estimate for receivables involves an assessment of recoverability of the balances outstanding at the year end, including a review of the age profile of the debt, historic collection rates and the class of debt;
- Investment properties (see Note 18): Investment properties are valued annually using yield methodology. This requires the use of market rental values capitalised at a market capitalisation rate. There is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Key input into the valuation are the rent receivable, net initial yield and location / condition of the property.

Other Key Sources of Estimation Uncertainty

Tangible Fixed Assets (see Note 16) are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

4. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS – GROUP

	Note	**Turnover 2023 £'000**	**Operating costs 2023 £'000**	**Operating (deficit) / surplus 2023 £'000**
Social housing lettings	5	**42,103**	**(53,310)**	**(11,207)**
Activities other than Social Housing Activities				
Affordable rent (Independent Living) and other		**4,119**	**(3,561)**	**558**
Membership activity		**682**	**(769)**	**(87)**
International activity		**8**	**(45)**	**(37)**
Other		**1**	**-**	**1**
Donations and legacies		**3,580**	**(226)**	**3,354**
Furlough Income		**119**	**-**	**119**
Total		**50,612**	**(57,911)**	**(7,299)**

	Note	Turnover 2022 £'000	Operating costs 2022 £'000	Operating (deficit) / surplus 2022 £'000
Social housing lettings	5	39,477	(59,773)	(20,296)
Activities other than Social Housing Activities		-	-	
Affordable rent (Independent Living) and other		3,569	(2,634)	935
Membership activity		713	(1,140)	(427)
International activity		12	(44)	(32)
Other		2	(15)	(13)
Donations and legacies		1,920	(285)	1,635
Furlough Income		1,395	-	1,395
Total		**47,088**	**(63,891)**	**(16,803)**

PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS – SOCIETY

	Note	**Turnover 2023 £'000**	**Operating costs 2023 £'000**	**Operating (deficit) / surplus 2023 £'000**
Social housing lettings	5	**42,103**	**(53,310)**	**(11,207)**
Activities other than Social Housing Activities				
Affordable rent (Independent Living) and other		**4,119**	**(3,561)**	**558**
Membership activity		**682**	**(769)**	**(87)**
International activity		**8**	**(45)**	**(37)**
Other		**1**	**1**	**2**
Donations and legacies		**3,556**	**(226)**	**3,330**
Furlough Income		**119**	**-**	**119**
Total		**50,588**	**(57,910)**	**(7,322)**

PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS – SOCIETY (continued)

	Note	Turnover 2022 £'000	Operating costs 2022 £'000	Operating (deficit) / surplus 2022 £'000
Social housing lettings	5	39,477	(59,773)	(20,296)
Activities other than Social Housing Activities				
Affordable rent (Independent Living) and other		3,569	(2,634)	935
Membership activity		713	(1,140)	(427)
International activity		12	(44)	(32)
Other		1	1	2
Donations and legacies		1,920	(285)	1,635
Furlough Income		1,395	-	1,395
Total		47,087	(63,875)	(16,788)

5. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS – GROUP AND SOCIETY

		Care	**Supported Housing**	**Total 2023**	Total 2022
		£'000	**£'000**	**£'000**	£'000
Income					
Rents net of identifiable service charges		28,459	3,473	**31,932**	29,767
Service charge income		-	10,046	**10,046**	9,585
Grant amortisation		125	-	**125**	125
Turnover from social housing lettings		28,584	13,519	**42,103**	39,477
Expenditure					
Management		(6,183)	(3,235)	**(9,418)**	(9,636)
Service charge costs		-	(8,930)	**(8,930)**	(8,426)
Charges for support services		(26,321)	-	**(26,321)**	(24,589)
Routine maintenance		(932)	(2,447)	**(3,379)**	(2,964)
Major repairs expenditure		(528)	(61)	**(589)**	(426)
Bad debts		118	47	**165**	(101)
Impairment (Housing Properties)	8	1,402	(3,353)	**(1,951)**	(10,869)
Accelerated depreciation		(85)	(131)	**(216)**	(230)
Depreciation (Housing Properties)		(1,112)	(946)	**(2,058)**	(2,032)
Depreciation (Other Fixed Assets)		(31)	(13)	**(44)**	(85)
Abortive Costs		(1)	(568)	**(569)**	(415)
Operating expenditure on social housing lettings		**(33,673)**	**(19,637)**	**(53,310)**	(59,773)
Operating (deficit)/surplus on social housing lettings		**(5,089)**	**(6,118)**	**(11,207)**	(20,296)
Void losses		**(6,097)**	**(2,945)**	**(9,042)**	(10,208)

Bad debts: During the year some outstanding provisions were written back.

5. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS – GROUP AND SOCIETY (continued)

Prior year service charge income and costs have been restated above. In the prior year, part of the service charge expenditure was incorrectly classified as "Charges for support services", thereby understating the Service Charge Costs. All service charge costs for 2022 have now been reclassified as "Service charge costs" and the service charge voids formerly contained within "Rents net of identifiable service charges" have been restated and netted off against the "Service charge income". These changes have had no impact on the "Operating (deficit)/surplus on social housing lettings" and the net income / funds.

6. PARTICULARS OF TURNOVER FROM NON-SOCIAL HOUSING LETTINGS – GROUP AND SOCIETY

	2023	2022
	£'000	£'000
Affordable Rent	**4,119**	3,569
Total	**4,119**	3,569

7. UNITS OF HOUSING STOCK – GROUP AND SOCIETY

	2023	2022
	Total	Total
Supported Housing	**950**	971
Residential care home bed spaces	**653**	653
Affordable Rent	**293**	269
Total Owned and Directly Managed accommodation	**1,896**	1,893
Units under construction	**-**	24
Units owned by the Society but managed by others	**105**	105
Non Housing Stock (Restaurants and Commercial units)	**21**	21
Total Commercial and Indirectly Managed accommodation	**126**	126
Total units owned and managed	**2,022**	**2,019**

8. OPERATING DEFICIT

	Group 2023 £'000	Group 2022 £'000	**Society 2023 £'000**	Society 2022 £'000
The operating deficit is arrived at after charging:				
Depreciation of housing properties: charge for the year	**2,058**	2,032	**2,058**	2,032
Depreciation of market let properties: charge for the year	**427**	453	**427**	453
Depreciation of other fixed assets - tangible and intangible	**44**	85	**44**	85
Accelerated depreciation of housing properties	**216**	230	**216**	230
Accelerated depreciation of market let properties	**50**	36	**50**	36
Impairment (Housing Properties)	**1,951**	9,836	**1,951**	9,836
Impairment (Current Assets)	**-**	1,033	**-**	1,033
Operating lease charges	**769**	781	**769**	781
Auditors' remuneration:				
Group accounts	**90**	85	**90**	85
Subsidiaries	**11**	10	**11**	10
other audit related assurance	**8**	8	**8**	8
tax advice	**13**	12	**13**	12

9. EMPLOYEES

All employees of the Group are employed through the Society, therefore the costs and employee numbers are the same for the Group and the Society.

9.1 Employee Costs

	Group 2023 £'000	Group 2022 £'000
Staff costs (including Executive Management Team) consist of:		
Wages and salaries	**25,592**	27,174
Social Security costs	**2,060**	2,066
Cost of defined contribution scheme	**887**	897
Total	**28,539**	30,137

Redundancy payments of £318,604 (2022: £136,951) were made in the year with £47,122 (2022: £13,056) owing as at March 2023. The reason for the increase in redundancy payments was primarily due to the move regionalised to a more centralised structure.

9.2 Employee numbers

The average number of employees including part time staff is shown as headcount. The Full Time Equivalents (FTE's), calculated based on a standard working week of 35 hours during the year were as follows:

	FTE's 2023	FTE's 2022	**Headcount 2023**	Headcount 2022
Administration	**109**	128	**134**	134
Development	**1**	4	**2**	4
Housing, Support and Care	**798**	842	**1,136**	1,175
Total	**908**	974	**1,272**	1,313

10. Board and Executive Remuneration

None of the members of the Board received any emoluments during the year (2022: £nil). Board expenses for the year are £6,773 (2022: £3,459).

	Group and Society 2023 £'000	Group and Society 2022 £'000
Executive emoluments	**827**	968
Employer NI	**107**	127
Contributions to money purchase pension schemes	**41**	41
Total	**975**	1,136

The total amount payable to the Chief Executive, who was also the highest paid Executive Team member, in respect of emoluments was £186,000 (2022: £177,750). Employer pension contributions totalling £7,200 were made during the year for a defined contribution scheme which is open to all employees.

The remuneration paid to staff (including the Executive Management Team) earning over £60,000:

	Group 2023 number	Group 2022 number	**Society 2023 number**	Society 2022 number
£60,001 - £70,000	14	12	14	12
£70,001 - £80,000	4	5	4	5
£80,001 - £90,000	3	1	3	1
£90,001 - £100,000	2	5	2	5
£110,001 - £120,000	2	-	2	-
£120,001 - £130,000	-	1	-	1
£130,001 - £140,000	-	-	-	-
£160,001 - £170,000	-	1	-	1
£170,001 - £180,000	1	1	1	1

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. BOARD AND COMMITTEE MEMBERS

	Member of:					
Board/Committee Member	**Group Board**	**People Committee**	**Audit and Risk Committee**	**Finance and Investment Committee**	**Customer Committee**	**Property Committee**
Jenny Lawrence	✓	✓		✓		
Chris Smith	✓		✓		✓	✓
Sara Beamand	✓	✓			✓	
Amanda Houlihan	✓	✓				
Roger Lees	✓			✓		✓
George Ashworth	✓			✓		✓
Mike Turner	✓			✓		✓
Marc Marrero	✓		✓			
David Carr	✓		✓			
Martin Cox	✓				✓	
Terri Pettifer-Eagles	✓	✓				

12. SURPLUS ON DISPOSAL OF FIXED ASSETS – GROUP AND SOCIETY

	2023	2022
	£'000	£'000
Disposal proceeds	**2,700**	6,345
Net Book Value	**(2,455)**	(1,399)
Impairment reversed at sale	**(166)**	(1,793)
Selling costs	**(77)**	(150)
Grant recycled	**(187)**	(1,296)
	(185)	**1,707**

13. INTEREST RECEIVABLE AND INCOME FROM INVESTMENTS – GROUP AND SOCIETY

	Group 2023	Group 2022	**Society 2023**	Society 2022
	£'000	£'000	**£'000**	£'000
Interest on loans to member societies	**9**	58	**9**	58
Bank and Investment Interest	**255**	16	**255**	16
Total	**264**	74	**264**	74

14. INTEREST PAYABLE AND SIMILAR CHARGES – GROUP AND SOCIETY

	Group	Group	**Society**	Society
	2023	2022	**2023**	2022
	£**'000**	£'000	**£'000**	£'000
Bank Loans and overdrafts	**145**	159	**145**	159
Recycled capital grant fund	**117**	13	**117**	13
Total	**262**	172	**262**	172

15. TAXATION

There was no tax charge for the year (2022: £nil) as the Society's activities are charitable in nature.

16. HOUSING PROPERTIES – GROUP

	Care Housing and Independent Living completed £'000	Care, Housing and Independent Living under construction £'000	Shared Ownership completed £'000	Total £'000
Cost:				
As at 31 March 2022	**144,806**	**13,414**	**793**	**159,013**
Additions:				
Construction Costs	-	403	-	403
Additions to completed Schemes	-	-	-	-
Replaced components	2,820	-	-	2,820
Transferred to current assets	-	(191)	-	(191)
Component disposal	(491)	-	-	(491)
Closed property disposal	(3,181)	-	-	(3,181)
Construction assets completed during the year	3,788	(3,788)	-	-
As at 31 March 2023	**147,742**	**9,838**	**793**	**158,373**
Depreciation:				
As at 31 March 2022	**21,313**	-	-	**21,313**
Charge for the year	2,483	-	-	2,483
Eliminated on disposals: components	(247)	-	-	(247)
Eliminated on disposals: other	(396)	-	-	(396)
As at 31 March 2023	**23,153**	-	-	**23,153**
Impairment:				
As at 31 March 2022	**6,012**	**9,836**	**-**	**15,848**
Charge for the year	5,079	-	-	5,079
Reversed prior year impairment	(3,128)	-	-	(3,128)
Released in the year at sale	(166)	-	-	(166)
Adjustment to PY	-	2	-	2
As at 31 March 2023	**7,797**	**9,838**	**-**	**17,635**
Net book value at 31 March 2023	**116,792**	**-**	**793**	**117,585**
Net book value at 31 March 2022	**117,481**	**3,578**	**793**	**121,852**

16. HOUSING PROPERTIES – SOCIETY

	Care Housing and Independent Living completed £'000	Care, Housing and Independent Living under construction £'000	Shared Ownership completed £'000	Total £'000
Cost:				
As at 31 March 2022	**146,106**	**13,305**	**793**	**160,204**
Additions:				
Construction Costs	-	512	-	512
Additions to completed Schemes	-	-	-	-
Replaced components	2,820	-	-	2,820
Transferred to current assets	-	(191)	-	(191)
Component disposal	(491)	-	-	(491)
Closed property disposal	(3,181)	-	-	(3,181)
Construction assets completed during the year	3,788	(3,788)	-	-
As at 31 March 2023	**149,042**	**9,838**	**793**	**159,673**
Depreciation:				
As at 31 March 2022	**21,313**	-	-	**21,313**
Charge for the year	2,483	-	-	2,483
Eliminated on disposals: components	(247)	-	-	(247)
Eliminated on disposals: other	(396)	-	-	(396)
As at 31 March 2023	**23,153**	**-**	**-**	**23,153**
Impairment:				
As at 31 March 2022	**6,012**	9,836	-	**15,848**
Charge for the year	5,079	-	-	5,079
Reversed prior year impairment	(3,128)	-	-	(3,128)
Released in the year at sale	(166)	-	-	(166)
Adjustment to PY	-	2	-	2
As at 31 March 2023	**7,797**	**9,838**	-	**17,635**
Net book value at 31 March 2023	**118,092**	**-**	**793**	**118,885**
Net book value at 31 March 2022	118,781	3,469	793	123,043

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. HOUSING PROPERTIES – FURTHER ANALYSES

Freehold vs Leasehold

	Group 2023 £'000	**Society** 2023 £'000	Group 2022 £'000	Society 2022 £'000
Freehold	**115,035**	**116,337**	119,095	120,286
Long leasehold	**2,549**	**2,549**	2,757	2,757
Total	**117,584**	**118,886**	121,852	123,043

Major Works

	Group 2023 £'000	**Society** 2023 £'000	Group 2022 £'000	Society 2022 £'000
Improvements to existing properties capitalised	**2,820**	**2,820**	2,216	2,216
Total	**2,820**	**2,820**	2,216	2,216

Capital Grants – Housing Properties Grants in Reserves

Capital grant - Housing Properties in Reserves	Group 2023 £'000	Society 2023 £'000	Group 2022 £'000	Society 2022 £'000
As at 1 April 2022	**25,340**	**25,340**	26,024	26,024
Capital grant - Housing Properties in creditors	**16,661**	**16,661**	16,787	16,787
Recycled Capital Grant Fund	**5,707**	**5,707**	5,548	5,548
Total	**47,708**	**47,708**	48,359	48,359

The Society had property with a book value of £17.6m pledged as security at 31 March 2023 (2022: £17.6m). The bank revaluation exercise completed as at year end date reported total security value of £30.9m

17. OTHER FIXED ASSETS, TANGIBLE AND INTANGIBLE – GROUP AND SOCIETY

	Fixtures, fittings and furniture £'000	Computer and other office equipment £'000	**Total £'000**
Cost:			
As at 31 March 2022	**592**	**723**	**1,315**
Additions	2	1,165	**1,167**
Disposals	(591)	(228)	**(819)**
As at 31 March 2023	**3**	**1,660**	**1,663**
Depreciation:			
As at 31 March 2022	**563**	**694**	**1,257**
Charge for the year	9	41	**50**
Disposals	(570)	(227)	**(797)**
As at 31 March 2023	**2**	**508**	**510**
Net book value at 31 March 2023	**1**	**1,152**	**1,153**
Net book value at 31 March 2022	29	29	58

Included in the Other Fixed Assets net book value as at 31 March 2023 are intangible assets of £246k (2022: £18k) representing software costs.

18. INVESTMENT PROPERTIES

Group and Society

	Market rent £'000
Cost:	
As at 1 April 2022	800
Revaluation	80
At 31 March 2023	**880**

The valuations were undertaken by Savills LLP as at 31 March 2023 in accordance with the RICS Valuation Global Standards 2017 and the RICS Valuation - Professional Standards 2014. In valuing investment properties an investment method of valuation was used. Details of the assumptions made and the key sources of estimation uncertainty are given in Note 3

18. INVESTMENT PROPERTIES (continued)

If investment property had been accounted for under the historic cost accounting rules the properties would have been measured as follows (refer to Note 2 for accounting policy)

	Group 2023	Group 2022	**Society 2023**	Society 2022
	£'000	£'000	**£'000**	£'000
Cost:				
Historic cost	**591**	591	**591**	591
Accumulated Depreciation	**(145)**	(142)	**(145)**	(142)
At 31 March 2023	**446**	449	**446**	449

19. INVESTMENTS

	Country of incorporation or registration	**Voting rights % held**	**Nominal value of the shares held**	**Nature of business**	**Surplus**	**Net Assets**	**Nominal value of the share held**
Subsidiary Undertakings							
Abbeyfield Properties Limited	England	100%	£1	Design-and-build	2023: £24k 2022: £158k	2023: £1 2022: £1	Incorporated company, limited by shares
The Abbeyfield Research Foundation	England	100%	£nil	Fundraising and grant making	2023: (£35) 2022: (£14k)	2023: £49k 2022: £49k	Incorporated company, limited by guarantee
Abbeyfield UK Limited	England	100%	£nil	Dissolved 15 August 2023	2023: £nil 2022: £nil	2023: £nil 2022: £nil	Incorporated company, limited by guarantee
Pebblemist Limited	England	100%	£nil	Dormant	2023: £nil 2022: £nil	2023: £nil 2022: £nil	Incorporated company, limited by guarantee
Abbeyfield Elland Society Limited	England	100%	£nil	Dormant	2023: £nil 2022: £nil	2023: £nil 2022: £nil	Incorporated company, limited by guarantee

All above Subsidiary undertakings are registered at The Abbeyfield Society, 17-19 Hampton Lane, Solihull, B91 2QJ

20A. PROPERTIES HELD FOR SALE - GROUP

	Closed properties held for sale £'000	Developed units £'000	2023 Total £'000	2022 Total £'000
Work in progress	-	1,736	1,736	3,794
Completed properties - developed and closed	2,337	-	2,337	-
Completed properties - acquired	380	-	380	120
Less: Provision for impairment	-	(1,736)	(1,736)	(1,737)
Total	2,717	-	2,717	2,177

20B. PROPERTIES FOR SALE – SOCIETY

	Closed properties held for sale £'000	Developed units £'000	2023 Total £'000	2022 Total £'000
Work in progress	-	1,736	1,736	3,917
Completed properties - developed and closed	2,372	-	2,372	-
Completed properties - acquired	380	-	380	120
Less: Provision for impairment	-	(1,736)	(1,736)	(1,737)
Total	2,752	-	2,752	2,300

Properties developed for sale do not include capitalised interest.

21. DEBTORS – GROUP AND SOCIETY

	Group 2023 £'000	Group 2022 £'000	Society 2023 £'000	Society 2022 £'000
Due within one year				
Rent and service charge arrears	1,333	830	1,333	830
Less: Provision for doubtful debts	(266)	(270)	(266)	(270)
	1,067	560	1,067	560
Abbeyfield member societies	61	116	61	116
Other debtors	235	382	531	791
Prepayments and accrued income	2,599	2,760	2,599	2,760
Total	3,962	3,818	4,258	4,227
Due after one year				
Due from Abbeyfield member societies	238	306	238	306

22. CURRENT ASSET INVESTMENTS – GROUP AND SOCIETY

	2023	2022
	£'000	£'000
Opening fair value	**592**	1,675
Additions	**-**	-
Fair Value Adjustment	**(31)**	73
Disposals	**(205)**	(1,156)
Closing fair value	**356**	592

All current asset investments are shares held in listed companies which trade on a regular basis. Investments in the year were managed by LGT Wealth Management (Vestra) and Waverton Investment Management. The closing fair value as at 31 March 2023 related to investments held with Waverton Investment Management only which had original cost of investment of £307k.

23. CREDITORS: FALLING DUE WITHIN ONE YEAR – GROUP AND SOCIETY

	Group	Group	**Society**	Society
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Trade creditors	**973**	1,235	**973**	1,235
Taxation and social security	**856**	389	**856**	389
Other creditors	**1,938**	1,985	**1,868**	1,856
Deferred capital grant (note 25)	**125**	125	**125**	125
Recycled Capital Grant Fund (note 26)	**1,949**	1,066	**1,949**	1,066
Accruals and deferred income	**4,825**	4,377	**4,760**	3,557
Amount owed to group undertakings	**-**	-	**98**	731
Total	**10,666**	9,177	**10,629**	8,959

Taxation and social security above include 3 months pension liability of £450k (2022: £Nil) accrued as a result of new system implementation.

Of the Recycled Capital Grant Fund, £861k (2022: £133k) is likely to be repaid to the Greater London Authority if approval is not given for extended use.

24. CREDITORS: FALLING DUE AFTER ONE YEAR – GROUP AND SOCIETY

	Group	Group	**Society**	Society
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Deferred capital grant (note 25)	**16,536**	16,661	**16,536**	16,661
Recycled Capital Grant Fund (note 26)	**3,758**	4,482	**3,758**	4,482
Bank Loan	**-**	5,000	**-**	5,000
Other creditors	**531**	395	**562**	594
Total	**20,825**	26,538	**20,856**	26,737

25. DEFERRED CAPITAL GRANT – GROUP AND SOCIETY

	2023	2022
	£'000	£'000
At 31 March 2022	**16,786**	15,690
Grants recycled from the recycled grant fund	**-**	1,221
Released to income during the year	**(125)**	(125)
Total	**16,661**	16,786

26. RECYCLED CAPITAL GRANT – GROUP AND SOCIETY

Capital grant: relating to development activities funded by

	HCA 2023	**GLA 2023**	**Total 2023**	HCA 2022	GLA 2022	Total 2022
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
At 31 March 2022	**2,968**	**2,580**	**5,548**	2,886	2,573	5,459
Inputs to fund:						
Grants recycled from reserves at point of sale	**187**	**-**	**187**	1,296	-	1,296
Transfer to deferred grant	**-**	**-**	**-**	(1,221)	-	(1,221)
Interest accrued	**67**	**51**	**118**	7	7	14
Repayment to GLA	**-**	**(133)**	**(133)**	-	-	**-**
Tax rebate	**(8)**	**(5)**	**(13)**			
At 31 March 2023	**3,214**	**2,493**	**5,707**	2,968	2,580	5,548
Included in creditors: amounts due within one year	1,087	862	**1,949**	936	130	1,066
Included in creditors: amounts due after more than one year	2,127	1,631	**3,758**	2,032	2,450	4,482
At 31 March 2023	**3,214**	**2,493**	**5,707**	2,968	2,580	5,548

27A. LOANS AND BORROWINGS – GROUP AND SOCIETY

	Bank loans 2023 £'000	Bank loans 2022 £'000
Maturity of debt:		
More than one year and up to two years	**-**	5,000
Total	**-**	5,000

The Group has a £5 million overdraft facility and a £5m Revolving Credit Facility (RCF) with Barclays Bank. Both facilities are secured by charges on certain housing and care properties of the Group, as disclosed in Notes 16 and 19. The overdraft and RCF were available but undrawn at year end.

27B. FAIR VALUE OF NET CURRENT ASSETS – GROUP AND SOCIETY

	2023 £'000	2022 £'000
Financial assets		
Financial assets measured at fair value:		
Investments	**356**	1,675
Financial assets measured at historic cost:		
Trade receivables	**1,333**	313
Other receivables	**2,867**	7,338
Cash and cash equivalents	**15,767**	23,691
Total financial assets	**20,323**	33,017
Financial liabilities		
Financial liabilities measured at amortised cost:		
Trade creditors	**(973)**	(737)
Loan	**-**	(5,000)
Other creditors	**(7,619)**	(8,159)
Total financial liabilities	**(8,592)**	(13,896)

28. CONTINGENT LIABILITIES

The Group receives grants from Homes England and from the Greater London Authority, which are used to fund the acquisition and development of housing properties and their components. Where member societies and other organisations have transferred their net assets to the Group through a transfer of undertakings, any related grants are taken into account in the fair value of the assets and this is credited to reserves as part of the surplus/deficit on transfer. The Group has a future obligation to recycle such grants once the properties are disposed of. The amount of grant on properties which will be recycled on disposal, where not already accrued, is £1,319k. Total grants in reserves amount to £25.34m (2022: £26.02m).

28. CONTINGENT LIABILITIES (continued)

Through the Abbeyfield Research Foundation, grants are awarded to fund research into issues affecting the care of older people, with the aim of developing practical solutions to improve care. At 31 March 2023 the outstanding commitment to the Abbeyfield Research Foundation was £311k (2022: £511k).

29. OPERATING LEASES – GROUP AND SOCIETY

The Group and the Society had minimum lease payments under non-cancellable operating leases as set out below:

	2023	2022
	£'000	£'000
Amounts payable as lessee:		
Within one year	**769**	781
After one year but within five years	**2,996**	2,996
After five years	**15,791**	16,540
Total	**19,556**	20,317

30. CAPITAL COMMITMENTS – GROUP AND SOCIETY

	2023	2022
	£'000	£'000
Commitments contracted but not provided for:		
Major Works	**2,120**	1,505
Construction	**239**	801
Experience Programme	**211**	1,334
Commitments approved by the Board but not provided for:		
Major Works	**3,407**	-
Construction	**200**	588
Experience Programme	**159**	571
Total	**6,336**	4,799

Capital commitments for the Group and Society will be funded as follows:		
Social Housing Grant	**920**	-
Sales of properties	**3,846**	3,280
Donations	**1,200**	-
Existing cash and utilisation of facilities	**370**	1,519
Total	**6,336**	4,799

31. RELATED PARTY DISCLOSURES

Abbeyfield Properties Limited ("APL") charged design-and-build fees to the Society amounting to £927k (2022: £3,738k) that included a 5% mark up by APL. The contractors' costs incurred by APL relating to the design-and-build amounted to £882k (2022: £3,560k). APL has made a charitable donation to the Society of £24k in respect of the year (2022: £158k).

No grant was made to Abbeyfield Research Foundation by the Society during the year (2022: £100k).

During the year costs of £769k (2022: £1,140k) were incurred as part of the Society's support for other member societies. This does not include any allocation of central costs (2022: £0k).

During the year three of the Society's Trustees were also Chairs of member / international societies and as such transactions with these member / international societies are considered to be related parties.

The Trustees, their related societies and the associated membership fee transactions during the year were as follows:

Name	Society	Value of transactions
Jeff Medlock - Vice Chairman	Abbeyfield Beaconsfield Society	£10,685
Andre Decraene	Abbeyfield Belgium	£1,393
Cedric Meiring	Abbeyfield South Africa	£1,548

32. RESTRICTED RESERVES

At the start of the financial year, the opening restricted reserves was £6.97m (2022: £12.8m). During the year, we received a restricted donation from the Mary Feilding Trust of £2.3m. The Mary Feilding Trust's donation was applied towards a specific project which includes the purchase of essential hardware, installation of a reliable Wi-Fi service, installation of electric vehicle charging points and upgrade to residents' facilities. A review of restricted reserves was undertaken at the year-end and, where restrictions did not apply, these reserves were released appropriately. Where there were uncertainties around the terms of the restriction, the Board of Trustees decided to either designate these reserves or refer to the Charity Commission for a Cy Pres. This was in line with advice received from our legal advisors. The balance of the designated reserves as at 31 March 2023 as £1.695m (2022: £1.06m).

33. BUSINESS COMBINATIONS

No businesses were transferred to the Society during the year.

34. POST BALANCE SHEET EVENTS

Following the balance sheet date, the Society announced the commencement of a Sustainability Programme which may lead to a reduction in the number of units owned and managed by the Society. A formal consultation process with residents and relevant staff commenced in May 2023. As at the date of signing the accounts, the consultation process for 18 homes had completed and the Board decided to move to closure of those homes. 25 homes remain under consultation. As the announcement of the programme happened after the year end, this is regarded as a non-adjusting event.

[End of Report]

THE ABBEYFIELD SOCIETY

England & Wales - Charity number 200719

Accounts

Annual Report and Accounts 2022

The Abbeyfield Society | Annual Report and Accounts | 31 March 2022

The Abbeyfield Society
Annual Report and Accounts
31 March 2022

Contents

Annual Report

The Board, Executive Officers, Advisers and Patrons	4
Report of the Chair	6
Report of the Board (incorporating the Strategic Report)	9
Operating and Financial Review	14
Value for Money	19
Statement of Responsibilities of the Board	22
Governance	23
Independent Auditor's Report to the Members of The Abbeyfield Society	29

Accounts

Consolidated Statement of Comprehensive income	32
Society Statement of Comprehensive income	33
Consolidated and Society Statements of Financial Position	34
Consolidated Statement of cash flows	35
Consolidated and Society Statements of Changes in Reserves	36
Notes to the Financial Statements	37

The Abbeyfield Society
St Peter's House,
2 Bricket Road, St Albans
Hertfordshire AL1 3JW

Registered Charity 200719
Company No 574816
Regulator of Social Housing No H1046
Care Quality Commission No 1-102642859

The Board, Executive Officers, Advisers and Patrons

Board at 31 March 2022

Jenny Lawrence
Chair

Chris Smith CBE
Deputy Chair

George Ashworth (from 16.09.21)

Sara Beamand

André Decraene

Amanda Houlihan

Roger Lees (from 16.09.21)

Jeff Medlock

Cedric Meiring

Mike Turner (from 16.09.21)

Rt. Rev Dr Stephen Venner

Professor Brian Williams CBE

The following were also Board members during part of the year covered by this Annual Report;

Andrew Larpent OBE(until 31.05.21)

Ken Staveley MBE (until 16.09.21)

Ian Plaistowe OBE (until 16.09.21)

Note: All Board members are also trustees of the charity.

Executive Committee at 31 March 2022

Chief Executive Officer
Paul Tennant OBE (from 04.01.22)

Director of Finance
John Clark

Director of Experience Programme
Julie Robinson

Director of Property & Development
Richard Virr

Director of Marketing and Fundraising
Anna Boyes

Director of Legal & Compliance and Company Secretary
Jonathan Sweet

Director of Human Resources
Gail Manley

Director of North Region
Theresa Wilson (from 1.4.22 Director of Housing)

The following were also Executive Committee members for part of the year covered by this Annual Report;

Interim Chief Executive Officer
Bob Tindall (until 06.01.22)
Director of Retirement Living
Douglas Webb (until 31.12.21)
Director of West Region
Heather Mohammed (until 31.03.22)
Director of East Region
Kirstan Sparshott (until 31.03.22)

External Auditors
Crowe U.K. LLP
55, Ludgate Hill
London EC4M 7JW

Internal Auditors
Mazars
Tower Bridge House,
St Katherine's Way
London E1W 1DD

Bankers
Barclays Bank Plc
1 Churchill Place
London
E14 5HP

Solicitors
Bates Wells & Braithwaite
London LLP
2-6 Cannon Street
London
EC4M 6YH

Anthony Collins LLP
134, Edmund Street
Birmingham
B3 2ES

The Board, Executive Officers, Advisers & Patrons continued

Board Committees at 31 March 2022

Remuneration & Nominations Committee
Amanda Houlihan (Chair)
Jenny Lawrence
Rt. Rev Dr Stephen Venner
Professor Brian Williams

Audit & Risk Committee
Chris Smith (Chair)
André Decraene
Marc Marrero (co-opted member)

Finance and Operations Committee
Jeff Medlock (Chair)
George Ashworth
Roger Lees

Quality Committee
Sara Beamand (Chair)
Chris Smith
Rt. Rev Dr Stephen Venner

Property Committee
Jeff Medlock (Chair)
George Ashworth
Roger Lees
Chris Smith

Registered Office
St Peter's House
2 Bricket Road
St Albans
Hertfordshire
AL1 3JW

Telephone:
01727 857536
Fax: 01727 846168
Email: post@abbeyfield.com

Legal Status
Registered company limited by guarantee with the Registrar of Companies, No 574816.

Registered with the Regulator of Social Housing, No H1046.

Registered with the Charity Commission, No. 200719.

Registered with the Care Quality Commission, No.1-102642859.

Royal Patron
His Royal Highness The Prince of Wales, KG KT GCB OM

Patrons
The Rt. Hon Baroness Bottomley of Nettlestone

Michael Brooks

Dame Judi Dench DBE

The Lord Elis-Thomas

Aled Jones

Ron Kenyon OBE

The Duchess of Northumberland

The Rt. Hon Lord John Prescott of Kingston upon Hull

John Robinson CBE

Patricia Routledge OBE

Martin Shreeve OBE MBA DSW BSc (Econ)

Michael Staff MBE

Dame Gillian Wagner DBE PhD

Professor Alan Walker DLitt FRSA

The Rt. Rev & Rt. Hon Baron Williams of Oystermouth

The Carr-Gomm family (David Carr-Gomm, Adam Carr-Gomm, Harriet Carr-Gomm, Elizabeth Parker and Anna Newton)

President
Vacant

Vice-President
Ian Plaistowe OBE

Report of the Chair

It is with great pleasure that having taken up the role of Interim Chair of the Board in October 2021, I am now able to consider my first Chair's statement. Before I reflect on the past year, I must first recognise the contribution of former Chair Ian Plaistowe who stepped down as Chair of The Board having served two consecutive terms. The Board and I thank him for his service and support to the Members, residents and staff of The Abbeyfield Society.

I took up the reins as Chair at a time of ongoing challenge for Abbeyfield, with the continuing impact of Covid 19 and the associated lock downs. Business performance has not surprisingly been affected; the restrictions on admissions and visiting have impacted occupancy rates, particularly across our Care services. More broadly, as the sector cautiously opens its doors again, consumer confidence will continue to take time to pick up. Further impacts have been driven from increased costs, staff absences, policies affecting the sector and the resulting staff retention and recruitment challenges.

Abbeyfield has not escaped the occupancy and recruitment challenges that have continued to plague the sector. Overall, occupancy fell from 83% in 2020/21 to 80% this year, a £1.9m net income impact. The problem has been acute in our care homes where occupancy fell from 79% in 2020/21 to 76% this year. Management continue to focus on this issue and have been introducing new marketing and customer service initiatives.

Staff recruitment issues, both the availability of staff and the competition for hire, have resulted in the requirement to employ costly agency staff. Whilst this has been a necessity to continue to deliver the best care and support to our residents, it has come at a cost to business performance, with staff costs already the largest proportion of costs. Agency costs increased to over £3m in this financial year, 12% of operational staff costs compared to £1.7m in 2020/21, at 7% of operational staff costs.

Government funding of £1.4m through the Infection Control Fund helped, but could not make up for the financial impact on our deficit, of the occupancy shortfall and agency cost increase.

In response, the Chief Executive and Executive team have prioritised recruitment initiatives, whilst at the same time endeavouring to improve staff retention. We have recognised the commitment of our staff and, in support of that, have sought support from government funding opportunities and strengthened our benefits offer through improved sick pay and annual leave allocations. The cost of these changes is offset by our ability to maintain continuity of care for our residents. We never underestimate the significance of the relationships and trust built through familiar faces and personal insights which are so important to our residents and their relatives alike.

So we approached the start of the financial year with a recognition that occupancy and recruitment challenges would persist medium to longer term, but with a commitment that we would continue to make a positive impact wherever we could do so.

The wellbeing of our residents and staff is always our absolute priority, and this year our efforts to support wellbeing have been significant. The importance of engaged and supported staff is vital in the care and support that we in turn extend to our residents. In March 2022 we took part in our second Sunday Times B-Heard staff satisfaction survey and I am pleased to report that we were recognised as an organisation as "one to watch" and by Best Companies as one of the best large companies to work for in the UK. Our results reported very good performance across staff satisfaction and wellbeing scores, despite the difficult environment that our staff have been operating in for the past two years. Additionally, the learning and development team were recognised through 'Skills for Care', gaining professional accreditation for our training and development programme.

Many initiatives have also been undertaken in support of resident wellbeing. A personal highlight of mine was the Christmas campaign that saw residents, supported by volunteers and staff, getting creative as they entered the Abbeyfield Gingerbread House-making event. Creativity, healthy competition and

purposeful endeavour are mainstays of Abbeyfield activity, with much delight and entertainment enjoyed inside, and shared outside. These initiatives are an important part of showcasing life lived within Abbeyfield, instilling customer confidence and assurance that all Abbeyfield Homes provide safe, family environments for those that choose to make Abbeyfield their home.

The effects of Covid infections and travel restrictions also impacted across other areas; we are behind on our property and maintenance works, with backlogs due to both access issues and availability of contractors. The catch-up work that is now necessary will impact our financial results in the forthcoming year, as we are budgeting to spend an extra £1.4m in 2022/23 compared to 2021/22.

Our development activity at Plymouth Millbay has also been adversely impacted with the escalation of construction costs creating a high degree of financial risk. The original contractor went into administration in summer 2021. With the current state of uncertainty in the construction industry, the future of the scheme is in some doubt, so we are now in active discussions with all our strategic partners on this project. Hence, we have taken the decision to write-off the cumulative costs on the project to date of £10.3m through impairment in the accounts. Despite minor delays, we have continued with the expansion project at Westall House, West Sussex completing summer 2022 with waiting lists of new residents. I would further like to recognise the significant achievements of our Member Societies with new property openings at the Abbeyfield Southern Oaks Nonsuch development, Pollyfields, an Abbeyfield Braintree and Bocking Society development, and Holdenhurst, an Abbeyfield South Downs Society development. A new activities centre at Abbeyfield Beaconsfield, will also be opening during the course of 2022. Fundraising has played an important part in many of these development projects and we are grateful to the significant and generous funding from partners and trusts who have supported Abbeyfield and its Member Societies consistently over the years.

We are most grateful to the Mary Feilding Guild for a £2.3m donation in June 2022 which will be used to benefit our residents through technological and environmental projects over the next couple of years.

Through the Experience programme, investment has been directed towards the improvement of the IT infrastructure with the start of the project implementation in the summer of 2022. This includes a significant modernisation of IT capability with updated solutions and equipment to further support operational efficiencies. It is expected that this will have a significant impact organisationally, particularly across our front line staff, reducing the burden of manual administration.

We ended the financial year still with the task of turning around occupancy, and addressing staffing issues. However, with the help of property sales, allied to delays in capital investment on major works, we ended the year with a healthy cash and investments balance of over £25m, a similar level to that at the previous year end.

Given the backdrop of sector challenges, increasing loneliness amongst the older population, the impact of the later retirement age and future financial status, the Abbeyfield offer is as relevant today as it has ever been and it is important that we organise ourselves structurally so that we can support our existing Member Societies to thrive whilst creating an environment where we can encourage others to join us. There has been much dedication from our volunteer trustees, staff and the Board to guide unifying solutions. These changes will see us enter a new phase with a structure that better supports more effective and efficient collaboration, and ultimately, our ambitions for future growth.

Work on our organisational structure has continued. The establishment of the new autonomous Members' Council, a new Membership Agreement and the formation of Abbeyfield England, to support English Member Societies, is on-track for delivery in the autumn. Following the completion of this process, the responsibilities of the Board will be reviewed.

The Member Societies overseas continue to thrive, in Australia, Belgium, Canada, Jersey, New Zealand and South Africa with excellent occupancy rates of over 90%. The conditional membership affiliation for Abbeyfield operations in Poland and Malawi, originally granted in 2020, has been extended by the Board in light of the impact of the Covid-19 pandemic on progress. There is also early-stage interest in the Abbeyfield model from five other countries.

Our ambition to showcase how we support older people and the wellbeing benefits that living with us brings, continues to be an important focus. Driving these ambitions is our Chief Executive Paul Tennant, whom we welcomed to Abbeyfield in January 2022. Paul joined us directly from The Law Society, prior to which he led a number of large and community based housing organisations, and brings a wealth of experience across the housing sector as well as the insights of supporting a Membership organisation at a time of turn-around and change. Paul took over from Bob Tindall, who stepped in to manage the organisation as interim Chief Executive in February 2021 following the untimely death of David McCullough reported last year. I would like to thank Bob for his calm and steady guidance during a particularly difficult time for the Abbeyfield Family.

On taking up the CEO position, Paul spoke of his reasons for joining Abbeyfield, commenting that "Abbeyfield's ethos of friendliness, warmth and community was a key factor for me joining. It's an inspiring organisation to be part of, with a great history". Witnessing the focused approach to business planning that Paul has already demonstrated, his commitment to build Abbeyfield's voice through advocacy and with his energy to continue to develop Abbeyfield internationally, I am confident that we will also secure a prosperous future.

In concluding, I would like to thank all who have supported The Abbeyfield Society this year. Without your dedication and commitment we would not be able to continue to do the important work that we do. Thank you to all who continue to make Abbeyfield communities truly special, enriching lives of residents that live with us, and those that visit or work with us, and to all who are part of the Abbeyfield Family that we have worked hard to create over the past 66 years.

Jenny Lawrence

Chair

Report of the Board (incorporating the Strategic Report)

The Board presents its report, which incorporates the Strategic Report as set out in company law, including the audited financial statements for the year ended 31 March 2022.

Our mission and principal activities

At Abbeyfield we have a simple aim – to strive to improve the quality of older peoples' lives by reducing the incidence of loneliness in later life. This means providing a caring and compassionate Abbeyfield community which provides warmth, support and wellbeing for all our residents. We believe that everyone, irrespective of their age, has a unique and invaluable contribution to make to the lives of others. By helping to create and grow communities which encourage people to remain happily together, we will deliver on that mission.

The Society's principal activities are:

- The provision and development of accommodation, care and support services for older people.
- The promotion and support of the activities of Member Societies, including the provision of technical, operational and administrative advice.

The year in review

Abbeyfield has continued to confront the challenges presented by the Covid-19 pandemic this year and continued to prioritise the safety and security of our residents above everything else in the 105 schemes we were operating at the year end. We closed 3 schemes during the year due to viability issues, and are considering plans for the future of the 3 properties Stevenage, Sycamore House, Nottingham and St.James House, Northwood. We continued the expansion of Westall House which completed in June 2022, adding 24 units. We have paused the Plymouth Millbay development while we consult our strategic partners on the future of the scheme.

Experience programme, launched in 2020 with the aim of improving the 'customer experience' for all those who have a touch-point with the Society, has continued to make good progress in the year. The summer of 2022 will see the start of the implementation of the new IT infrastructure and a new Human Resources system which, once embedded, will have a huge positive impact on staff and residents.

The Board approved the investment of £1.4m on this new technology, which included a modern Wi-Fi network across our estate that will significantly improve our residents' welfare. We are extremely grateful to the Mary Feilding Guild in this regard, as in June 2022 they approved a grant of £2.3m to be spent over a period of 12 months on capital projects, including the implementation of a reliable Wi-Fi service, installation of LED lighting and electric charging points, and general building upgrades to bring the estate to current market standards.

Membership support

Annual fees are levied on our Member Societies to cover the use of the Abbeyfield brand, the direct costs of the Membership Service Consultants, and in 2020/21, the establishment of a support fund of £350k for Member Societies in financial difficulties. In 2021/22 this fund has been increased to £1.05m. The services used by individual Member Societies vary immensely depending on the scale, activities and financial status of the individual Societies. During the year 2021/22, services that all or many of the Societies have utilised include use of the brand, access to the Connect intranet service (with training and COVID-19 updates included), and assistance with the procurement of key services.

We have also continued to have a lot of interest from Member Societies in utilising our on-line Learning Management System (LMS).

Services used by a more limited number of Member Societies include assistance with fundraising, property development and grants, loans to Members, corporate advisory services, digital marketing and website services, PR advice, HR advice and some IT support.

Overview of performance and financial position

The annual accounts include the results for the Abbeyfield Society ("TAS" or "the Society") and its subsidiaries Abbeyfield Property Limited ("APL") and our research company, Abbeyfield Research Foundation ("ARF") (together, the "Group"). We continued to fund research into issues affecting older people, through The Abbeyfield Research Foundation ("ARF").

The result for the year is a deficit of £15.1m (2021: surplus £1.3m) after additional asset impairment of £10.9m in the year. A surplus on disposal of Housing Properties was recognized of £1.7m (2021: £5.2m surplus).

Turnover for the year reduced by £1.0m (2.1%) from £48.1m in 2020/21 to £47.1m in the current year largely due to an increase in the level of voids across the estate (increasing £1.9m to £10.2m), but also a reduction in government support received of £0.7m, offsetting rent and service charge increases in the year.

Operating costs before impairment increased by £0.6m (1.1%), primarily due to the additional funds made available for Membership support of £0.7m (2021: £0.35m).

A desktop review of our impairment provision was made at year-end, and this resulted in a charge of £10.9m after re-assessing the viability of the Plymouth Millbay development and the economic use valuation of the Care homes.

We made a surplus on disposal of our properties of £1.7m (2021: £5.2m) as there were less sales than in the previous year.

We have £121.9m (2021: £133.4m) of housing assets and continue to invest in the properties by spending £2.2m (2021: £1.6m) in the year on major works.

We continue to strive to extend the Abbeyfield services to more people, and development of extra housing capacity is a key objective where a robust business case can be made. We currently have 24 units in development (2021: 125 units) within TAS. In the wider Membership, we have provided financial support for developments which have completed in the year at Abbeyfield Southern Oaks and South Downs, and have provided advisory support for other Member Society developments.

We are required to provide multi-year projections of our financial performance in conjunction with the Regulator for Social Housing (RSH) and to stress-test these and include mitigations where appropriate. This has provided comfort that we have adequate financial headroom to deliver our planned strategic initiatives.

The Board confirms that the Society complies with the Regulator of Social Housing's Governance and Financial Viability Standard.

The Society regularly shares information on its objectives, progress and activities through a variety of communications, including all staff briefings, office and departmental meetings involving the Executive Committee and staff.

Employees

During 2021/22 we continued to focus on staff wellbeing during the Covid-19 pandemic. Following our decision to temporarily extend company sick pay for front-line staff to cover Covid-related absences, we have since enhanced company sick pay on a permanent basis so that staff can receive a maximum of 18 weeks company sick pay (9 weeks full, 9 weeks half pay).

In 2021 we extended holiday entitlement for frontline staff by 2 days to 23 days plus bank/public holidays (31 days in total). The increase was in recognition of the incredible hard work and commitment of our frontline staff throughout a challenging year.

There are a host of wellbeing resources on our intranet, and we provide an Employee Assistance Programme (EAP), accessible to all staff on a 24/7 basis including one-to-one counselling. All staff can access a resilience course to support them with self-awareness, tools and techniques to improve own resilience

In the past year we have raised awareness of menopause as we are committed to being a menopause friendly employer. In 2022 we are hoping to attain external accreditation for this.

We continue to deliver high quality online learning via our Abbeyfield Development Academy (Learning Management System) which has enabled us to achieve very high levels of training compliance across all frontline roles.

Our Learning & Development team has retained accreditation status with the Learning & Performance Institute (LPI). We have been endorsed by Skills4Care as a learning provider, and approved by The Institute of Leadership & Management (TILM). We launched a new high quality leadership development programme in 2021 for all leaders.

Our pay strategy facilitates pay and career progression through career bands and zonal pay, linked to external pay benchmarks. Our benefits compare favourably with external benchmarks.

In March 2021 and March 2022 we conducted our all-staff engagement surveys. We are delighted with the results which indicate Abbeyfield has good levels of staff engagement overall and we have been officially recognised by Best Companies as one of the best large companies to work for. We continue to focus on continuous improvement to enhance the working experience for our staff.

The Society is committed to the principles of equality, diversity and inclusion regardless of age, gender, ethnicity, race, disability, religion, gender re-assignment or sexual orientation. These principles are reflected in the Society's approach to the recruitment, development and promotion of staff. It is a primary objective of the Board that staff should feel valued and be appropriately rewarded, and informed by its pay benchmarking activities, the Society is confident that pay is competitive within the marketplace.

The Society's Gender Pay report is available on our website. In 2021/22, our mean pay gap has remained at 25%, whilst our median pay gap has reduced from 10% to 7%.

Risk Management

The Board considers the Strategic Risks for TAS are:-

- Financial – Instability through shortage of cash reserves.
- Human resources – failure to maintain adequate staffing levels.
- Safeguarding – Failure to meet or maintain expected standards.
- Reputation – Inadequate prevention or management of events which can cause reputational damage.
- Regulatory – Non-compliance with legislative or regulatory requirements.
- New projects and programmes – Failure to deliver the expected outcomes and benefits.

Key mitigations of the Risks and key elements of the internal control framework are:-

- Financial - Ensuring that we reduce voids, operational costs and overheads. A programme of reduction in voids has been re-energised since the relaxation of the covid-19 restrictions, incorporating new customer service initiatives in maximising enquiries and conversion, and carrying out focused and effective property maintenance. By delivering the Experience Programme in improved processes and technology and reorganising the structure of Retirement Living, efficiency will be enhanced, enabling standardisation and cost reduction.

  Completing a stock condition survey, incorporating environmental input for each property, to support the production of a comprehensive viability review, which is pivotal to the development of an asset management strategy to focus our resources on an investment programme in major works.

  Addressing the outstanding property development challenges and identifying the most cost effective solutions to agree with our strategic partners and regulatory authorities.

  Producing timely and accurate financial reporting, including the application of relevant Value for Money (VFM) metrics and trend analysis, to assist the monitoring of the progress of these initiatives.

- Human Resources – developing our culture to be an employer of choice so people stay and develop their careers with us. Investing in the capacity and capability of staff, leaders, board and committees. Setting up the Recruitment and retention working group has focused the development of action plans for our homes with the most challenging staff turnover rates.

- Safeguarding - ensuring TAS Safeguarding Policies and Procedures are fit for purpose, maintained, updated, and fully implemented across our homes by monitoring (assisted by Internal Audit) and reporting to the Quality Committee.

- Reputation - building on the effective operation of the COVID Taskforce during the pandemic , and the work of the Policy Taskforce, which maintains policies and practices which provide preventative controls, react to and manage external events through the Executive and The Board.

- Regulatory - actively monitoring the compliance targets and investigating breaches informed by regular internal assessment, with regular reporting to the Quality Committee to support a move back to a G1 rating. Committing to environmental sustainability and being compliant with the Regulators' standards and current policies.

- New projects and programmes - using a Business Case framework to propose and then manage new projects and programmes, and provide timely and accurate reporting to the Corporate Investment Group and the Board.

Reserves

An exercise was performed during the year to review the validity of each of our restricted reserves. This identified a number of instances of;

- Funds which had been established but had been misclassified as restricted reserves.
- Properties that had been previously closed and sold and where the restriction was no therefore no longer valid.
- Major capital spend on schemes which had been accrued but not allocated against the restricted reserve.

The exercise, which was verified by our lawyers Anthony Collins LLP, resulted in a transfer of £5.8m from restricted reserve to income and expenditure reserve. Following the re-designation exercise referred to above an the transfer of the deficit for the year of £15.1m (2021: £1.3m surplus), income and expenditure reserves decreased to £111.6m (2021: £121.0m).

The Society has restricted reserves of £7.0m (2021: £12.8m) following the re-designation exercise referred to above.

Donations

The Society and its subsidiaries made no political donations during the year.

Creditors

In line with Government guidance, the Society's policy is to pay purchase invoices within 30 days of receipt of a valid invoice, unless otherwise agreed with the supplier.

Health and Safety

The Society is aware of its responsibilities on matters relating to health and safety. The Society has prepared detailed health and safety policies and provides training and education to our staff on health and safety matters. There have been 97 serious accidents and incidents reported in the year (2021: 69). Any notable accidents or Incidents are reviewed by our Quality Committee on a quarterly basis to ensure lessons are learned which can prevent similar occurrences in the future.

Compliance with the RSH Governance and Financial Viability Standard

The Board confirms that the Society complies with the requirements of the Governance and Financial Viability Standard applicable for the year from 1 April 2021.

The Strategic Report and Report of the Board of Management were approved by the Board on 10th August 2022 and signed on its behalf by:

Jenny Lawrence
Chair

Operating and Financial Review

A deficit of £15.1m was reported in the year and is shown in the Consolidated Statement of Comprehensive Income in the Accounts. This compares to a surplus of £1.3m in 2021. The principal explanations are;

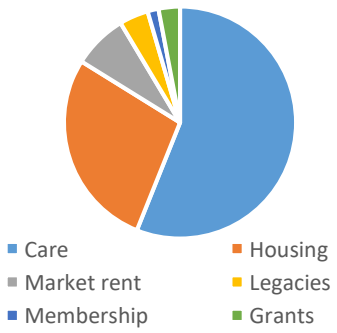
- A deterioration of £2.2m caused by an increased level of voids and higher operating costs of £0.6m.
- A reduction of £3.5m in the surplus on property disposals, down from a surplus of £5.2m to a £1.7m surplus (see note 12).
- £10.9m of impairment relating to the write-off of costs on the Plymouth Millbay development and relating to loss making schemes, principally in the Care sector.

The operating deficit, pre-impairment, of £6.0m compares to a deficit of £4.3m in 2021.

Turnover for the year reduced by £1.0m from £48.1m in 2021 to £47.1m in the current year. In 2022 government funding from the Infection Control Fund and furlough payments amounted to £1.4m, however this represented a £0.6m reduction from 2021 when a higher number of employees were on furlough leave.

Analysis of the split of turnover in 2022 by sector are shown in the following chart and notes 4 and 5 to the accounts:

Turnover analysis 21/22 - total £47.1m



Operating costs of £63.9m were £11.5m higher than in 2021 (£0.6m before the impact of impairment in 2022) including the additional provision of £0.7m set aside for Membership support.

Within the Consolidated Statement of Financial Position there are cash and cash equivalents of £24.7m (2021: £23.7m) and investments of £0.6m (2020: £1.7m).

Within tangible fixed assets of £121.9m there are 8 properties now earmarked for sale with a net book value after impairment of £3.2m.

We manage a total of 105 homes and houses comprising some 1,893 units, split as follows:

Supported Housing	971
Care	653
Independent Living	269
Total	1,893

Many of the residents of the Society's Supported Houses are in receipt of financial assistance towards the cost of their support provision.

The principal regulator for the Society is the Regulator of Social Housing ("RSH"), which regulates all registered providers of social housing in England. Following the implementation of the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 (as amended), all care homes are now assessed as to whether they are fully compliant under the new regulations and meet Fundamental Standards.

The Society is a registered charity and therefore also subject to the requirements of the Charity Commission. Donations and legacies received for the year were £1.9m (2021: £2.0m)

Loans receivable from Member Societies are £0.4m (2021: £5.0m) as shown in Note 21 to the Accounts.

Capital structure

The Society is financed from retained surpluses, part of which have arisen through the receipt of legacies and donations which may be restricted in their use. In addition, cash and other net assets have been transferred from Member Societies and any surplus arising from the disposal of property, following the closure of these facilities when deemed not financially viable, has contributed to our capital structure.

The Society, because of its legal form, is unable to raise equity funding.

Employees

The number of full time employees (FTEs) has reduced by 11.5% in the year. As at 31 March 2022, the total number of Society FTE employees was 974 (2021: 1,101) (note 9 to the Accounts).

Reserves policy

The Board's policy is to retain sufficient reserves to cover future contingencies and liabilities. At 31 March 2022, the Society had reserves of £118.6m, which in the Board's judgement are sufficient to cover future contingencies and liabilities.

The level of reserves is set to continue to allow the Society to provide essential services including;

- Day-to-day operational expenditure, including contingencies for large, unforeseen items.
- Major repairs across the Society's housing property portfolio.
- Funding of major refurbishment or new projects to be undertaken by Member Societies, where sufficient external funding is not available.
- Funding of development projects.

The cash and cash equivalents less bank loans at year-end were £19.7m which the Board considers sufficient to meet the requirement of the Reserves Policy and is in excess of the minimum level required by the Board of £10.0m. The Board is comfortable with the overage at this point which will finance a major capital works programme and future development opportunities.

Treasury management

The Society's financial resources consist mainly of cash and bank deposits. The Society holds sufficient funds to meet day to day requirements in line with the Society's strategy. The Society has bank facilities of £10m, consisting of a Revolving Credit Facility (RCF) of £5m which is fully drawn-down, and an Overdraft Facility of £5m.

The Bank facilities are secured on a selection of the Society's properties and the RCF contains bank covenant tests, which are reviewed at all Board meetings.

As required by the RSH, 30-year financial and cash flow forecasts are prepared annually to ensure that an adequate funding strategy is in place.

Net interest payable and fees are £98k (2021: £114k receivable), reflecting the repayment of the Member society loans receivable from Southern Oaks.

The Society invests surplus funds in interest-bearing deposit accounts. These amounts are held with a small number of financial institutions which have a good credit rating, in accordance with the Society's Treasury Policy.

Cash flow liquidity and security

The consolidated statement of cash flows in the financial statements shows that during the year the Group generated an overall increase in cash and cash equivalents of £1.0m (2021: cash increase £12.7m).

The net cash outflow from operating activities was £6.6m (2021: £3.2m inflow). In the year 2020/21 the operating cashflow benefitted from the draw-down of the RCF of £5.0m. On investing activities, proceeds from the sale of properties reduced from £13.5m in 2020/21 to £6.3m on a reduced number of transactions, however this was partially offset by loan repayments from Member Societies of £4.5m (2021: £0.9m). There were no repayments of grants in 2021/22 (2021: £1.2m).

Going concern and viability

The Society meets its funding requirements through its own resources and its bank credit facilities.

The Board has considered the net asset position of £118.6m as at 31 March 2022 and has reviewed the future viability of the Society by carrying out a detailed review of the Society's business plan. It has carried out a full financial and market viability process, looking at the future viability of the portfolio of the Society's homes, reviewed the risks in the business, as detailed in the risk section of this report, and then stress-tested the outcome of these plans. The Board has agreed appropriate mitigations and triggers to cover stress test outcomes where appropriate. The detailed review covers a five-year period from April 2022 to March 2027.

Significant cash sums have been allocated to a major capital works programme over the next 3 years which will raise the condition of the existing property stock in line with market expectations.

The Board considers it has adequate resources to continue operations for the foreseeable future and carry out necessary major works and development projects. The Board, and the Finance and Audit Committees will continue to review viability as part of the overall governance process.

On this basis the Board is satisfied that it has adequate resources to continue in operational existence for the foreseeable future and accordingly continues to adopt the going concern basis as the basis for the preparation of accounts.

Our Finances

We have a clear understanding of our financial return and performance. We manage our finances to invest in the right assets, improve void management, deliver savings through operational efficiency and improve systems.

Our Homes

We have a clear strategy for new developments. We target geographical priority areas and offer social value in our communities. At the same time, we look to reduce our carbon footprint and fund new developments as well as investing in our existing properties.

Our Quality

We are dedicated to making time for older people, through excellent quality care, housing and support services, as well as through direct involvement within local communities. We continue to modernise our asset base. There is a programme of major capital works on existing schemes estimated at £9m over the next 3 years.

Making time for older people

Staff structures continue to be reviewed to improve our services. This has enabled additional time to be made available to residents and volunteering action plans are prepared on a regular basis.

Abbeyfield as a Charity

We have recognised the need to develop a more comprehensive programme for evaluating the social impact and value of our community-based and volunteering activities. We also recognize the need to streamline business systems, to ensure that members of staff have more time to spend with individual residents and the Experience programme will be key to delivering this over the next two years.

Financial and non-financial Key Performance Indicators (KPIs)

The Board and the Executive Committee review many KPIs on a regular basis. In addition to those required by the Regulator of Social Housing (RSH), the most important ones are as follows;

Key Performance Indicators	2021/22	2020/21	2019/20
Operating Margin % (continuing operations excluding impairment)	(5.3)%	(9.0)%	(14.6)%
Care occupancy %	76%	79%	88%
Housing occupancy %	84%	87%	87%
Number of major injuries	97	69	97
Fundraising income	£1.9m	£2.0m	£1.1m
Development expenditure	£4.2m	£3.5m	£8.5m

The unique mix of our care and supported housing and the relationship with Member Societies needs to be considered in the context of the comparison with sector performance.

Our financial strategy is to improve operating performance through efficiency and value for money initiatives and cost savings. We are active in the local communities in which we operate, promoting our services to improve occupancy rates and marketing our excellent care services.

We are committed to train and develop all levels of staff, with succession planning in place for key roles.

Highlights, four year summary

	31 March 2022	31 March 2021	31 March 2020	31 March 2019
Statement of Comprehensive Income	£'000	£'000	£'000	£'000
Turnover	47,088	48,102	50,949	54,793
Total comprehensive (deficit) / surplus for the year	**(15,121)**	**1,261**	**(10,704)**	**(713)**
Statement of Financial Position				
Housing properties	121,852	133,423	139,083	151,947
Other fixed assets	58	145	378	604
Investment properties	800	800	800	800
Cash & Investments	25,304	25,366	12,431	11,518
Other net current (liabilities) / assets	(2,751)	(521)	(598)	1,627
Creditors due after more than one year	(26,663)	(25,492)	(19,634)	(23,332)
Net Assets	**118,600**	**133,721**	**132,460**	**143,164**
Capital and Reserves				
Income and expenditure reserves	111,628	120,953	120,110	131,385
Restricted and other reserves	6,972	12,768	12,350	11,779
Total	**118,600**	**133,721**	**132,460**	**143,164**

Value for Money

The Society recognises the importance of the RSH's Value for Money Standard on its regulated housing provision. Supported Housing however only represents one part of the Society's revenue stream, with the rest comprising Care provision and Membership services.

VFM Metrics	2021/22	2020/21	2019/20	Industry benchmark (1)
1 Reinvestment %	3.4%	5.5%	7.6%	7.2%
2 New Supply delivered Social Housing Units	0%	0.3%	4.2%	0.7%
New Supply delivered Non Social Housing Units	0%	0%	0%	0%
3 Gearing %	(16.2)%	(14.0)%	(4.3)%	44%
4 EBITDA/MRI interest cover	(3,409)%	(1,870)%	(2,820)%	170%
5 Headline Social Cost per Unit	£25,757	£24,257	£26,589	£4,600
6 Operating margin % - Social Housing lettings only	(23.9)%	(25.2)%	(19.9)%	20.3%
- Operating margin % - Overall	(9.0)%	(9.0)%	(14.6)%	23.9%
7 Return on Capital Employed	(2.9)%	0.5%	(3.1)%	3.0%

1. HOP (Housing for Older People - providers with min 30% HOP estate)

The current performance for the Society and its related social housing KPIs are shown before the impact of impairment, however we have restated the key metrics which are affected by impairment below to give a post-impairment KPI.

The negative gearing ratio reflects the excellent cash position for the society, with minimal borrowings.

The high headline social cost per unit reflects the nature of the Abbeyfield estate, which is 100% dedicated to the provision of housing for older people, including care provision.

The Board has reviewed these KPIs against the industry benchmark and also recognised the exceptional trading circumstances prevailing in the last 3 years due to covid-19 and a high level of voids.

Value for Money continued

Key metrics impacted by impairment are as follows, showing the results after impairment charges:-

EBITDA/MRI interest cover %
21/22: (9,728)%
20/21: (1,870)%
19/20: (5,603)%
Headline social cost per unit
21/22:£31,498
20/21: £24,257
19/20: £26,589
Operating margin % - Social Housing lettings
21/22: (51.4)%
20/21: (25.2)%
19/20: (33.1)%
Operating margin % - Overall
21/22: (35.7)%
20/21: (9.0)%
19/20: (26.1)%
Return on Capital Employed
21/22: (10.4)%
20/21: 0.5%
19/20: (7.0)%

The Board set targets for future years during the 3 year planning process.

The RSH has identified some factors which explain higher unit costs across the sector and these include; the provision of supported housing operating in regions with higher wages, the provision of older persons' housing and the proportion of properties requiring investment to maintain quality service both within the Society and to Member Societies.

Within the results for 2021/22 note 5 to the Accounts shows a summary of business stream performance including the absorption of all indirect overheads and costs based on an historical allocation. Excluding fundraising, Members income and property sales, net income derived purely from services to residents was £44.1m (2021: £45.0m), split Care £26.7m (2021: £26.8m), Social Housing £12.7m (2021: £13.2m), and other services £4.7m (2021: £5.0m).

A review of business stream EBITDA for Care, Social Housing and other services, before allocation of overheads and impairment, shows the following performance metrics for EBITDA /Net income % :-

- Care 8.7% (2021: 13.0%)
- Social Housing 25.5% (2021: 30.8%)
- Other services 27.6% (2021: 29.2%)

In 2021/22 the Society achieved the following: -

- Kept residents and staff as safe as possible during the Covid pandemic
- Disposed of 8 properties as part of the Viability programme, generating £6.3m of sales proceeds
- Planned the roll-out of the Experience programme
- Progressed the development of the extension to the Westall care Home
- Completed the 2nd successful Staff Engagement survey and was accredited by Best Companies, as one of the best large companies to work for
- Re-organised our operational management into the divisional structure of Care and Sheltered Housing
- Developed comprehensive long-term business plans and balanced scorecards which have been approved by the Board

For 2022/23, the planned actions are as follows:-

- Implement Year 1 of the Business Plan
- Implement new IT infrastructure and HR system as part of the Experience Programme.
- Complete the development of the extension of the Westall Care Home
- Reduce void levels in the Care Homes exacerbated by the Covid-19 pandemic
- Dispose of the remaining 8 properties in the Property Bank

Value for Money continued

- Deliver on the strategic agenda
- Accelerate our major works programme which stalled during the Covid-19 pandemic

The Finance Committee also scrutinises the development of the value for money strategy, which supports the five-year corporate strategy.

In addition, the Audit & Risk Committee considers management accounting and audit information in detail, and receives a range of financial health reports, including internal audit reports on the regional structure to ensure it delivers value for money.

There have been no significant control failures in 2021/22. All complaints are investigated and resolved promptly.

Statement of Responsibilities of the Board

The Board is responsible for preparing the Strategic Report, Annual Report and the Financial Statements, in accordance with applicable law and regulation.

Company law and social housing legislation require the Board to prepare Financial Statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Board must not approve the Financial Statements unless it is satisfied that they give a true and fair view of the state of affairs of the Society and of the surplus or deficit of the Society for that period.

In preparing these Financial Statements, the Board members are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice "Accounting by Registered Social Housing Providers 2018" and FRS102 have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Society will continue in business.

Board members are also responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Registered Providers of Social Housing 2019.

The Board is also responsible for safeguarding the assets of the Society and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Board members are also responsible for ensuring that the Report of the Board is prepared in accordance with the Statement of Recommended Practice "Accounting by Registered Social Housing Providers 2018" and FRS 102. The Board is responsible for ensuring that the assets of the Society are properly applied under charity law. The annual report and accounts are published on the Society's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions.

The Board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Slavery and human trafficking statement

The Modem Slavery Act 2015 introduced new obligations in relation to slavery and human trafficking. The Society is fully supportive of the legislation as it is in keeping with our ethos and principles. The statement includes compliance for our supply chain partners.

Governance

Board members and Executive Committee members

The Board members and the Executive Committee of the Society who served during the year are set out on page 4.

The Board members are drawn from a wide background bringing together professional, commercial and other relevant experience.

The Board, which comprises the company directors, has overall responsibility for the direction, management and control of the Society. Overall operational management is delegated to the Chief Executive and the Executive Committee. The Board adopts the NHF Code of Governance and the Company Secretary and the Executive Committee provide support to the Board in monitoring compliance with the Code.

The Board may comprise up to 15 individuals including the Chair, of whom, at least four must be involved in the Abbeyfield movement in the UK. At least two must be independent and up to two must be involved in Abbeyfield outside the UK. Board members are elected by the Members of the Society. The Board may also co-opt up to four additional individuals.

Applications to be considered for election or appointment to the Board are invited following recruitment and advertising. Candidates are nominated for election by the Remuneration and Nominations Committee having regard to the need for the persons appointed having the necessary range of skills, experience, gender, age and ethnicity.

Board members may hold office for terms of three years terminating at the end of the third Annual General Meeting (AGM) after their election, but can be re-elected to serve up to two further terms of three years calculated in the same way. The Board met seven times formally during the year, with additional sessions to discuss strategy.

Throughout the year, the Board continues to monitor its effectiveness and terms of reference for the various committees of the Board, to ensure that they are following best practice in the sector. Board members are encouraged to acquaint themselves with all aspects of the Society, particularly operational matters. The Executive Committee members hold no financial interest in the Society, except for their remuneration arrangements, and act as executives within the authority delegated to them by the Board. Insurance policies indemnify Board members and officers against liability when acting for the Society. The Executive Committee is entitled to join the Society's stakeholder pension scheme on the same terms as other employees. Details of their remuneration are disclosed in note 10 (directors' emoluments).

Directors Duties and section 172 reporting

The Directors of the Society must act in accordance with a set of general duties embodied in section 172 (1) (a-f) of the Companies Act 2006 (1), summarised as follows:

A Director must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so, have regard (amongst other matters) to:

- The likely consequences of any decisions in the long-term.
- The interests of the company's employees.
- The need to foster the company's business relationships with suppliers, customers and others.
- The impact of the company's operations on the community and environment.
- The desirability of the company maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the company

As part of the induction process, Directors are briefed on their duties, including the long-term stewardship of the Society to ensure it delivers against its strategic objectives as set out in the Operating and Financial review. The Board monitors the impact of its decisions against the long-term financial plan on an annual basis, and more often if the situation demands. We operate to a strategic plan that involves setting both operational and financial targets that address our charitable objectives as set out in the Report of the Board.

Our employees are fundamental to the delivery of our plan. We aim to be a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and well-being of our employees is one of our primary considerations in the way we conduct our business.

We work in collaboration with a variety of suppliers, social housing partners, voluntary and charitable organisations and local councils. We value their support, and look to foster long-term relationships based on mutual trust.

We engage with our customers in various ways, including customer surveys and a robust complaint management process.

As a charity our reputation for high standards is essential to how we work. To ensure we meet the highest standards, we have policies on fraud, anti-bribery and a whistleblowing policy which encourages colleagues to raise issues of suspected malpractice. The Audit & Risk Committee also receives reports if issues are raised.

The Abbeyfield Society has made significant steps over the past 12 months towards improving Environmental Sustainability performance. Specific Environmental Sustainability objectives have been developed and a target KPI to reduce energy consumption across the business by 3% over the next 12 months has been set as part of the organisation's balanced scorecard.

Several projects are underway to allow easier collection and analysis of energy data, which will allow a better understanding of the fabric of the buildings and easier identification of sites which have high energy consumption. This will shape the programme and help identify what asset investment is necessary going forward.

Environment

We have made a positive start towards improving our own Environmental Sustainability. In May 2021, an Environmental Working Group was formed, comprising various interested parties from across the Society. This was used as a hub to raise ideas of how Abbeyfield could evolve to be a greener place to live and work.

We have established targets to reduce energy consumption, plans to increase resource focused on environmental initiatives and funding for specific capital expenditure in our schemes to deliver environmental efficiency.

Our impact on the environment is set-out in the Streamlined Energy Carbon Report (SECR) below. The SECR framework is a mandatory UK-wide reporting scheme to improve transparency and help reduce carbon emissions. The carbon footprint table below reflects activity across the Abbeyfield Society estate converted into carbon emissions using published DEFRA emission factors.

Consumption 21/22			Metric tonnes carbon		
21/22	KWh	Mileage	19/20	20/21	21/22
Electric	4.7m		1,470	1,518	1,207
Gas	17.6m		3,854	3,950	3,230
Transport		371,788	223	69	109
Total			5,547	5,537	4,546
Annual reduction %				0.2%	17.9%

The data reflects an annual overall reduction in carbon emissions (tonnes of CO_2 equivalent) of c. 18%, due primarily to a milder winter, the end of lock-downs which enabled residents to get out and about and the installation of more efficient boilers in some properties.

We define our emissions in relation to our annual turnover to generate an intensity ratio (TCO2e/£m) which we use to compare our performance over time. Our "intensity" ratio is calculated at 97 TCO2e/£m (2021: 115) and represents a welcome reduction and evidence of the higher profile that energy consumption now has within the society.

National Housing Federation ("NHF") Code of Governance

The Society has adopted the 2020 NHF Code of Governance. We are in the process of reviewing our arrangements to ensure compliance against the Code.

Charity Governance Code

The Society adheres to the principles of the 2020 Charity Governance Code.

Resident involvement

We actively encourage the involvement of residents and their families involvement in decision-making by promoting forums where they can contribute to make decisions that affect them. We also carry out a Residents' Survey annually to measure satisfaction with Care, Housing and Care at Home services to obtain feedback.

Risk framework

The process for identifying, evaluating and managing risks, and related risk appetite, has been on-going throughout the period.
Risk management procedures and considerations are embedded in the culture of the Society. The Society has in place a risk management framework (ref Risk Management section in Report of the Board on page 11).

Board committees

The following committees have been established by the Board:

- Audit & Risk Committee: its purpose is to review and approve the financial statements and recommend them to the Board. It also receives reports from internal and external auditors, reviews Audit & Risk management activities across the Society and delivers an annual assessment of the quality of the internal control environment and the effectiveness of risk and audit systems to the Board. It actively monitors risk management activity across the Society to ensure consistent and effective usage of internal systems, and identifies trends and aggregate risks
- Finance and Operations Committee: its purpose is to monitor the Society's financial performance and approve budgets and cash resources, new developments and operational effectiveness and value for money;
- Quality Committee: its purpose is to monitor and report on a range of compliance issues including safeguarding, and to identify learning and good practice;
- Remuneration and Nominations Committee: its purpose is to review and set the remuneration of the Chief Executive Officer and Finance Director, to consider and recommend to the Board any changes to the remuneration of other employees within the society and to support the Board on governance arrangements and the optimal composition of the Board, including recruitment of new Board members;
- Property Committee: its purpose is to ensure that Property transactions are completed in accordance with S.119 of the Charities Act 2011 and represent value for money for the Society.

The Chairpersons of the committees report back to the Board. The Board receives reports from its committees at all Board meetings.

Internal controls assurance

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The Board recognises that any system can only manage, and not eliminate, risk and can only provide reasonable, and not absolute, assurance against material misstatement or loss. The Board is satisfied that controls are in place. These are subject to ongoing review and formalisation, as part of a process of continuous improvement. The key elements of the system of control which has been in place across the period includes written policies and procedures covering the most significant areas of operations, finance and human resources. From March 2018, Mazars have provided an internal audit function.

The Board reviews and approves budgets, business plans and risk management, and monitors results against them. Delegated authority is in place for incurring and approving expenditure, with formal involvement of the Board for larger transactions. Regular monitoring by the Board of financial performance and achievement of other principle objectives is in place.

There is close involvement of Board committees, and of individual Board and committee members, in the activities being undertaken.

The Board reviews any significant new projects or initiatives. As part of the preparation of the annual business plan, risks are identified which could threaten the achievement of objectives, and an assessment is made of the probability of occurrence and likely impact. Controls which mitigate these risks, and are proportionate to them, are also identified.

There are clear staff recruitment and appraisal processes, which include monitoring of performance and training programmes to ensure staff are well versed in health and safety and quality.

The Board cannot delegate ultimate responsibility for the system of internal control, but it delegates day to day responsibility to the Audit & Risk Committee to review on a regular basis the effectiveness of the system of internal control. The Audit & Risk Committee also considers any control failures resulting in financial loss or near misses to ensure that lessons are learned and processes improved for the future. The Board receives minutes of all meetings of the Audit & Risk Committee.

The Board confirms that arrangements are in place to manage the risk of fraud and that these arrangements include a review of the fraud register on a periodic basis, and delegates responsibility to the Audit & Risk Committee to ensure the arrangements and controls are appropriate.

Fundraising

Section 162A of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as soliciting or otherwise procuring money or other property for charitable purposes. Such amounts receivable are presented in our accounts as voluntary income and include legacies and grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fundraisers, or third parties. The day to day management of all income generation is delegated to the executive team, who are accountable to the trustees.

The charity is registered with the Fundraising Regulator and is a member of the Institute of Fundraising and conforms to their codes of practice.

The Society terms of employment require staff not to approach individuals for funds. We do not consider it necessary to design specific procedures to monitor such activities.

Disclosure of information to auditors

Each person who is a Board member at the date of approval of this report confirms that:

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

Structure

The Society is a registered charity, constituted as a Company limited by guarantee and is governed by its Articles of Association. It is part of the Abbeyfield movement, an organisation comprising legally independent Member Societies (including devolved country members), International Member Societies, which are separate legal entities, and individual members. The Society is established for the public benefit for the following objects:

- The relief and care of elderly persons of all classes, beliefs and nationalities suffering from the disabilities of old age or otherwise in need.
- The spreading of Christian principles to all human relationships and the application of humanitarian aims to promote the relief of the
- The provision of further education in the sphere of voluntary work, social work and similar activities so as to inculcate the principles of good citizenship.
- The provision and management of housing, accommodation or assistance, for the relief and care of elderly persons.
- Such other purposes recognised by English law as charitable as the Society shall determine from time to time.
- The Board acts as the ultimate governing body and monitors the system of internal control. The Board has received an annual assurance statement from the Chief Executive on the system of internal control, and has identified a framework for continuously monitoring risk and risk mitigations.

Statement of public benefit

Charity trustees have a duty to report in the trustees' Annual Report on their charity's public benefit. They should demonstrate that they are clear about what benefits are generated by the activities of the charity. This report sets out in some detail the activities, as noted on page 9.

The benefits must be related to the objectives of the charity. The Society's strategic plan is related to and intended to further the Society's charitable objects.

The views and opinions of residents are regularly sought. For example, there was considerable consultation with residents in developing the Society's strategic plan. The Society's Board of Trustees are confident that Abbeyfield meets the public benefit requirements, and confirm that they have taken into account the Charity Commission's guidance on public benefit where applicable.

Annual General Meeting

The Annual General Meeting will be held on Thursday 15th September 2022.

External auditors

A resolution for the appointment of Crowe U.K. LLP as auditors is proposed at the Annual General Meeting.

The report of the Board was approved by the Board on 10th August and signed on its behalf by:

Jenny Lawrence
Chair

10th August 2022

Independent Auditor's Report to the Members of the Abbeyfield Society

Opinion

We have audited the financial statements of The Abbeyfield Society ('the Society') and its subsidiaries ('the group') for the year ended 31 March 2022 which comprise the consolidated and Society statements of comprehensive income, the consolidated and Society statement of financial position, the consolidated statement of cash flows, the consolidated and Society statement of changes in reserves and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the Society's affairs as at 31 March 2022 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Society's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board member with respect to going concern are described in the relevant sections of this report.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Board, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Report of the Board have bee prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of the Abbeyfield Society continued

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the Society and their environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board, incorporating the Strategic Report.

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

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

Responsibilities of the Board

As explained more fully in the Board members responsibilities statement set out on page 22, the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Society and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Housing and Regeneration Act 2008 together with the Accounting Direction for Private Registered Providers of Social Housing 2019 and the Housing SORP 2018 (Statement of Recommended Practice for registered social housing providers). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Society's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Society and the group for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing and the Care Quality

Commission, health & safety legislation, employment legislation and General Data Protection Regulations (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board members and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of rental, care and legacy income, the capital costs of development, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Regulator of Social Housing and Care Quality Commission, substantive testing of key income streams, substantive testing of development expenditure and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Society's members, as a body, in accordance in accordance with the Housing and Regeneration Act 2008 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Julia Poulter
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London, UK

22nd August 2022

Financial Statements

Consolidated Statement of Comprehensive Income
for the year ended 31 March 2022

	Note	Continuing operations 2022 £'000	Discontinued operations 2022 £'000	**Total 2022 £'000**	Continuing operations 2021 £'000	Discontinued operations 2021 £'000	Total 2021 £'000
Turnover	4	41,822	5,266	**47,088**	45,810	2,292	48,102
Operating costs		(45,006)	(8,016)	**(53,022)**	(48,507)	(3,934)	(52,441)
Impairment	16,20	(12,125)	1,256	**(10,869)**	-	-	-
Total Operating Costs	4	(57,131)	(6,760)	**(63,891)**	(48,507)	(3,934)	(52,441)
Operating (deficit)/ surplus	4,8	(15,309)	(1,494)	**(16,803)**	(2,697)	(1,642)	(4,339)
Surplus/(deficit) on disposal of Housing Properties	12	-	1,707	**1,707**	-	5,202	5,202
Other interest receivable and similar income	13	74	-	**74**	257	-	257
Interest and financing costs	14	(172)	-	**(172)**	(142)	(1)	(143)
Movement in fair value of investments	22	73	-	**73**	284	-	284
(Deficit) / surplus before taxation		(15,334)	213	**(15,121)**	(2,298)	3,559	1,261
Taxation	15	-	-	**-**	-	-	-
(Deficit)/surplus after taxation and total comprehensive (expense) / income for the year		(15,334)	213	**(15,121)**	(2,298)	3,559	1,261

The notes on pages 37 to 55 form part of these financial statements

Society Statement of Comprehensive Income
for the year ended 31 March 2022

	Note	Continuing operations 2022 £'000	Discontinued operations 2022 £'000	**Total 2022 £'000**	Continuing operations 2021 £'000	Discontinued operations 2021 £'000	Total 2021 £'000
Turnover	4	41,821	5,266	**47,087**	45,808	2,292	48,100
Operating costs		(44,991)	(8,015)	**(53,006)**	(48,475)	(3,934)	(52,409)
Impairment	16,20	(12,125)	1,256	**(10,869)**	-	-	-
Total Operating Costs	4	(57,116)	(6,759)	**(63,875)**	(48,475)	(3,934)	(52,409)
Operating (deficit)/ surplus	4,8	(15,295)	(1,493)	**(16,788)**	(2,667)	(1,642)	(4,309)
Surplus/(deficit) on disposal of Housing Properties	12	-	1,707	**1,707**	-	5,202	5,202
Other interest receivable and similar income	13	74	-	**74**	257	-	257
Interest and financing costs	14	(172)	-	**(172)**	(142)	(1)	(143)
Movement in fair value of investments	22	73	-	**73**	284	-	284
(Deficit) / surplus before taxation		(15,320)	214	**(15,106)**	(2,268)	3,559	1,291
Taxation	15	-	-	**-**	-	-	-
(Deficit) /surplus before and after taxation and total comprehensive (expense) / income for the year		(15,320)	214	**(15,106)**	**(2,268)**	**3,559**	**1,291**

The notes on pages 37 to 55 form part of these financial statements

Consolidated and Society Statements of Financial Position at 31 March 2022

	Note	**Group 2022 £'000**	Group 2021 £'000	**Society 2022 £'000**	Society 2021 £'000
Fixed assets					
Tangible fixed assets - housing properties	16	**121,852**	133,423	**123,043**	134,676
Tangible fixed assets - other	17	**58**	145	**58**	145
Investment properties	18	**800**	800	**800**	800
		122,710	134,368	123,901	135,621
Current assets					
Properties held for sale	20	**2,177**	1,945	**2,300**	1,997
Debtors - receivable within one year	21	**3,818**	2,822	**4,227**	2,811
Debtors - receivable after one year	21	**306**	4,829	**306**	4,829
Investments	22	**592**	1,675	**592**	1,675
Cash and cash equivalents		**24,712**	23,691	**24,235**	23,615
		31,605	34,962	**31,660**	34,927
Creditors: amounts due within one year	23	**(9,052)**	(10,117)	**(8,834)**	(10,085)
Net current assets		**22,553**	24,845	**22,826**	24,842
Total assets less current liabilities		**145,263**	159,213	**146,727**	160,463
Creditors: amounts after more than one year	24	**(26,663)**	(25,492)	**(26,862)**	(25,492)
Net assets		**118,600**	133,721	**119,865**	134,971
Capital and reserves					
Income and expenditure reserve		**111,628**	120,953	**112,893**	122,203
Restricted reserve		**6,972**	12,768	**6,972**	12,768
Total Capital and reserves		**118,600**	133,721	**119,865**	134,971
		-		-	

The financial statements were approved by the Board and authorised for issue on 10 August 2022 and signed on their behalf by:

Jenny Lawrence -

Chair

The notes on pages 37 to 55 form part of these financial statements

Consolidated statement of Cash Flows for the year ended 31 March 2022

		2022	2021
		£'000	£'000
Cash flows from operating activities			
(Deficit) / surplus for the financial year		**(15,121)**	1,261
Adjustments for:			
Impairment of housing properties	8	**9,836**	-
Depreciation of fixed assets - housing properties	8	**2,485**	2,671
Accelerated depreciation on disposal of components	8	**266**	220
Impairment of current assets	8	**1,033**	-
Depreciation of fixed assets - other	17	**85**	225
Amortisation of grant	5	**(125)**	(125)
Movement in fair value of investments	22	**(73)**	(284)
Interest payable and finance costs	14	**172**	143
Interest received	13	**(74)**	(257)
(Surplus)/ Deficit on the disposal of fixed assets	12	**(1,707)**	(5,202)
(Increase)/decrease in trade and other debtors	21	**(859)**	155
(Increase)/decrease in properties held for sale	20	**(1,265)**	(150)
(Increase)/decrease in creditors including Revolving Credit Facility		**(1,224)**	4,515
Net cash (outflow)/inflow from operating activities		**(6,571)**	3,172
Cash flows from investing activities			
Transaction costs for sale of housing properties	12	**(150)**	(315)
Grant repaid		**-**	(1,205)
Sale of current asset investments	22	**1,156**	-
Proceeds from sale of fixed assets - housing properties	12	**6,345**	13,579
Purchase of fixed assets - housing properties	16	**(4,182)**	(3,554)
Purchase of fixed assets - other	17	**(2)**	-
Receipt of grant and other movements	25	**-**	-
Net loan repayments from/(advances) to member societies	21	**4,523**	860
Interest received	13	**74**	257
Net cash used in investing activities		**7,764**	9,622
Cash flows from financing activities			
Interest paid	14	**(172)**	(143)
Net cash (outflow)/inflow by financing activities		**(172)**	(143)
Net increase/(decrease) in cash and cash equivalents		**1,021**	12,651
Cash and cash equivalents at beginning of year		**23,691**	11,040
Cash and cash equivalents at end of year		**24,712**	23,691

The notes on pages 37 to 55 form part of these financial statements

Financial Statements

Consolidated statement of changes in reserves for the year ended 31 March 2022

	Income and expenditure reserve £'000	Restricted reserves £'000	Total £'000
Balance at 31 March 2021	120,953	12,768	133,721
Deficit / Surplus for the year	(15,121)	-	(15,121)
Transfer from restricted reserves	5,796	(5,796)	-
Balance at 31 March 2022	**111,628**	**6,972**	**118,600**

Society statement of changes in reserves for the year ended 31 March 2022

	Income and expenditure reserve £'000	Restricted reserves £'000	Total £'000
Balance at 31 March 2021	122,203	12,768	134,971
Deficit / Surplus for the year	(15,106)	-	(15,106)
Transfer from restricted reserves	5,796	(5,796)	-
Balance at 31 March 2022	**112,893**	**6,972**	**119,865**

Consolidated statement of changes in reserves for the year ended 31 March 2021

	Income and expenditure reserve £'000	Restricted reserves £'000	Total £'000
Balance at 31 March 2020	120,110	12,350	132,460
Deficit / Surplus for the year	843	418	1,261
Balance at 31 March 2021	**120,953**	**12,768**	**133,721**

Society statement of changes in reserves for the year ended 31 March 2021

	Income and expenditure reserve £'000	Restricted reserves £'000	Total £'000
Balance at 31 March 2020	121,330	12,350	133,680
Deficit / Surplus for the year	873	418	1,291
Balance at 31 March 2021	**122,203**	**12,768**	**134,971**

The notes on pages 37 to 55 form part of these financial statements

Notes forming part of the Financial Statements for the year ended 31 March 2022

1. LEGAL STATUS

The Group consists of the following three trading entities: The Abbeyfield Society Limited ("The Society", company number 574816), Abbeyfield Properties Limited (company number 9482576) and The Abbeyfield Research Foundation (company number 9705217).

The Society is a company limited by guarantee, incorporated in England and Wales, having no share capital and with solely charitable objectives. The Society is registered with the Regulator of Social Housing and the Charity Commission. The Society's registered address is St. Peter's House, 2 Bricket Road, St. Albans, ALI 3JW. The Society is a member of each separate independent, Abbeyfield Member Society. The Society holds one £1 share in any Abbeyfield Member Society which is registered under the Co-operative and Community Benefit Societies Act 2014. The Society and the Group do not have a controlling interest in any Abbeyfield Member Society. The Society is a public benefit entity. These financial statements do not reflect any of the Member Societies assets, liabilities or financial transactions.

Abbeyfield Properties Limited is a company limited by shares, incorporated in England and Wales, having a share capital of £1. Abbeyfield Properties Limited is wholly owned by the Society. It is deployed by the Society as a design-and-build company for its new developments.

Abbeyfield Research Foundation is a company limited by guarantee, incorporated in England and Wales, having no share capital and with solely charitable objectives. It is registered with the Charity Commission (Charity No. 1167685). Abbeyfield Research Foundation is wholly owned by the Society. Abbeyfield Research Foundation is a fundraising and grant making body, which focuses on funding research into issues that affect older people.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for The Society includes the Companies Act, Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland", and the Statement of Recommended Practice (SORP) for Registered Social Housing Providers, "Accounting by Registered Social Housing Providers" 2014 and the 2018 Accounting Direction for Private Registered Providers of Social Housing 2019.

The Board has a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the preparation of financial statements.

The accounts are prepared under the historic cost basis except for the modification to a fair value basis for certain financial instruments and investment properties, as specified in the accounting policies below. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

In preparing the separate financial statements of The Society, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the Society;
- Disclosures in respect of the Society's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of The Society as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

Basis of Consolidation

The consolidated financial statements present the results of The Abbeyfield Society, a registered

provider of social housing and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Income
The Society's turnover principally comprises residents' charges receivable from homes, annual membership fees due from Member Societies, donations from third parties and fund-raising activities. The residents' charges are composite amounts covering rent, service charges and support. Income is measured at the fair value of the consideration received or receivable. The Group generates the following material income streams: -

- Rental income (after deducting lost rent from void properties available for letting);
- Service charges receivable;
- Donations and legacies;
- Membership fees;
- Property sales;
- Market rent.

Turnover from social housing lettings is recognised on delivery of services to end users, as the Society performs its obligations. Income from donations and legacies is accounted for on a receivable basis when it is more likely than not that the economic benefits will flow to the Society and the amount of the income can be measured reliably together with any related costs. Turnover from sale of properties is recognised on legal completion of sales. Rental income is recognised from the point when properties under development reach practical completion and are formally let. Income from properties built for sale is recognised at the point of legal completion of the sale.

Service Charges
The Group adopts either fixed or variable method for calculating and charging service charges to its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the estimated amounts chargeable.

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

Finance Costs
Finance costs are charged to the income statement over the term of the debt using the applicable interest rate so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Pension Costs
Contributions to the Group's defined contribution pension scheme are charged to the income statement in the year in which they become payable.

Holiday Pay Accrual
A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Tangible Fixed Assets- Housing Properties
Housing properties constructed or acquired (including land) on the open market are stated at cost less depreciation and impairment where applicable. Housing properties received as part of a transfer of undertakings were initially recorded at fair value; depreciation and impairment has been deducted as applicable.

The cost of freehold land and property represents their purchase price and any directly attributable costs of acquisition which may include an appropriate amount for staff costs and other costs of managing development.

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

net rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income with the exception of components, which are capitalised as they have a life of more than one year.

Housing properties in the course of construction, excluding the estimated cost of the element of shared ownership properties expected to be sold in first tranche, are included in Tangible Fixed Assets and held at cost less any impairment, and are transferred to completed properties when ready for letting.

Depreciation of Housing Properties

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

The portion of shared ownership property retained or expected to be retained is not depreciated on account of the high residual value. Neither the depreciable amount nor the expected annual depreciation charge for such assets is considered material, individually or in aggregate. Assets in the course of construction are not depreciated until they are completed and ready for use.

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

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

Description	Estimated useful life (years)
Structure	100
Roofs	50
Kitchen	30
Bathroom	30
Windows and doors	30
Electrical	20
Heating	15
Lifts	15
Furniture and Equipment	10

Allocation of Costs for Mixed Tenure and Shared Ownership Developments

Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. Where it is not possible to relate costs to a specific tenure type costs the costs are allocated by square footage.

Tangible Fixed Assets - Other

Other tangible fixed assets are stated at historic cost less accumulated depreciation and any accumulated impairment losses. Historic cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Society. The carrying amount of the replaced part is written off. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation of Other Tangible Fixed Assets

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

Description	Estimated useful life (Years)
Furniture & equipment	10
Motor vehicles	5
Office furniture	5
Office equipment and computers	3-5

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised below operating surplus/(deficit), in the statement of comprehensive income.

Notes forming part of the Financial Statements for the year ended 31 March 2022

Investment Properties
Investment properties consist of properties not held for social benefit or use in operations. They are properties held to earn rental income or for capital appreciation. They are initially measured at cost and subsequently at fair value as determined by external valuers. No depreciation is provided. Changes in fair value are recognised in income or expenditure.

Government Grants
Grant received in relation to constructed or acquired housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018.
Grant is carried as deferred income in the balance sheet and released to the income and expenditure account on a systematic basis over the useful economic lives of the asset for which it was received.

Where social housing grant ("SHG") funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the income and expenditure account. Where properties with grant attached are received as part of a transfer of undertakings the ultimate requirement to recycle/repay grant sits within The Society and is recorded as a contingent liability. When properties are identified for sale and a grant liability will crystallise that is not covered by the anticipated sales proceeds, additional provision for impairment is recorded.

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

Grants due from government organisations or received in advance are included as current assets or liabilities.

Recycled Capital Grant Fund
On the occurrence of certain relevant events, primarily the sale of dwellings, Homes England can direct the Society to recycle capital grants or to make repayments of the recoverable amount. The Group adopts a policy of recycling, for which a separate fund is maintained. If unused within a three-year period, grant should be repayable to Homes England with interest.

Any unused recycled capital grant held, is disclosed in the balance sheet under "creditors due after more than one year", except where the property disposal was greater than two years previous and this is disclosed, as creditors due less than one year.

Valuation of Investments
Investments in subsidiaries are measured at cost less accumulated impairment. Investments in listed company shares, which have been classified as current asset investments, are stated at fair value at each balance sheet date. Gains and losses are recognised in the income statement for the period.

Impairment of Tangible Fixed Assets
The housing property portfolio for the Group is assessed for indicators of impairment at each balance sheet date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. An option appraisal is carried out to determine the option which produces the highest net realisable value. Some properties have been valued at value-in-use service potential. The Society defines cash generating units at unit level. Where the recoverable amount of an asset or cash generating unit is lower than its carrying value an impairment is recorded through a charge to income and expenditure.

Properties Held for Sale
Properties held for sale represent work in progress and completed properties, including housing properties developed for transfer to other registered providers; closed properties received as part of a transfer of undertakings that are held for sale; properties developed for outright sale; and shared ownership properties. For shared ownership properties the value held as properties held for sale is the estimated cost to be sold as a first tranche.

Properties held for sale are stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs.

Notes forming part of the Financial Statements for the year ended 31 March 2022

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

Recoverable Amount of Rental and Other Trade Receivables.
The Group estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historic collection rates and the class of debt.

Loans to Member Societies
Loans to Member Societies are regarded as concessionary loans (FRS 102). Those loans are made at a rate of interest which is below the prevailing market rate of interest.

These loans are measured at the amount advanced at the inception of the loan less amounts received and any provisions for impairment. Any associated grant is recognised as deferred income until the loan is redeemed.

Rent and Service Charge Agreements
The Group has made arrangement with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

Loans, Investments and Short-Term Deposits
These instruments are initially recorded at the transaction price less any transaction costs (historic cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost. Loans and investments that are payable or receivable within one year are not discounted.

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

Cash and Cash Equivalents
Cash and cash equivalents in the Group's balance sheet consists of cash at bank and on deposit with an original maturity of three months or less.

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

Reserves
Income received, and expenditure incurred, for restricted purposes is separately accounted for within restricted funds. Restricted funds arise from either the conditions of the legacy, or surplus from transfer of merging societies, donation of merger of Societies. Realised and unrealised gains and losses on assets held by these funds are also allocated to the fund.

Leased Assets: Lessee
Where assets are financed by leasing agreements that give rights approximately to ownership (finance leases), the assets are treated as if they has been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

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

received are recognized over the term of the lease as an integral part of the total lease expense

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

- whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- the anticipated costs to complete on a development scheme are based on anticipated construction cost, effective rate of interest on loans during the construction period, legal costs and other costs. Based on the costs to complete, the Board then determines the recoverability of the cost of properties developed for outright sale and/or land held for sale. This judgement is also based on the Board's best estimate of sales value based on economic conditions within the area of development.
- the appropriate allocation of costs relating to shared ownership between current and fixed assets.
- the categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset.
- Leases are categorised, as operating, or finance leases. The risk and rewards of ownership of the asset have been considered, over the economic life of the new Southampton scheme, not just one lease period of 30 years. The assessment shows that the risks and rewards are predominately with the lessor over the economic life of the site and it is accordingly accounted for as an operating lease.
- Investments (see note 22):

  The most critical estimates, assumptions and judgements relate to the determination of carrying value of investments are determined using the valuation provided by LGT Wealth Management (Vestra) and Waverton Investment Management. The original cost of the investments were £491K.
- Rental and other trade receivables (see note 21):

  The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an aging profile basis to consider whether each debt is recoverable.
- Investment properties (see note 18):

  Investment properties are professionally valued annually using yield methodology. This uses market rental values capitalised at market capitalisation rate, there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Key input into the valuation in the last financial year, which had been retained for the year to 31 March 2022, were:
  - Rent payable;
  - Net initial yield;
  - Location and condition of the property;

Other Key Sources of Estimation Uncertainty:

Tangible Fixed Assets (see note 16 and 17) are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number factors. Residual value assessments consider issues such as future and market conditions, the remaining life of the asset and projected disposal values. For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components

Notes forming part of the Financial Statements for the year ended 31 March 2022

4. Particulars of turnover, operating costs and operating surplus - Group

	Note	**Turnover 2022 £'000**	**Operating costs 2022 £'000**	**Operating (deficit) / surplus 2022 £'000**
Social housing lettings	5	**39,477**	**(59,773)**	**(20,296)**
Activities other than Social Housing Activities				
Affordable rent (Independent Living) and other		**3,569**	**(2,634)**	**935**
Membership activity		**713**	**(1,140)**	**(427)**
International activity		**12**	**(44)**	**(32)**
Other		**2**	**(15)**	**(13)**
Donations and legacies		**1,920**	**(285)**	**1,635**
ICT/Furlough Income		**1,395**	**-**	**1,395**
Total		**47,088**	**(63,891)**	**(16,803)**

	Note	Turnover 2021 £'000	Operating costs 2021 £'000	Operating (deficit) / surplus 2021 £'000
Social housing lettings	5	39,568	(49,556)	(9,988)
Activities other than Social Housing Activities		-	-	
Affordable rent (Independent Living) and other		3,619	(1,648)	1,971
Membership activity		725	(750)	(25)
International activity		-	(45)	(45)
Surplus from sale of current assets		37	(71)	(34)
Other		55	(51)	4
Donations and legacies		2,039	(320)	1,719
ICT/Furlough Income		2,059	-	2,059
Total		48,102	(52,441)	(4,339)

4. Particulars of turnover, operating costs and operating surplus - Society

	Note	**Turnover 2022 £'000**	**Operating costs 2022 £'000**	**Operating (deficit) / surplus 2022 £'000**
Social housing lettings	5	**39,477**	**(59,773)**	**(20,296)**
Activities other than Social Housing Activities				
Affordable rent (Independent Living) and other		**3,569**	**(2,634)**	**935**
Membership activity		**713**	**(1,140)**	**(427)**
International activity		**12**	**(44)**	**(32)**
Other		**1**	**1**	**2**
Donations and legacies		**1,920**	**(285)**	**1,635**
ICT/Furlough Income		**1,395**	**-**	**1,395**
Total		**47,087**	**(63,875)**	**(16,788)**

	Note	Turnover 2021 £'000	Operating costs 2021 £'000	Operating (deficit) / surplus 2021 £'000
Social housing lettings	5	39,568	(49,556)	(9,988)
Activities other than Social Housing Activities				
Affordable rent (Independent Living) and other		3,619	(1,648)	1,971
Membership activity		725	(750)	(25)
International activity		-	(45)	(45)
Surplus from sale of current assets		37	(71)	(34)
Other		-	(19)	(19)
Donations and legacies		2,092	(320)	1,772
ICT/Furlough Income		2,059	-	2,059
Total		48,100	(52,409)	(4,309)

5. Income and expenditure from social housing lettings - Group

		Care	Supported Housing	Total 2022	Total 2021
		£'000	£'000	£'000	£'000
Income					
Rents net of identifiable service charges		26,282	1,675	**27,957**	28,238
Service charge income		-	11,395	**11,395**	11,205
Grant amortisation		125	-	**125**	125
Turnover from social housing lettings		26,407	13,070	**39,477**	39,568
Expenditure					
Management		(6,422)	(3,214)	**(9,636)**	(9,102)
Service charge costs		(4,149)	(2,192)	**(6,341)**	(5,927)
Charges for support services		(20,440)	(6,234)	**(26,674)**	(27,853)
Routine maintenance		(1,088)	(1,876)	**(2,964)**	(2,680)
Major repairs expenditure		(217)	(209)	**(426)**	(404)
Bad debts		(49)	(52)	**(101)**	11
Impairment (Housing Properties)	8	(413)	(10,456)	**(10,869)**	-
Accelerated depreciation		(98)	(132)	**(230)**	(220)
Depreciation (Housing Properties)		(1,112)	(920)	**(2,032)**	(2,671)
Depreciation (Other Fixed Assets)		(57)	(28)	**(85)**	(225)
Abortive Costs		(273)	(142)	**(415)**	(485)
Operating expenditure on social housing lettings		**(34,318)**	**(25,455)**	**(59,773)**	(49,556)
Operating (deficit)/surplus on social housing lettings		**(7,911)**	**(12,385)**	**(20,296)**	(9,988)
Void losses		**(7,260)**	**(2,948)**	**(10,208)**	(8,329)

5. Income and expenditure from social housing lettings - Society

		Care	Supported Housing	Total 2022	Total 2021
		£'000	£'000	£'000	£'000
Income					
Rents net of identifiable service charges		26,282	1,675	**27,957**	28,238
Service charge income		-	11,395	**11,395**	11,205
Grant amortisation		125	-	**125**	125
Turnover from social housing lettings		**26,407**	**13,070**	**39,477**	39,568
Expenditure					
Management		(6,422)	(3,214)	**(9,636)**	(9,102)
Service charge costs		(4,149)	(2,192)	**(6,341)**	(5,927)
Charges for support services		(20,440)	(6,234)	**(26,674)**	(27,853)
Routine maintenance		(1,088)	(1,876)	**(2,964)**	(2,680)
Major repairs expenditure		(217)	(209)	**(426)**	(404)
Bad debts		(49)	(52)	**(101)**	11
Impairment (Housing Properties)	8	(413)	(10,456)	**(10,869)**	-
Accelerated depreciation		(98)	(132)	**(230)**	(220)
Depreciation (Housing Properties)		(1,112)	(920)	**(2,032)**	(2,671)
Depreciation (Other Fixed Assets)		(57)	(28)	**(85)**	(225)
Abortive Costs		(273)	(142)	**(415)**	(485)
Operating expenditure on social housing lettings		**(34,318)**	**(25,455)**	**(59,773)**	(49,556)
Operating (deficit)/surplus on social housing lettings		**(7,911)**	**(12,385)**	**(20,296)**	(9,988)
Void losses		**(7,260)**	**(2,948)**	**(10,208)**	(8,329)

6. Particulars of turnover from non-social housing lettings - Group and Society

	2022	2021
	£'000	£'000
Affordable Rent	**3,569**	3,619
Total	**3,569**	3,619

7. Units of housing stock - Group and Society

	2022	2021
	Total	Total
Supported Housing	**971**	1,041
Residential care home bed spaces	**653**	677
Affordable Rent	**269**	271
Total Owned and Managed accommodation	**1,893**	1,989
Units under construction	**113**	130
Units owned by the society but managed by others	**90**	90

8. Operating (deficit)/surplus

	Group	Group	**Society**	Society
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
This is arrived at after charging:				
Depreciation of housing properties: charge for the year	**2,032**	2,221	**2,032**	2,221
Depreciation of market let properties properties: charge for the year	**453**	450	**453**	450
Depreciation of other tangible fixed assets	**85**	225	**85**	225
Accelerated depreciation of housing properties	**230**	220	**230**	220
Accelerated depreciation of market let properties	**36**	8	**36**	8
Impairment (Housing Properties)	**9,836**	-	**9,836**	-
Impairment (Current Assets)	**1,033**	-	**1,033**	-
Operating lease charges	**781**	781	**781**	781
Auditors' remuneration:				
Group accounts	**85**	85	**85**	85
Subsidiaries	**10**	10	**10**	10
other audit related assurance	**8**	7	**8**	7
tax advice	**12**	20	**12**	20

The impairment loss above relates to 80 Social Housing units.

9. Employees

All employees for the Group are employed through the Society, therefore the costs and employee numbers are the same for the group and the society.

9.1 Employee Costs

	Group 2022 £'000	Group 2021 £'000
Staff costs (including Executive Management Team) consist of:		
Wages and salaries	**27,174**	27,759
Social Security costs	**2,066**	2,062
Cost of defined contribution scheme	**897**	876
Total	**30,137**	30,697

9.2 Employee numbers

The average number of employees including part time staff is shown as headcount. The Full Time Equivalents (FTE's), calculated based on a standard working week of 35 hours during the year were as follows:

	FTE's 2022	FTE's 2021	**Headcount 2022**	Headcount 2021
Administration	**128**	128	**134**	134
Development	**4**	4	**4**	4
Housing, Support and Care	**842**	969	**1,175**	1,351
Total	**974**	1,101	**1,313**	1,489

10. Board and executive remuneration

None of the members of the Board received any emoluments (2021: £nil). Board expenses for the year are **£3,459** (2021: £7,835).

	Group 2022 £'000	Group 2021 £'000	**Society 2022 £'000**	Society 2021 £'000
Executive emoluments	**1,316**	1,335	**1,316**	1,335
Contributions to money purchase pension schemes	**53**	66	**53**	66
Total	**1,369**	1,401	**1,369**	1,401

The total amount payable to the Chief Executive post, who was also the highest paid director, in respect of emoluments was **£171,151** (2021: £176,741). Employer pension contributions totalling **£10,930** were made during the year for a defined contribution scheme which is open to all employees.

The remuneration paid to staff (including the Executive Management Team) earning over £60,000:

	Group 2022 number	Group 2021 number	**Society 2022 number**	Society 2021 number
£60,001 - £70,000	**12**	9	**12**	9
£70,001 - £80,000	**5**	5	**5**	5
£80,001 - £90,000	**1**	3	**1**	3
£90,001 - £100,000	**5**	4	**5**	4
£110,001 - £120,000	**-**	-	**-**	-
£120,001 - £130,000	**1**	1	**1**	1
£130,001 - £140,000	**-**	1	**-**	1
£160,001 - £170,000	**1**	-	**1**	-
£170,001 - £180,000	**1**	1	**1**	1

Notes forming part of the Financial Statements for the year ended 31 March 2022

11. Board/Committee Members

	Member of:					
Board/Committee Member	**Group Board**	**Remuneration & Nominations Committee**	**Audit and Risk Committee**	**Finance & Operations Committee**	**Quality Committee**	**Property Committee**
Ian Plaistowe	✓	✓		✓		✓
Jenny Lawrence	✓	✓	✓	✓		✓
Chris Smith	✓	✓	✓		✓	✓
Andre Decraene	✓		✓			
Amanda Houlihan	✓	✓			✓	
Jeff Medlock	✓			✓		✓
Rt. Rev Dr Stephen Venner	✓	✓			✓	
Sara Beamand	✓				✓	
Andrew Larpent	✓				✓	
Cedric Meiring	✓					
Ken Staveley	✓					
Brian Williams	✓	✓				
Roger Lees	✓			✓		✓
George Ashworth	✓			✓		✓
Mike Turner	✓					
Marc Marrero (co-opted)			✓			

12. Surplus on disposal of Fixed Assets - Group and Society

	2022	2021
	£'000	£'000
Disposal proceeds	**6,345**	13,579
Cost of disposals	**(3,192)**	(5,867)
Selling costs	**(150)**	(315)
Grant recycled	**(1,296)**	(2,195)
	1,707	**5,202**

13. Interest receivable and income from investments - Group and Society

	Group	Group	**Society**	Society
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Abbeyfield member societies	**58**	117	**58**	117
Interest receivable	**16**	140	**16**	140
Total	**74**	257	**74**	257

14. Interest payable and similar charges - Group and Society

	Group	Group	**Society**	Society
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Bank Loans and overdrafts	**159**	142	**159**	142
Recycled capital grant fund	**13**	1	**13**	1
Total	**172**	143	**172**	143

15. Taxation

There was no tax charge for 21/22 or for the preceeding year as the society's activities are charitable in nature

16. Housing properties - Group

	Care, Housing and Independent Living completed £'000	Care, Housing and Independent Living under construction £'000	Shared ownership completed £'000	Total £'000
Cost:				
As at 31 March 2021	**150,406**	**10,149**	**793**	**161,348**
Additions:				
Construction Costs	-	1,965	-	1,965
Additions to completed Schemes	-	-	-	-
Replaced components	2,216	-	-	2,216
Transferred to development	-	-	-	-
Component disposal	(548)	-	-	(548)
Closed property disposal	(5,968)	-	-	(5,968)
Construction assets completed during the year	-	-	-	-
As at 31 March 2022	**146,106**	**12,114**	**793**	**159,013**
Depreciation:				
As at 31 March 2021	**20,118**	-	-	**20,118**
Charge for the year	2,485	-	-	2,485
Eliminated on disposals: components	(282)	-	-	(282)
Eliminated on disposals: other	(1,008)	-	-	(1,008)
As at 31 March 2022	**21,313**	-	-	**21,313**
Impairment:				
As at 31 March 2021	**7,807**	-	-	**7,807**
Charge for the year	4,200	9,836	-	14,036
Reversed prior year impairment	(4,202)	-	-	(4,202)
Released in the year at sale	(1,793)	-	-	(1,793)
As at 31 March 2022	**6,012**	9,836	-	**15,848**
Net book value at 31 March 2022	**118,781**	**2,278**	**793**	**121,852**
Net book value at 31 March 2021	122,481	10,149	793	133,423

16. Housing properties - Society

	Care, Housing and Independent Living completed £'000	Care, Housing and Independent Living under construction £'000	Shared ownership completed £'000	Total £'000
Cost:				
As at 31 March 2021	**150,406**	**11,402**	**793**	**162,601**
Additions:				
Construction Costs	-	1,903	-	1,903
Additions to completed Schemes	-	-	-	-
Replaced components	2,216	-	-	2,216
Transferred to development	-	-	-	-
Component disposal	(548)	-	-	(548)
Closed property disposal	(5,968)	-	-	(5,968)
Construction assets completed during the year	-	-	-	-
As at 31 March 2022	**146,106**	**13,305**	**793**	**160,204**
Depreciation:				
As at 31 March 2021	**20,118**	-	-	**20,118**
Charge for the year	2,485	-	-	2,485
Eliminated on disposals: components	(282)	-	-	(282)
Eliminated on disposals: other	(1,008)	-	-	(1,008)
As at 31 March 2022	**21,313**	**-**	**-**	**21,313**

16. Housing properties continued

	Care, Housing and Independent Living completed £'000	Care, Housing and Independent Living under construction £'000	Shared ownership completed £'000	Total £'000
Impairment:				
As at 31 March 2021	**7,807**	-	-	**7,807**
Charge for the year	4,200	9,836	-	14,036
Reversed prior year impairment	(4,202)	-	-	(4,202)
Released in the year at sale	(1,793)	-	-	(1,793)
As at 31 March 2022	**6,012**	9,836	-	**15,848**
Net book value at 31 March 2022	**118,781**	**3,469**	**793**	**123,043**
Net book value at 31 March 2021	122,481	11,402	793	134,676

	Group 2022 £'000	**Society** 2022 £'000	Group 2021 £'000	Society 2021 £'000
Freehold	**119,095**	**120,286**	131,510	132,763
Long leasehold	**2,757**	**2,757**	1,913	1,913
Total	**121,852**	**123,043**	133,423	134,676
Works to properties included above				
Improvements to existing properties capitalised	**2,216**	**2,216**	1,573	1,573
Major repairs expenditure to SOCI	-	-	263	263
Total	**2,216**	**2,216**	1,836	1,836
Capital grant - Housing Properties in Reserves				
As at 1 April 2021	**26,024**	**26,024**	27,465	27,465
Capital grant - Housing Properties in creditors	**16,787**	**16,787**	15,691	15,691
Recycled Capital Grant Fund	**5,548**	**5,548**	5,459	5,459
Total	**48,359**	**48,359**	48,615	48,615

The Society had property with a book value of **£17.6m** pledged as security at 31 March 2022 (2021: £17.6m)

17. Tangible fixed assets - Other - Group and Society

	Fixtures, fittings and furniture £'000	Computer and other office equipment £'000	**Total £'000**
Cost:			
As at 31 March 2021	**673**	**1,415**	**2,088**
Additions	2	-	**2**
Disposals	(83)	(692)	**(775)**
As at 31 March 2022	**592**	**723**	**1,315**
Depreciation:			
As at 31 March 2021	**630**	**1,313**	**1,943**
Charge for the year	13	72	**85**

Disposals	(80)	(691)	**(771)**
As at 31 March 2022	**563**	**694**	**1,257**
Net book value at 31 March 2022	**29**	**29**	**58**
Net book value at 31 March 2021	43	102	145

18. Investment properties

Investment properties consist of properties not held for social benefit or for use in the business. Investment properties are measured at the cost on initial recognition. Subsequently they are carried at fair value determined annually by professionally qualified valuers and derived from the current market rent and investment property yield for comparable real estate, adjusted if neccessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the statement of comprehensive income.

Group and Society

	£'000
Cost:	
As at 1 April 2021	800
Revaluation	-
At 31 March 2022	**800**

The valuations were undertaken by JLL in accordance with the RICS Valuation Global Standards 2017 and the RICS Valuation - Professional Standards 2014. In valuing investment properties an investment method of valuation was used. Details of the assumptions made and the key sources of estimation uncertainty are given in note 3.

If investment property had been accounted for under the historic cost accounting rules the properties would have been measured as follows

	Group 2022 £'000	Group 2021 £'000	**Society 2022 £'000**	Society 2021 £'000
Cost:				
Historic cost	**591**	591	**591**	591
Accumulated Depreciation	**(142)**	(139)	**(142)**	(139)
At 31 March 2022	**449**	452	**449**	452

19. Investments

	Country of incorporation or registration	Voting rights % held	Nominal value of the shares held	Nature of business	Nominal value of the share held
Subsidiary Undertakings					
Abbeyfield Properties Limited	England	100%	£1	Design-and-build	Incorporated company, limited by shares
The Abbeyfield Research Foundation	England	100%	£nil	Fundraising and Grant making	Incorporated company, limited by guarantee
Abbeyfield UK Limited	England	100%	£nil	Dormant	Incorporated company, limited by guarantee
Pebblemist Limited	England	100%	£nil	Dormant	Incorporated company, limited by guarantee
Abbeyfield Elland Society Limited	England	100%	£nil	Dormant	Incorporated company, limited by guarantee

All above Subsidiary undertakings are registered at St Peters House, 2 Bricket Road, St Albans, Hertfordshire, AL1 3JW

20. Properties for sale - Group

	Closed properties held for sale	**Developed units**	**2022 Total**	2021 Total
	£'000	**£'000**	**£'000**	£'000
Work in progress	**-**	**3,794**	**3,794**	2,529
Completed properties - developed and closed	**-**	**-**	**-**	**-**
Completed properties - acquired	**120**	**-**	**120**	120
Less: Provision for impairment	**-**	**(1,737)**	**(1,737)**	(704)
Total	**120**	**2,057**	**2,177**	1,945

20. Properties for sale - Society

	Closed properties held for sale	**Developed units**	**2022 Total**	2021 Total
	£'000	**£'000**	**£'000**	£'000
Work in progress	**-**	**3,917**	**3,917**	2,581
Completed properties - developed and closed	**-**	**-**	**-**	**-**
Completed properties - acquired	**120**	**-**	**120**	120
Less: Provision for impairment	**-**	**(1,737)**	**(1,737)**	(704)
Total	**120**	**2,180**	**2,300**	1,997

Properties developed for sale do not include capitalised interest.

21. Debtors - Group and Society

	Group 2022	Group 2021	**Society 2022**	Society 2021
	£'000	£'000	**£'000**	£'000
Due within one year				
Rent and service charge arrears	**830**	313	**830**	313
Less: Provision for doubtful debts	**(270)**	(276)	**(270)**	(276)
	560	37	**560**	37
Abbeyfield member societies	**116**	160	**116**	160
Other debtors	**382**	769	**791**	758
Prepayments and accrued income	**2,760**	1,856	**2,760**	1,856
Total	**3,818**	2,822	**4,227**	2,811
Due after one year				
Due from Abbeyfield member societies	**306**	4,829	**306**	4,829

22. Current asset investments - Group and Society

	2022	2021
	£'000	£'000
Opening fair value	**1,675**	1,391
Additions	**-**	-
Fair Value Adjustment	**73**	284
Disposals	**(1,156)**	-
Closing fair value	**592**	1,675

23. Creditors: falling due within one year - Group and Society

	Group 2022 £'000	Group 2021 £'000	**Society 2022 £'000**	Society 2021 £'000
Trade creditors	**1,235**	737	**1,235**	737
Taxation and social security	**389**	250	**389**	250
Other creditors	**1,985**	1,573	**1,856**	1,541
Recycled Capital Grant Fund (note 26)	**1,066**	1,221	**1,066**	1,221
Accruals and deferred income	**4,377**	6,336	**3,557**	5,467
Amount owed to group undertakings	**-**	-	**731**	869
Total	**9,052**	10,117	**8,834**	10,085

24. Creditors: falling due after one year - Group and Society

	Group 2022 £'000	Group 2021 £'000	**Society 2022 £'000**	Society 2021 £'000
Deferred capital grant (note 25)	**16,786**	15,690	**16,786**	15,690
Recycled Capital Grant Fund (note 26)	**4,482**	4,238	**4,482**	4,238
Bank Loan	**5,000**	5,000	**5,000**	5,000
Other creditors	**395**	564	**594**	564
Total	**26,663**	25,492	**26,862**	25,492

25. Deferred capital grant - Group and Society

	2022 £'000	2021 £'000
At 31 March 2021	**15,690**	15,740
Grants receivable during the year	**-**	-
Grants recycled from the recycled grant fund	**1,221**	75
Amortisation released at sale	**-**	-
Grant Reversed	**-**	-
Released to income during the year	**(125)**	(125)
Total	**16,786**	15,690

26. Recycled capital grant fund - Group and Society

Capital grant: relating to development activities funded by	**HCA 2022 £'000**	**GLA 2022 £'000**	**Total 2022 £'000**	HCA 2021 £'000	GLA 2021 £'000	Total 2021 £'000
At 31 March 2021	**2,886**	**2,573**	**5,459**	2,594	1,949	4,543
Inputs to fund:						
Grants recycled from reserves at point of sale	**1,296**	-	**1,296**	597	1,599	2,196
Restated Grant Allocated to a property	**-**	**-**	**-**	-	-	-
Transfer from (to) deferred grant	**(1,221)**	**-**	**(1,221)**	(75)	-	(75)
Interest accrued	**7**	**7**	**14**	-	-	-
Transfer to Member Society	-	-	-	(230)	-	(230)
Repayment to GLA	-	-	-	-	(975)	(975)
At 31 March 2022	**2,968**	**2,580**	**5,548**	2,886	2,573	5,459
Included in creditors: amounts due within one year	936	130	**1,066**	1,221	-	1,221
Included in creditors: amounts due after more than one year	2,032	2,450	**4,482**	1,665	2,573	4,238
At 31 March 2022	**2,968**	**2,580**	**5,548**	2,886	2,573	5,459

27. Loans and borrowings - Group and Society

	Bank loans 2022 £'000	Bank loans 2021 £'000
Maturity of debt:		
On demand or within one year	**-**	-
More than one year and up to two years	**5,000**	5,000
Total	**5,000**	5,000

The Group has a £5 million Revolving Credit Facility and a £5 million Overdraft facility with Barclays Bank. The facilities are secured by charges on the housing properties of the Group.

The Revolving Credit Facility is fully drawn and the full overdraft is available to be drawn. Both facilities end on the 31st December 2023.

Loans are secured by specific charges on the housing properties of the Group, as disclosed in notes 16 and 19.

	2022 £'000	2021 £'000
Financial assets		
Financial assets measured at fair value:		
Investments	**592**	1,675
Financial assets measured at historic cost:		
Trade receivables	**830**	313
Other receivables	**3,294**	7,338
Cash and cash equivalents	**24,712**	23,691
Total financial assets	**29,428**	33,017
Financial liabilities		
Financial liabilities measured at amortised cost:		
Loans payable	**-**	-
Financial liabilities measured at historic cost:		
Trade creditors	**(1,235)**	(737)
Other creditors	**(6,752)**	(8,159)
Total financial liabilities	**(7,987)**	(8,896)

For cash and cash equivalents, short term deposits, current receivables, current payables and loans payable, the carrying amounts approximate fair value, because of the short maturity of these instruments, and therefore fair value information is not included in the table above.

28. Contingent liabilities

The Group receives grants from Homes England and from the Greater London Authority, which are used to fund the acquisition and development of housing properties and their components. Where member societies and other organisations have transferred their net assets to the Group through a transfer of undertakings, any related grants are taken into account in the fair value of the assets and this is credited to reserves as part of the surplus/deficit on transfer. The Group has a future obligation to recycle such grants once the properties are disposed of. The amount of grant on properties which are not operational which will be recycled on disposal, where not already accrued is £1,272k.

Through the Abbeyfield Research Foundation, grants are awarded to fund research into issues affecting the care of older people, with the aim of developing practical solutions to improve care. At 31 March 2022 the outstanding commitment made by Abbeyfield Research Foundation is £585k (2021 £715k).

Total Grants in reserves amount to £26.02m (2021 £27.46m).

29. Operating leases - Group and Society

The Group and Society had minimum lease payments under non-cancellable operating leases as set out below:

	2022	2021
	£'000	£'000
Amounts payable as Lessee:		
Within one year	**781**	781
After one year but within five years	**2,996**	2,996
After five years	**16,540**	17,289
Total	**20,317**	21,066

30. Capital commitments - Group and Society

	2022	2021
	£'000	£'000
Commitments contracted but not provided for:		
Maintenance	**1,505**	838
Construction	**801**	11,612
Experience Programme	**1,334**	-
Commitments approved by the Board but not provided for:		
Maintenance	-	125
Construction	**588**	513
Experience Programme	**571**	-
Total	**4,799**	13,088

Capital commitments for the Group and Society will be funded as follows:		
Social Housing Grant	-	1,282
LA Grant	-	450
Sales of properties	**3,280**	4,720
Donations	-	200
Existing cash and utilisation of facilities	**1,519**	6,436
Total	**4,799**	13,088

31. Related party disclosures

Total charges received from Abbeyfield Properties Limited ("APL") for design-and-build fees amount to £3,738k (2021: £1,611k) that includes 5% mark up by APL. The costs relating to the design-and-build invoices from the contractors amount to £3,560k (2021: £1,535k). APL made a charitable donation to TAS of £158k during the year (2021: £54k).

A grant of £100k (2021: £300k) was made to Abbeyfield Research Foundation ("ARF") by the Society during the year.

During the year costs of £1,140k (2021: £750k) were incurred as part of the society's support for member societies. This includes a nominal allocation of central costs of £0k. (2021:£0k).

Three of the Society's trustees are also Chairs of Member / International Societies and as such transactions with these member / international societies are considered to be related parties.

The trustees and their relevant Societies and transactions of membership fees are as follows:

Name	Society	Value of transactions
Jeff Medlock - Vice Chairman	Abbeyfield Beaconsfield Society	£10,480
Andre Decraene	Abbeyfield Belgium	£1,324
Cedric Meiring	Abbeyfield South Africa	£1,474

32. Business combinations

No businesses were transferred to the Society during the current year

33. Post Balance Sheet Events

A Cash donation of £2.3 million was received in June 2022 from The Mary Feilding Trust, which has been donated with the specific purpose of enhancing Abbeyfields resident's lives.

The Abbeyfield Society has a £5 million Overdraft and a £5 million Revolving Credit Facility (RCF) in place with Barclays Bank, until December 2023. The £5 million RCF was fully repaid in July 2022 and the overdraft has not been drawn.

To find an Abbeyfield near you,
just call us on **01727 857536**.

We'd be happy to chat or for you to visit.

For more information, you can also visit:

www.abbeyfield.com
AbbeyfieldSociety
abbeyfield_society
TheAbbeyfieldSociety
@TheAbbeyfield

Abbeyfield National Office for the UK:
St Peter's House, 2 Bricket Road, St Albans, Herts, AL1 3JW

Registered Charity 200719
Regulator of Social Housing No H1046
Company No 574816
Care Quality Commission No 1-102642859

THE ABBEYFIELD SOCIETY

England & Wales - Charity number 200719

Accounts

Abbeyfield

Annual Report and Accounts 2021

The Abbeyfield Society
Annual Report and Accounts
31 March 2021

Contents

Annual Report

The Board, Executive Officers, Advisers and Patrons	4
Chairman's Statement	6
Report of the Board (incorporating the Strategic Report)	8
Operating and Financial Review	14
Value for Money	19
Statement of Responsibilities of the Board	22
Governance	23
Independent Auditor's Report to the Members of The Abbeyfield Society	29

Accounts

Consolidated Statement of Comprehensive income	32
Society Statement of Comprehensive income	33
Consolidated and Society Statements of Financial Position	34
Consolidated Statement of cash flows	35
Consolidated and Society Statements of Changes in Reserves	36
Notes to the Financial Statements	37

The Abbeyfield Society
St Peter's House,
2 Bricket Road, St Albans
Hertfordshire AL1 3JW

Registered Charity 200719
Company No 574816
Regulator of Social Housing No H1046
Care Quality Commission No 1-102642859

The Board, Executive Officers, Advisers and Patrons

Board at 31 March 2021

Ian Plaistowe OBE
Chair

Jenny Lawrence
Deputy Chair

Sara Beamand

André Decraene

Amanda Houlihan

Andrew Larpent OBE (until 31.05.21)

Jeff Medlock

Cedric Meiring

Chris Smith CBE

Ken Staveley MBE

Rt. Rev Dr Stephen Venner

Brian Williams CBE

The following were also Board members during part of the year covered by this Annual Report;

Norman Greville (until 26.11.20)

Note: All Board members are also trustees of the charity.

Executive Committee at 31 March 2021

Chief Executive Officer
Bob Tindall (interim from 10.02.21)

Director of Finance
John Clark

Director of Retirement Living
Douglas Webb

Director of Development
Richard Virr

Director of Marketing
Anna Boyes

Director of Fundraising
Alastair Mulvie (until 09.04.21)

Director of Legal & Compliance and Company Secretary
Jonathan Sweet

Director of Human Resources
Gail Manley

Director of North Region
Theresa Wilson (interim from 01.10.20 and permanent from 01.02.21)

Director of West Region
Heather Mohammed

Director of East Region
Kirstan Sparshott

Director of Experience Programme
Julie Robinson (from 30.06.20)

The following were also Executive Committee members for part of the year covered by this Annual Report;

Chief Executive Officer
David McCullough (until 09.02.21)

Director of North Region
Julie Robinson (until 30.06.20)
Elaine Conway (interim from 01.07.20 to 30.09.20)

External Auditors
Crowe U.K. LLP
55, Ludgate Hill
London EC4M 7JW

Internal Auditors
Mazars
Tower Bridge House,
St Katherine's Way
London E1W 1DD

Bankers
Barclays Bank Plc
1 Churchill Place
London
E14 5HP

Solicitors
Bates Wells & Braithwaite
London LLP
2-6 Cannon Street
London
EC4M 6YH

Anthony Collins LLP
134, Edmund Street
Birmingham
B3 2ES

The Board, Executive Officers, Advisers & Patrons (cont.)

Board Committees at 31 March 2021

Remuneration & Nominations Committee
Amanda Houlihan (Chair of Remuneration)
Ian Plaistowe (Chair of Nominations)
Chris Smith
Rt. Rev Dr Stephen Venner

Audit & Risk Committee
Chris Smith (Chair)
André Decraene
Jenny Lawrence

Finance and Operations Committee
Jeff Medlock (Chair)
Ian Plaistowe
Rt. Rev Dr Stephen Venner
Jenny Lawrence
George Ashworth (co-opted member)

Members Committee
Jenny Lawrence (Chair)
Eifion Bowen
John Connelly (interim)
Cheryl Dean
André Decraene
Pam Fensome
Suzanne Geoghegan
Amanda Houlihan
Alan Innes
Peter Jackson
Ian Plaistowe
Robert Stout

Quality Committee
Sara Beamand (Chair)
Amanda Houlihan
Andrew Larpent
Rt. Rev Dr Stephen Venner

Property Committee
Jeff Medlock (Chair)
George Ashworth
Jenny Lawrence
Chris Smith

Registered Office
St Peter's House
2 Bricket Road
St Albans
Hertfordshire
AL1 3JW

Telephone:
01727 857536
Fax: 01727 846168
Email: post@abbeyfield.com

Legal Status
Registered company limited by guarantee with the Registrar of Companies, No 574816.

Registered with the Regulator of Social Housing, No H1046.

Registered with the Charity Commission, No. 200719.

Registered with the Care Quality Commission, No.1-102642859.

Royal Patron
His Royal Highness The Prince of Wales, KG KT GCB OM

Patrons
The Rt. Hon Baroness Bottomley of Nettlestone

Michael Brooks

Dame Judi Dench DBE

The Lord Elis-Thomas

Aled Jones

Ron Kenyon OBE

The Duchess of Northumberland

The Rt. Hon Lord John Prescott of Kingston upon Hull

John Robinson CBE

Patricia Routledge OBE

Martin Shreeve OBE MBA DSW BSc (Econ)

Michael Staff MBE

Dame Gillian Wagner DBE PhD

Professor Alan Walker DLitt FRSA

The Rt. Rev & Rt. Hon Baron Williams of Oystermouth

The Carr-Gomm family (David Carr-Gomm, Adam Carr-Gomm, Harriet Carr-Gomm, Elizabeth Parker and Anna Newton)

President
Vacant

Vice-President
John Robinson CBE

Chairman's Statement

The UK entered the 2020 /2021 financial year under a full lockdown, with our sector continuing to face the necessary but difficult restrictions that accompanied this unprecedented situation. Unbeknown to us all was the fact that we would close the financial year under the same lockdown constraints that we started with.

The challenges that Covid-19 presented - and still presents - for all those receiving care and support within the social care sector, and those who work within it, have been well publicised. I cannot stress enough my thanks to all involved who dedicated themselves to responding quickly to government guidance in order to protect our residents' physical and mental wellbeing. At the start of the first lockdown our Covid-19 Taskforce was created and helped us maintain a vigilant focus that has thankfully resulted in the impact of Covid-19 on our residents being more limited than it otherwise would have been. I also thank our residents and their families for their understanding and unwavering support as we have worked together to keep each other safe, and recognise the sadness and grief that has attended the loss of both residents and staff to the virus.

Amongst other things – not least the financial impact of Covid-19 - we have been unable to extend the typical open door policies that support our residents' social networks and support us in promoting our services and our people.

Having to "close our doors" in our Care Homes for the protection and safety of our residents, has presented a financial challenge due to worsening occupancy rates. We received some partial relief from Government funding via its Infection Control Fund. Furthermore, the costs associated with facilitating family visits in such unforeseen circumstances (cleansing meeting locations and on-site testing) has also added to the increased financial spend this year.

At the outset of the Covid-19 pandemic, we reacted quickly, and secured supplies of scarce Personal Protective Equipment (PPE) at a relatively high cost, and this contributed to an exceptional overall spend of £1.3m in the year.

We continue to progress initiatives to improve all aspects of the experience of our residents and our staff. The Board approved the launch of our Experience Programme in June 2020. This aims to deliver significant improvements and cost efficiencies over the next two years.

Our viability programme which involved the sale of twenty-two of our homes which did not meet the standards we require was largely completed in the year, despite Covid-19. At the year end, only three houses remained to be closed. From sales of properties over £13m of proceeds have been received. This will enable us to upgrade the market condition of the remainder of our homes, develop new properties and grow. We end the year with very positive cash balances of £23.7m. With all things considered this is a commendable place to be and I thank my Board and Executive team for the hard work that they have undertaken to get to this position.

Tackling our governance and structural issues and delivering on our commitment to make Abbeyfield a more member-focused organisation has also been a keen focus throughout the year. In spite of the understandable operational urgencies required to respond to the Covid-19 pandemic, our November AGM saw a renewed enthusiasm and commitment to jointly develop with Member Societies appropriate governance and structures to facilitate this. I was delighted by the unanimous support received for the key programmes that aim to develop this work further in 2021.

Services to Member Societies continue to be a major priority by the provision of support and advice including Operational restructuring, Marketing, PR and Fundraising activities, Legal assistance, HR services, and Development consultancy utilising our Investment Partner status. In addition, direct loan funding to Member Societies was made available when called upon. During the year we engaged with suppliers to ensure that PPE was made available for distribution to Member Societies, and through Connect, up to date guidance from the Covid-19 Taskforce was accessible to all.

It was with enormous sadness that earlier this year, our much loved and respected CEO David McCullough suddenly passed away. It was an immense shock that

has been felt deeply across the whole of Abbeyfield. David was instrumental to setting out the vision for a reinvigorated and purposeful Abbeyfield, a vision that we are now working hard to deliver. Therefore, as we end the year, despite the enormous difficulties that this year has posed, and particularly to Abbeyfield, we remain as committed as always to delivering the strategic agenda that David was so passionate about.

In spite of the difficult year, it is encouraging to report that Abbeyfield continues to develop outside of the UK, with operations in Australia, Belgium, Canada, Jersey, New Zealand and South Africa. Conditional membership was also granted to Poland and Malawi in 2020, and support provided by the International Partnership Manager to help develop their initiatives. Interest in establishing Abbeyfield homes has also been expressed in France and Spain.

We continue to build a strong relationship with the Regulator of Social Housing (RSH) and are working towards achieving a G1 rating. The RSH paused progress towards G1 during the pandemic, but has now re-engaged on the issue.

I am, as ever, humbled by the compassion of all involved in the care and support of our residents and the commitment of our staff in making Abbeyfield an inspiring place to work. I am grateful for the dedication of our trustees and volunteers and people from the communities in which Abbeyfield operates. Their contributions make me confident that we can address any future challenges.

This year has already seen the retirement from the Board of Andrew Larpent and Ken Staveley and I retire after the AGM. Ken has given many years of outstanding service to Abbeyfield in several roles and has been one of our stars. The Board has decided that our next chair should be an individual who is independent of Abbeyfield and he or she should take up office as soon as possible. In the meantime, and as permitted by our Articles, it has appointed Jenny Lawrence to be interim chair and Chris Smith to be vice chair.

Finally, I would like to thank our residents for making a reality every single day of our founder Richard Carr-Gomm's vision for living well and happily alongside each other in our later years.

Ian Plaistowe

Chair

Report of the Board (incorporating the Strategic Report)

The Board presents its report, which incorporates the Strategic Report as set out in company law, including the audited financial statements for the year ended 31 March 2021.

Our mission and principal activities

At Abbeyfield we have a simple aim – to strive to improve the quality of older peoples' lives by reducing the incidence of loneliness in later life. This means providing a caring and compassionate Abbeyfield community which provides warmth, support and wellbeing for all our residents. We believe that everyone, irrespective of their age, has a unique and invaluable contribution to make to the lives of others. By helping to create and grow communities which encourage people to remain happily together, for longer, we will deliver on that mission.

The Society's principal activities are:

- The provision and development of accommodation, care and support services for older people.

- The promotion and support of the activities of Member Societies, including the provision of technical, operational and administrative advice.

Strategic Review

At our annual conference in October 2019, we set-out and re-affirmed our strategic imperatives:

- Alleviate loneliness for older people - demonstrated by the positive difference we make to people's lives.
- Take pride in and retain our distinctive Abbeyfield model, whilst accepting this may not be the right choice for everyone.
- Reach out to more people with the range of Abbeyfield Family services.
- Re-position to 'younger older' people, those in the first stage of retirement, rather than responding to an immediate care or crisis need.
- Return our focus to Membership and build a model which reflects the knowledge, experience and innovation that takes place locally in all the 10 countries which comprise the Abbeyfield family.

At the strategy meeting with Members on 26th November 2020, we set out our vision for a new Membership-focused society, with proposals for;

- The creation of a new Abbeyfield agreement.
- The establishment of an Abbeyfield Members Council as a worldwide body.
- The establishment of Abbeyfield England as a countrywide body.

In addition, we set up a series of project teams to begin the process of bringing the Abbeyfield family together;

- Clusters and Mergers group – reviewing geographic opportunities for aligning Retirement Living and Member Society Homes into a smaller number of larger societies.

- Pilots project group – establishing the due diligence criteria for merging opportunities identified.

- Member Support group – gathering data on Member societies which are in need of some form of financial support to remain operative. A fund of £350k has been established and the criteria for access to the fund will be developed and advised to member societies during 2021/22.

Despite the considerable setbacks from the Covid-19 pandemic and the sudden loss of our CEO, progress has generally been good although more work needs to be done to establish Abbeyfield England. Governance is provided by a Programme Steering Committee (PSC) chaired by Jeff Medlock (Board member) which oversees various other steering sub-committees. Regular updates are provided to staff and the Board on the progress of all project teams.

The year in review

Abbeyfield has faced a number of significant challenges this year, most notably the Covid-19 pandemic. This meant we had to prioritise the safety and security of our residents above everything else, which inevitably resulted in incremental costs being incurred (mainly PPE, contract staff and overtime working), which were only partially recovered from the Government's Infection Control Fund (ICF) and furlough scheme.

The limited access we were granted to many of our properties resulted in a lower than budgeted spend on maintenance and repair works. In addition, our 83 bed development at Plymouth Millbay was suspended as our main contractor struggled to keep subcontractors on site. We are currently reviewing work schedules and costings for the project now that restrictions are easing in the construction industry. Although our development at Westall was interrupted, major progress on the project was still maintained.

The Viability Programme, which commenced in 2019 was largely delivered in 2020, with 19 of the 22 homes that were originally ear-marked for closure and sale being concluded. There were in total, including the Viability Programme, 29 properties for sale at 31 March 2020. In the year 2020/21 the sale of 14 properties generated significant funds (£13.6m) which will be deployed on raising the market standard of our retained homes in subsequent years through major works, and on completing outstanding developments.

The Experience Programme

As part of our drive for improved efficiency and customer experience we launched the Experience Programme in 2020. This programme aims to review our operating systems and processes, identify areas of inefficiency and implement improved ways of working that eliminate some of the manual, resource heavy ways of working, in favour of the use of technology to automate routine tasks. This will enable us to improve the 'lived experience' of Abbeyfield for our residents, staff, suppliers and partners, and ensure that our front line teams can focus more time on resident needs rather than routine administrative tasks. Longer term, we aim to make this Service Delivery Model with associated benefits available to the wider Membership once successfully implemented in Retirement Living.

The programme title derives from the aim to improve the experience of everyone who comes into contact with Abbeyfield and focuses on three key delivery objectives:

- **Experience**: Improve quality and consistency of service delivery to residents, staff and suppliers
- **Efficiency**: Drive cost savings by increasing the use of technology to reduce manual interventions and improve collaboration and communication
- **Compliance**: Evidence improved reporting of legal and regulatory compliance

The first phase of the programme has been completed. We identified eight key processes for further review:

- Customer journey from enquiry to settled resident
- Procure to pay cycle
- Recruitment, induction, training and retention processes for staff

- Effectiveness of workforce planning, resource utilisation and performance management
- Management of our physical assets including property maintenance and stock condition
- Recruitment, management and deployment of our volunteers
- Reporting processes and compliance with Quality Assurance frameworks
- The generation of Management information to evidence service delivery and inform future planning

The findings of this detailed review provide robust evidence to support the next phase of the programme, which is to re-organise our operational processes and activities to improve delivery of our services:

- Bringing together the transactional processes that are common across locations
- Implement the appropriate technology to improve efficiency and standardise ways of working
- Removing tasks from the front line to allow staff to focus a greater portion of their time on the customer and employee experience
- Reduce overhead costs, being leaner and smarter in the way that we operate

Work to implement this improved model is well underway and once complete, this scalable, cost efficient service can be offered to the wider Abbeyfield.

Membership support

Annual fees are levied on our Member Societies to cover the use of the Abbeyfield Brand, the direct costs of the Membership Service Consultants, and in 2020/21, the establishment of a support fund of £350k for Member Societies in financial difficulties. The services used by individual Member Societies vary immensely depending on the scale, activities and financial status of the individual Societies. During the year 2020/21, services that all or the majority of Societies have utilised include use of the Brand, access to the Connect intranet service (training and COVID-19 updates included), and assistance with procurement of key services such as Trustee insurance and Personal Protective Equipment (PPE). We have had a lot of interest from member societies in utilising our on-line Learning Management System (LMS) and currently 23 societies are actively using it for online learning (583 staff users).

Services used by a more limited number of Member Societies include assistance with Fundraising, Property development including the financial benefit of Recycled Capital Grant Fund (RCGF) of £0.2m (see Note 26 to the Accounts), loans to Members outstanding of £4.8m, corporate advisory services, digital marketing and website services, PR advice, HR advice and some IT support.

Overview of performance and financial position

The result for the year is a surplus of £1.3m (2020: deficit (£10.7m) after an impairment charge of nil (2020: £6.4m charge).

Turnover for the year reduced by £2.8m (5.6%) (2020: (£3.9m) (7.0)%) from £50.9m in 2020 to £48.1m in the current year largely due to an increased level of voids across the estate.

Operating costs before impairment reduced by £5.4m, with significant savings in charges for support services occasioned by the various lock-downs.

Following last year's detailed impairment review of our property portfolio, which resulted in an uplift in the impairment provision to £12.1m, our desktop review concluded that no further impairment provision was required this year end. We also

benefitted this year from a profit on disposal of properties of £5.2m (2020: £2.8m).

We have £133.4m (2020: £139.1m) of housing assets and continue to invest in the properties by spending £1.5m (2020: £2.0m) in the year on repairs and capital improvements.

We continue to strive to extend the Abbeyfield services to more people, and the development of extra housing capacity is a key strategic objective. We currently have 125 units in development (2020: 125 units) within TAS, and, in the wider membership, we are providing financial support for developments in Abbeyfield Southern Oaks and South Downs, and advisory support for other Member Society developments.

We will continue to seek opportunities to add to our housing stock, but only if the economic case can be made for investment following robust financial due diligence.

We are required to provide multi-year projections of our financial performance in conjunction with the Regulator for Social Housing (RSH) and to stress-test these and include mitigations where appropriate. This has provided comfort that we have adequate financial headroom to deliver our planned strategic initiatives and move the Society back to a break-even operating performance by 2022/23.

The annual accounts include the results for TAS and its subsidiaries Abbeyfield Property Limited ("APL") and our research company, Abbeyfield Research Foundation ("ARF") (together, the "Group").

The Board confirms that the Society complies with the Regulator of Social Housing's Governance and Financial Viability Standard.

We continued to fund research into issues affecting older people, through The Abbeyfield Research Foundation ("ARF").

During 2020/21 we focused on staff and resident wellbeing throughout the COVID-19 pandemic, and up to 58 staff were furloughed, mostly those who were asked to shield, or caring for those who were shielding. So far in 2021/22, the number of staff furloughed has reduced considerably.

In March 2020 we extended sick pay for front-line staff from one week to two weeks, to take into account the 14 day isolation period, and in November 2020, further extended it to 4 weeks in a rolling 12-month period to cover Covid-related absences.

There are a host of wellbeing resources on our intranet, and we provide an Employee Assistance Programme (EAP), accessible to all staff on a 24/7 basis including one-to-one telephone or virtual counselling.

We continue to deliver high quality online learning via our Abbeyfield Development Academy (Learning Management System) which has enabled us to achieve very high levels of training compliance across all frontline roles.

Our Learning & Development team has achieved accreditation status with the Learning & Performance Institute (LPI) and was assessed by LPI as being in the top 15 highest performing L&D functions. We have been endorsed by Skills4Care as a learning provider, and approved by the Institute of Leadership & Management (ILM).

In April 2020 we implemented a new pay strategy which facilitates pay and career progression by introducing career bands and zonal pay, linked to external pay benchmarks. During the same period we have enhanced benefits for frontline staff to better reflect their contribution by increased employer pension contributions, annual leave and company sick pay.

In March 2021 we launched an all staff engagement survey. We are delighted with the results which indicate Abbeyfield has good levels of staff engagement overall and in 2021/22 action plans will be developed to celebrate successes and focus on improvement areas.

Risk management

In 2020 the Audit Committee undertook a comprehensive review of the risk framework for the Society. That included an updated policy on risk management, a new corporate risk register and a new development, creating Departmental Risk Registers. The rolling out of training was delayed due to the wide-ranging impact of the Covid-19 pandemic. A Covid-19 risk register was immediately developed and was pivotal to the management of Covid-19 related risks during the year. These developments emphasised the requirement to focus staff on ensuring that Retirement Living and Member Societies were supported as much as possible.

We are now in a position to re-engineer the Risk Management process and that will begin with a Risk Management Implementation Plan which is likely to be ready in July 2021.

The Board considers the Strategic Risks for TAS are:-

- Financial – Instability through shortage of cash reserves.
- Safeguarding – Failure to meet or maintain expected standards.
- Reputation – Inadequate prevention or management of events which can cause reputational damage.
- Regulatory - Non-compliance with legislative or regulatory requirements.
- New projects and programmes - Failure to deliver the expected outcomes and benefits.

Key mitigations of the Risks and key elements of the internal control framework are:-

- Financial - Ensuring that TAS reduces overheads and voids, and manages capital spend within its financial constraints. Timely and accurate financial reporting, the delivery of the Experience Programme and application of relevant Value for Money (VFM) metrics and trend analysis are pivotal.

- Safeguarding - Ensuring TAS Safeguarding Policies and Procedures are fit for purpose, maintained, updated, and fully implemented across Retirement Living by monitoring (assisted by Internal Audit) and reporting to the Quality Committee.

- Reputation - Building on the effective operation of the COVID Taskforce, and the work of the Policy Taskforce, which maintains policies and practices which provide preventative controls, react to and manage external events through the Executive and The Board.

- Regulatory - Active monitoring of compliance targets and investigating breaches informed by regular internal assessment, with regular reporting to the Quality Committee.

- New projects and programmes - Using a Business Case framework to propose and then manage new projects and programmes, and provide timely and accurate reporting to the Steering Committees and the Board.

Reserves

After transfer of the surplus for the year of £1.3m (2020: £10.7m deficit), revenue reserves increased to £121.0m (2020: £120.1m). In addition, the Society has restricted reserves of £12.8m (2020: £12.4m).

Donations

The Society and its subsidiaries made no political donations during the year.

Payment of creditors

In line with Government guidance, the Society's policy is to pay purchase invoices within 30 days of receipt, or earlier if agreed with the supplier.

Employees

The Society regularly shares information on its objectives, progress and activities through a variety of communications, including (when permitted) office and departmental meetings involving Board members, the Executive Committee, volunteers and staff.

The Society is committed to the principles of equality, diversity and inclusion regardless of age, gender, ethnicity, race, disability, religion, gender re-assignment or sexual orientation. These principles are reflected in the Society's approach to the recruitment, development and promotion of staff. It is a primary objective of the Board that staff should feel valued and be appropriately rewarded. Informed by its pay benchmarking activities, the Society is confident that pay is competitive within the marketplace.

The Society's Gender Pay report is available on our website. In the past two years, our mean pay gap has reduced 2 percentage points to 25% and our median pay gap remained consistent at 10%. We are committed to reducing the pay gap over the coming years.

Health and Safety

The Society is aware of its responsibilities on matters relating to health and safety. The Society has prepared detailed health and safety policies and provides training and education to our staff on health and safety matters. There have been 69 serious accidents and incidents reported in the year (2020: 97). Incidents and accidents, which include positive Covid-19 cases, are reviewed by our Quality Committee to ensure lessons are learned which can prevent similar occurrences in the future.

Compliance with the RSH Governance and Financial Viability Standard

The Board confirms that the Society complies with the requirements of the Governance and Financial Viability Standard applicable for the year from 1 April 2020.

The Strategic Report and Report of the Board of Management were approved by the Board on 10th August 2021 and signed on its behalf by the Chairman of the Trustees.

Operating and Financial Review

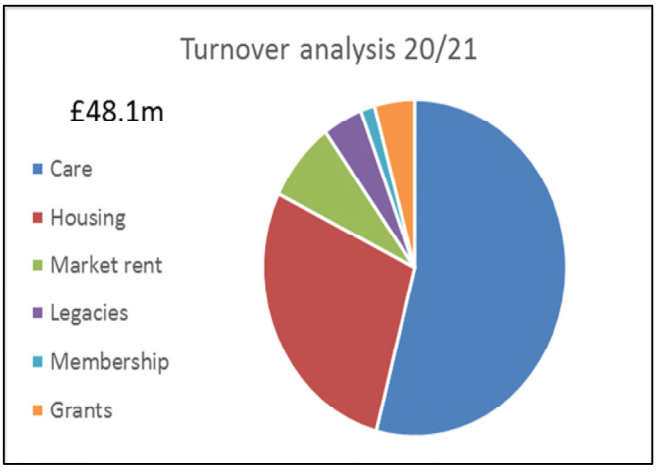
The result for the year is a £1.3m surplus compared with last year's deficit of £10.7m, as shown in the Consolidated Statement of Comprehensive Income in the Accounts.

The results include a £5.2m surplus on the disposal of property fixed assets (see note 12). The operating deficit was £4.3m compared to a deficit of £13.3m in 2019/20 (£6.9m before impairment). In a year of exceptional voids in the Care Homes, close control of operating costs was vital, and the £1.1m reduction in operating costs in our continuing operations shows the efforts of our staff in the most difficult of circumstances.

Although there is a rational argument for a reduction in the remaining impairment provision of £7m on Care homes and Properties for Sale, in light of the ongoing uncertainty in the property market and the reduction in admissions to counter voids in Care homes, no change in the impairment provision has been made. The situation will be kept under close review throughout 2021/22.

Turnover for the year reduced by £2.8m from £50.9m in 2019/20 to £48.1m in the current year. In 2020/21 turnover included £2.1m of government funding through receipts from the Infection Control Fund and furlough payments.

Details of the split of turnover are shown in the chart below.



Operating costs at £52.4m were £11.9m lower than in 2019/20 (£5.5m before the effect of impairment in 2019/20), after the closure of all but three properties in the viability programme carried out in 2019/20. One property is scheduled for closure in 2021/22, and one for sale as a going concern.

Within the Consolidated Statement of Financial Position there are cash and cash equivalents of £23.7m (2020: £11.0m) and investments of £1.7m (2019: £1.4m).

Within tangible fixed assets of £133.4m there are 15 properties now earmarked for sale with a net book value after impairment of £5.6m. Retirement living, which manages the central property portfolio, currently manages a total of 101 homes and houses comprising some 1,989 units, split as follows:

Supported Housing	1,041
Care	677
Independent Living	271
Total	1,989

Many of the residents of the Society's Supported Houses are in receipt of financial assistance towards the cost of support provision.

The principal regulator for the Society is the RSH which regulates all registered providers of social housing in England. Following the implementation of the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 (as amended), all care homes are now assessed as to whether they are fully compliant under the new regulations and meet Fundamental Standards.

The Society is a registered charity and therefore also subject to the requirements of the Charity Commission.

Donations and legacies received for the year were £2.0m (2019: £1.1m).

Loans receivable from Member Societies are £4.8m (2020: £5.7m) as shown in Note 21 to the Accounts.

Capital structure

The Society is financed from retained surpluses, part of which have arisen through the receipt of legacies and donations which may be restricted in use. In addition, cash and other net assets have been transferred from Member Societies and any surplus arising from the disposal of property, following the closure of these facilities when deemed not financially viable, has contributed to our capital structure.

The Society, because of its legal form, is unable to raise equity funding.

Employees

The number of full time equivalents (FTEs) has fallen slightly in the year. As at 31 March 2021, the total number of Society FTE employees was 1,099 (2020: 1,103) (note 9 to the Accounts).

Reserves policy

The Board's policy is to retain sufficient reserves, which at £133.7m, in the Board's judgement are adequate to cover future contingencies and liabilities.

The level of reserves is set to continue to provide essential services including;

- Day-to-day operational expenditure, including contingencies for large, unforeseen items.
- Major repairs across the Society's housing property portfolio.
- Funding of major refurbishment or new projects to be undertaken by Member Societies, where sufficient external funding is not available.
- Funding of development projects.

The cash and cash equivalents less bank loans at year-end were £20.4m which the Board considers sufficient to meet the requirement of the Reserves Policy and is in excess of the minimum level required by the Board of £10.0m. The Board is comfortable with the overage at this point which will finance a major capital works programme and future development opportunities.

Treasury management

The Society's financial resources consist mainly of cash and bank deposits. The Society holds sufficient funds to meet day to day requirements in line with the Society's strategy. Bank facilities exist of £10m, consisting of a Revolving Credit Facility (RCF) of £5m and an Overdraft Facility of £5m.
During the year the RCF was drawn down in full to provide a buffer in the event of stress on cash-flow during the Covid-19 pandemic.

The Bank facilities are secured on a selection of the Society's properties and the RCF contains bank covenant tests, which are reviewed at all Board meetings.

As required by the RSH, thirty-year financial and cash flow forecasts are prepared annually to ensure that an adequate funding strategy is in place.

Net interest receivable and fees were £114k (2020: £27k payable).

The Society invests surplus funds in interest-bearing deposit accounts. These amounts are held with a small number of financial institutions which have a good credit rating, in accordance with the Society's Treasury Policy.

Cash flow liquidity and security

The consolidated statement of cash flows in the financial statements shows that during the year the Group generated an overall increase in cash and cash equivalents of £12.7m (2020: cash increase £1.0m).

The net cash inflow from operating activities was £3.2m including draw-down of the RCF hence the underlying position was an outflow of £1.8m (2020: £2.2m outflow). Investment in fixed assets, property development, totaled £3.5m (2020: £8.5m). Proceeds from sale of properties was £13.6m cash inflow (2020: £17.1m). Grants repaid or utilised by Member Societies caused a cash outflow of £1.2m (2020: £5.2m outflow), and

interest paid and finance costs was a cash outflow of £0.1m (2020: £0.2m). As at 31 March 2021 all bank facilities were secured against a selection of our properties.

Going concern and viability

The Board has considered the net asset position of £133.7m as at 31 March 2021. The Society meets its funding requirements through its own resources and its bank credit facilities.

The Board has reviewed the future viability of the Society by carrying out a detailed review of the Society's business plan. It has carried out a full financial and market viability process, looking at the future viability of all of the Society's homes, reviewed the risks in the business, as detailed in the risk section of this report, and then stress-tested the outcome of these plans. The Board has agreed appropriate mitigations and triggers to cover stress test outcomes where appropriate. The detailed review covers a three-year period from April 2021 to March 2024.

The Board considers it has adequate resources to continue operations and carry out major works and development projects. The decision has been made to suspend the Plymouth development whilst alternative financing options are explored, and the use of proceeds from property sales which have augmented the cash funds in 2020/21 are reconsidered for allocation between development and major works funding.

The Board, and the Finance and Audit Committees will continue to review viability as part of the overall governance process.

On this basis the Board is satisfied that it has adequate resources to continue in operational existence for the foreseeable future and accordingly continues to adopt the going concern basis as the basis for preparing accounts.

Our Finances

We have a clear understanding of our financial return and performance. We manage our finances to invest in the right assets, improve void management, deliver savings through operational efficiency and improve systems.

Our Homes

We have a clear strategy for new developments. We target geographical priority areas and offer social value in our communities. At the same time, we look to reduce our carbon footprint and fund new developments as well as investing in our existing properties.

Our Quality

We are dedicated to making time for older people, through excellent quality care, housing and support services, as well as through direct involvement within local communities. We continue to modernise our asset base and provide a greater number of personalised care services. There is a programme of major capital works on existing schemes estimated at £15m over the next 3 years.

Making time for older people

Staff structures continue to be reviewed to improve our services. This has enabled additional time to be made available to residents and volunteering action plans are prepared on a regular basis.

Abbeyfield as a Charity

We have recognised the need to develop a more comprehensive programme for evaluating the social impact and value of our community-based and volunteering activities. We also recognize the need to streamline business systems, to ensure that members of staff have more time to spend with individual residents and the Experience programme will be key to delivering this over the next two years.

Financial and non-financial Key Performance Indicators (KPIs)

The Board and the Executive Committee review many KPIs on a regular basis. In addition to those required by the Regulator of Social Housing (RSH), the most important ones are:

Key Performance Indicators	2020/21	2019/20	2018/19
Operating Margin % (continuing operations excluding impairment)	(6.0)%	(7.5)%	4.5%
Care occupancy %	79%	88%	86%
Housing occupancy %	87%	87%	88%
Number of major injuries	69	97	34
Fundraising Income	£2.0m	£1.1m	£2.1m
Development Expenditure	£3.5m	£8.5m	£4.8m

Due to the unique mix of our care and supported housing and the relationship with Member societies, we have ceased to benchmark against sector performance, but rather review trends.

Our financial strategy is to improve operating surplus through efficiency and value for money initiatives and cost savings. We are active in the local community, promoting our services to improve occupancy rates and marketing our excellent care services.

We are committed to train and develop all levels of staff, with succession planning for key roles.

Highlights, four year summary

	31 March 2021	31 March 2020	31 March 2019	31 March 2018
Statement of Comprehensive Income	£'000	£'000	£'000	£'000
Turnover	48,102	50,949	54,793	55,373
Total comprehensive (deficit) / surplus for the year	**1,261**	**(10,704)**	**(713)**	**(6,435)**
Statement of Financial Position				
Housing properties	133,423	139,083	151,947	150,347
Other fixed assets	145	378	604	781
Investment properties	800	800	800	800
Investments and cash	25,366	12,431	11,518	15,993
Other net current (liabilities) / assets	(521)	(598)	1,627	814
Creditors due after more than one year	(25,492)	(19,634)	(23,332)	(24,858)
Net Assets	**133,721**	**132,460**	**143,164**	**143,877**
Capital and Reserves				
Income and expenditure reserves	120,953	120,110	131,385	132,109
Restricted and other reserves	12,768	12,350	11,779	11,768
Total	**133,721**	**132,460**	**143,164**	**143,877**

Value for Money

The Society recognises the importance of the RSH's Value for Money Standard on its regulated housing provision. However, Supported Housing only represents part of the Society's revenue with the rest comprising care provision and membership services.

After the implementation of the Viability programme and in the light of the effects of the COVID-19 pandemic future targets for the VFM metrics will be reset on the creation of the 3 year plan.

VFM Metrics	2020/21	2019/20	2018/19
1 Reinvestment %	6.2%	6.3%	3.2%
2 New Supply delivered Social Housing Units	0.3%	4.9%	0%
New Supply delivered Non Social Housing Units	0%	0%	0%
3 Gearing %	8.9%	13.4%	15.5%
4 EBITDA/MRI interest cover	(1,849)%	(2,511)%	94%
5 Headline Social Cost per Unit	£25,072	£32,621	£24,230
6 Operating margin % - Social Housing lettings only	(25.2)%	(19.9)%	(12.9)%
- Operating margin % - Overall	(9.0)%	(13.9)%	(2.5)%
7 Return on Capital Employed	(2.7)%	(4.7)%	(0.8)%

The current performance for the Society and its related social housing KPIs are shown before the impact of impairment. Where appropriate the impact of impairment is shown in the following commentary.

The Board has reviewed these KPIs taking into account the impact of the increase in voids in 2020/21 due to COVID-19, and the impact of impairment and closure costs on operational results in 2019/20. The conclusion is that both years are exceptional, and therefore the metrics must be viewed in that light.

Value for Money continued

Key metrics impacted by impairment are as follows, showing the results after impairment charges:-

EBITDA/MRI interest cover %
20/21: (2,029)%
19/20: (5,555)%
18/19: 214%
Headline social cost per unit
20/21: £25,072
19/20: £36,433
18/19: £24,021
Operating margin %-Social Housing lettings
20/21: (25.2)%
19/20: (33.1)%
18/19: (11.9)%
Operating margin %-Overall
20/21: (9.0)%
19/20: (25.4)%
18/19: (1.7)%
Return on Capital Employed
20/21: (2.7)%
19/20: (8.5)%
18/19: (0.6)%

The Board set targets for future years during the 3 year planning process while recognising that the headline social cost per unit is much higher than any sector averages due to our concentration in the provision of supported housing for older people.

The RSH has identified some factors which explain higher unit costs across the sector and these include; the provision of supported housing operating in regions with higher wages, the provision of older persons' housing and the proportion of properties requiring investment to maintain quality service both within the Society and to Member Societies.

Within the results for 2020/21 note 5 to the Accounts shows a summary of business stream performance including the absorption of all indirect overheads and costs based on an historical allocation. Excluding fundraising, members income and property sales, net income derived purely from services to residents was £45.0m (2019/20 £48.2m), split Care £26.8m (2019/20 £27.9m), Social Housing £13.2m (2019/20 £15.0m), and other services £5.0m (2019/20 £5.3m).

A review of business stream EBITDA for Care, Social Housing and other services shows the following performance metrics for EBITDA /net income % :-

- Care 13.0% (2019/20 13.0%)
- Social Housing 30.8% (2019/20 31.7%)
- Other services 29.2% (2019/20 28.8%)

In 2020/21 the Society achieved the following: -

- Kept residents and staff safe during the Covid pandemic.
- Disposed of fourteen properties as part of the Viability programme, generating £13.6m of sales proceeds.
- Commenced the Experience Programme.
- Progressed the development of the extension to the Westall care Home despite interruptions due to Covid-19.
- Secured supply of PPE equipment for deployment in RL and Member Societies
- Completed a successful Staff Engagement survey and was accredited by Best Companies, as one of the top 20 Health and Social care companies to work for.

For 2021/22, the planned actions are as follows:-

- Complete the Experience Programme to improve delivery of services by implementing improved processes and systems which will generate cost savings.
- Complete the development of the extension of the Westall Care Home.
- Reduce void levels in the Care Homes exacerbated by the COVID-19 pandemic and attain optimal levels of occupancy at Southampton.
- Recommence development activity on the Plymouth project.
- Dispose of the remaining 15 properties in the Property Bank.

- Deliver on the strategic agenda.
- Establish criteria for application of support fund for Member Societies.
- Recommence major works programme which stalled during the Covid-19 pandemic.
- Stay on top of developments and Government legislation concerning the Covid-19 pandemic.

The Finance Committee also scrutinises the development of the value for money strategy, which supports the five-year corporate strategy.

In addition, the Audit & Risk Committee considers management accounting and audit information in detail, and receives a range of financial health reports, including internal audit reports on the regional structure to ensure it delivers value for money.

There have been no significant control failures in 2020/21. All complaints are investigated and resolved promptly.

Statement of Responsibilities of the Board

The Board is responsible for preparing the Strategic Report, Annual Report and the Financial Statements, in accordance with applicable law and regulation.

Company law and social housing legislation require the Board to prepare Financial Statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Board must not approve the Financial Statements unless it is satisfied that they give a true and fair view of the state of affairs of the Society and of the surplus or deficit of the Society for that period.

In preparing these Financial Statements, the Board members are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice "Accounting by Registered Social Housing Providers 2018" and FRS102 have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Society will continue in business.

Board members are also responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Registered Providers of Social Housing 2019.

The Board is also responsible for safeguarding the assets of the Society and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Board members are also responsible for ensuring that the Report of the Board is prepared in accordance with the Statement of Recommended Practice "Accounting by Registered Social Housing Providers 2018" and FRS 102. The Board is responsible for ensuring that the assets of the Society are properly applied under charity law. The annual report and accounts are published on the Society's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions.

The Board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Slavery and human trafficking statement

The Modem Slavery Act 2015 introduced new obligations in relation to slavery and human trafficking. The Society is fully supportive of the legislation as it is in keeping with our ethos and principles. The statement includes compliance for our supply chain partners.

Governance

Board members and Executive Committee members

The Board members and the Executive Committee of the Society who served during the year are set out on page 4.

The Board members are drawn from a wide background bringing together professional, commercial and other relevant experience.

The Board, which comprises the company directors, has overall responsibility for the direction, management and control of the Society. Overall operational management is delegated to the Chief Executive and the Executive Committee. The Board adopts the NHF Code of Governance and the Company Secretary and the Executive Committee provide support to the Board in monitoring compliance with the Code.

The Board may comprise up to 15 individuals including the Chair, of whom, at least four must be involved in the Abbeyfield movement in the UK. At least two must be independent and up to two must be involved in Abbeyfield outside the UK. Board members are elected by the Members of the Society. The Board may also co-opt up to four additional individuals.

Applications to be considered for election or appointment to the Board are invited following recruitment and advertising. Candidates are nominated for election by the Remuneration and Nominations Committee having regard to the need for the persons appointed having the necessary range of skills, experience, gender, age and ethnicity.

Board members may hold office for terms of three years terminating at the end of the third Annual General Meeting (AGM) after their election, but can be re-elected to serve up to two further terms of three years calculated in the same way. The Board met seven times formally during the year, with additional sessions to discuss strategy.

Throughout the year, the Board continues to monitor its effectiveness and terms of reference for the various committees of the Board, to ensure that they are following best practice in the sector. Board members are encouraged to acquaint themselves with all aspects of the Society, particularly operational matters. The Executive Committee holds no financial interest in the Society, except for their remuneration arrangements, and act as executives within the authority delegated to them by the Board.
Insurance policies indemnify Board members and officers against liability when acting for the Society.
The Executive Committee is entitled to join the Society's stakeholder pension scheme on the same terms as other employees. Details of their remuneration are disclosed in note 10 (directors' emoluments).

Directors Duties and section 172 reporting

The Directors of the Society must act in accordance with a set of general duties embodied in section 172 (1) (a-f) of the Companies Act 2006 (1), summarised as follows:

A Director must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so, have regard (amongst other matters) to:

- The likely consequences of any decisions in the long-term.
- The interests of the company's employees.
- The need to foster the company's business relationships with suppliers, customers and others.
- The impact of the company's operations on the community and environment.
- The desirability of the company maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the company.

Governance continued

As part of the induction process, Directors are briefed on their duties, including the long-term stewardship of the Society to ensure it delivers against its strategic objectives as set out in the Operating and Financial review. The Board monitors the impact of its decisions against the long-term financial plan on an annual basis, and more often if the situation demands. We operate to a strategic plan that involves setting both operational and financial targets that address our charitable objectives as set out in the Report of the Board.

Our employees are fundamental to the delivery of our plan. We aim to be a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and well-being of our employees is one of our primary considerations in the way we conduct our business.

We work in collaboration with a variety of suppliers, social housing partners, voluntary and charitable organisations and local councils. We value their support, and look to foster long-term relationships based on mutual trust.

We engage with our customers in various ways, including customer surveys and a robust complaint management process.

The impact of our operations on the community and environment are widespread and varied. The Report of the Board and Operating and Financial review set out some of our recent achievements. Our impact on the environment is set-out in the Streamlined Energy Carbon Report (SECR) following.

As a charity our reputation for high standards is essential to how we work. To ensure we meet the highest standards, we have policies on fraud, anti-bribery and a whistleblowing policy which encourages colleagues to raise issues of suspected malpractice. The Audit & Risk Committee also receives reports if issues are raised.

Streamlined Energy Carbon Report (SECR)

The SECR framework is a mandatory UK-wide reporting scheme to improve transparency and help reduce carbon emissions. The carbon footprint table below reflects activity across the Abbeyfield Society estate converted into carbon emissions using published DEFRA emission factors.

	Consumption		2020/21	2019/20
	Mileage	KWh	TCO_2e	TCO_2e
Electric		5,944,551	1,518	1,470
Gas		21,482,214	3,950	3,854
Transport	233,619		69	223
Total			**5,537**	**5,547**

The data reflects a small overall reduction in emissions (tonnes of CO_2 equivalent) due to the significant reduction in mileage in 2020/21 due to the pandemic. We define our emissions in relation to our annual turnover to generate an intensity ratio (TCO_2e/£m) which we use to compare our performance over time.

Our "intensity" ratio is calculated at 115 TCO_2e/£m (2020: 109). The increase is due to the lower turnover (5.7%) as a result of higher voids in an exceptional year.

National Housing Federation ("NHF") Code of Governance

The Society has adopted the 2015 NHF Code of Governance. Until 26th November 2020, it diverged from the Code in one regard, which was that The Abbeyfield Society had 13 Board members rather than the Code's recommended maximum of 12. This was however compliant with the Society's constitution which requires representation of both UK and international membership on the Society's Board and is a reflection of the Society's role as part of the wider Abbeyfield organisation. One Board member retired at the AGM on 26th November 2020, and therefore the Society is now in compliance with the Code in this regard.

We have plans to review our arrangements to ensure compliance against the new 2020 NHF Code of Governance during the coming year.

Charity Governance Code

The Society adheres to the principles of the 2020 Charity Governance Code.

Resident involvement

We actively encourage the involvement of residents and their families involvement in decision-making by promoting forums where they can contribute to make decisions that affect them. We also carry out a Residents' Survey annually to measure satisfaction with Care, Housing and Care at Home services to obtain feedback.

Risk framework

The process for identifying, evaluating and managing risks, and related risk appetite, has been on-going throughout the period.
Risk management procedures and considerations are embedded in the culture of the Society. The Society has in place a risk management framework (ref Risk Management section in Report of the Board on page 12).

Board committees

The following committees have been established by the Board:

- Audit & Risk Committee: its purpose is to review and approve the financial statements and recommend them to the Board. It also receives reports from internal and external auditors, reviews Audit & Risk management activities across the Society and delivers an annual assessment of the quality of the internal control environment and the effectiveness of risk and audit systems to the Board. It actively monitors risk management activity across the Society to ensure consistent and effective usage of internal systems, and identifies trends and aggregate risks
- Finance and Operations Committee: its purpose is to monitor the Society's financial performance and approve budgets and cash resources, new developments and operational effectiveness and value for money;
- Quality Committee: its purpose is to monitor and report on a range of compliance issues including safeguarding, and to identify learning and good practice;
- Remuneration and Nominations Committee: its purpose is to review and set the remuneration of the Chief Executive Officer and Finance Director, to consider and recommend to the Board any changes to the remuneration of other employees within the society and to support the Board on governance arrangements and the optimal composition of the Board, including recruitment of new Board members;
- Property Committee: its purpose is to ensure that Property transactions are completed in accordance with S.119 of the Charities Act 2011 and represent value for money for the Society.
- Members Committee: this was suspended on 15.12.20 and superseded by the

Programme Steering Committee set up by the Board to manage the various strategic working groups.

The Chairpersons of the committees report back to the Board. The Board receives reports from its committees at all Board meetings.

Internal controls assurance

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The Board recognises that any system can only manage, and not eliminate, risk and can only provide reasonable, and not absolute, assurance against material misstatement or loss. The Board is satisfied that controls are in place. These are subject to ongoing review and formalisation, as part of a process of continuous improvement. The key elements of the system of control which has been in place across the period includes written policies and procedures covering the most significant areas of operations, finance and human resources. From March 2018, Mazars have provided an internal audit function.

The Board reviews and approves budgets, business plans and risk management, and monitors results against them. Delegated authority is in place for incurring and approving expenditure, with formal involvement of the Board for larger transactions. Regular monitoring by the Board of financial performance and achievement of other principle objectives is in place.

There is close involvement of Board committees, and of individual Board and committee members, in the activities being undertaken.

The Board reviews any significant new projects or initiatives. As part of the preparation of the annual business plan, risks are identified which could threaten the achievement of objectives, and an assessment is made of the probability of occurrence and likely impact.

Controls which mitigate these risks, and are proportionate to them, are also identified.

There are clear staff recruitment and appraisal processes, which include monitoring of performance and training programmes to ensure staff are well versed in health and safety and quality.

The Board cannot delegate ultimate responsibility for the system of internal control, but it delegates day to day responsibility to the Audit & Risk Committee to review on a regular basis the effectiveness of the system of internal control. The Audit & Risk Committee also considers any control failures resulting in financial loss or near misses to ensure that lessons are learned and processes improved for the future. The Board receives minutes of all meetings of the Audit & Risk Committee.

The Board confirms that arrangements are in place to manage the risk of fraud and that these arrangements include a review of the fraud register on a periodic basis, and delegates responsibility to the Audit & Risk Committee to ensure the arrangements and controls are appropriate.

Fundraising

Section 162A of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as soliciting or otherwise procuring money or other property for charitable purposes. Such amounts receivable are presented in our accounts as voluntary income and include legacies and grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fundraisers, or third parties. The day to day management of all income generation is delegated to the executive team, who are accountable to the trustees.

The charity is registered with the Fundraising Regulator and is a member of the Institute of Fundraising and conforms to their codes of practice, particularly with relevance to the General Data Protection Regulation (GDPR).

We have received no complaints in relation to fundraising activities. The Society terms of employment require staff not to approach individuals for funds. We do not consider it necessary to design specific procedures to monitor such activities.

Disclosure of information to auditors

Each person who is a Board member at the date of approval of this report confirms that:

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

Structure

The Society is a registered charity, constituted as a Company limited by guarantee and is governed by its Articles of Association. It is part of the Abbeyfield movement, an organisation comprising legally independent Member Societies (including devolved country members), International Member Societies, which are separate legal entities, and individual members. The Society is established for the public benefit for the following objects:

- The relief and care of elderly persons of all classes, beliefs and nationalities suffering from the disabilities of old age or otherwise in need.
- The spreading of Christian principles to all human relationships and the application of humanitarian aims to promote the relief of the elderly.
- The provision of further education in the sphere of voluntary work, social work and similar activities so as to inculcate the principles of good citizenship.
- The provision and management of housing, accommodation or assistance, for the relief and care of elderly persons.
- Such other purposes recognised by English law as charitable as the Society shall determine from time to time.
- The Board acts as the ultimate governing body and monitors the system of internal control. The Board has received an annual assurance statement from the Chief Executive on the system of internal control, and has identified a framework for continuously monitoring risk and risk mitigations.

Governance continued

Statement of public benefit

Charity trustees have a duty to report in the trustees' Annual Report on their charity's public benefit. They should demonstrate that they are clear about what benefits are generated by the activities of the charity. This report sets out in some detail the activities, as noted on page 8.

The benefits must be related to the objectives of the charity. The Society's strategic plan is related to and intended to further the Society's charitable objects.

The views and opinions of residents are regularly sought. For example, there was considerable consultation with residents in developing the Society's strategic plan. The Society's Board of Trustees are confident that Abbeyfield meets the public benefit requirements, and confirm that they have taken into account the Charity Commission's guidance on public benefit where applicable.

Annual General Meeting

The Annual General Meeting will be held on Thursday 16th September 2021.

External auditors

A resolution for the appointment of Crowe U.K. LLP as auditors is proposed at the Annual General Meeting.

The report of the Board was approved by the Board on 10th August and signed on its behalf by:

Ian Plaistowe
Chair

10th August 2021

Independent Auditor's Report to the Members of the Abbeyfield Society

Opinion

We have audited the financial statements of The Abbeyfield Society ('the Society') and its subsidiaries ('the group') for the year ended 31 March 2021 which comprise the consolidated and Society statements of comprehensive income, the consolidated and Society statement of financial position, the consolidated statement of cash flows, the consolidated and Society statement of changes in reserves and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the Society's affairs as at 31 March 2021 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Society's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board member with respect to going concern are described in the relevant sections of this report.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Board, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Report of the Board have been

prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the Society and their environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board, incorporating the Strategic Report.

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

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

Responsibilities of the Board

As explained more fully in the Board members responsibilities statement set out on page 22, the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Society and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Housing and Regeneration Act 2008 together with the Accounting Direction for Private Registered Providers of Social Housing 2019 and the Housing SORP 2018 (Statement of Recommended Practice for registered social housing providers). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Society's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Society and the group for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing and the Care Quality

Commission, health & safety legislation, employment legislation and General Data Protection Regulations (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board members and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of rental, care and legacy income, the capital costs of development, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Regulator of Social Housing and Care Quality Commission, substantive testing of key income streams, substantive testing of development expenditure and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Society's members, as a body, in accordance in accordance with the Housing and Regeneration Act 2008 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Julia Poulter
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London, UK

Date: 19th August 2021

Financial Statements

Consolidated Statement of Comprehensive Income
for the year ended 31 March 2021

	Note	Continuing operations 2021 £'000	Discontinued operations 2021 £'000	**Total 2021 £'000**	Continuing operations 2020 £'000	Discontinued operations 2020 £'000	Total 2020 £'000
Turnover	4	45,810	2,292	**48,102**	46,146	4,803	50,949
Operating costs		(48,507)	(3,934)	**(52,441)**	(49,590)	(8,263)	(57,853)
Impairment	16,20	-	-	**-**	(3,444)	(2,977)	(6,421)
Total Operating Costs	4	(48,507)	(3,934)	**(52,441)**	(53,034)	(11,240)	(64,274)
Operating (deficit)/ surplus	4,8	(2,697)	(1,642)	(4,339)	(6,888)	(6,437)	(13,325)
Surplus/(deficit) on disposal of Housing Properties	12	-	5,202	**5,202**	-	2,761	2,761
Other interest receivable and similar income	13	257	-	**257**	184	-	184
Interest and financing costs	14	(142)	(1)	**(143)**	(186)	(25)	(211)
Movement in fair value of investments	22	284	-	**284**	(113)	-	(113)
(Deficit) / surplus before taxation		(2,298)	3,559	**1,261**	(7,003)	(3,701)	(10,704)
Taxation	15	-	-	**-**	-	-	-
(Deficit)/surplus after taxation and total comprehensive (expense) / income for the year		(2,298)	3,559	**1,261**	(7,003)	(3,701)	(10,704)

The notes on pages 37 to 56 form part of these financial statements

Society Statement of Comprehensive Income
for the year ended 31 March 2021

	Note	Continuing operations 2021 £'000	Discontinued operations 2021 £'000	**Total 2021 £'000**	Continuing operations 2020 £'000	Discontinued operations 2020 £'000	Total 2020 £'000
Turnover	4	45,808	2,292	**48,100**	46,469	4,803	51,272
Operating costs		(48,475)	(3,934)	**(52,409)**	(49,602)	(8,263)	(57,865)
Impairment	16,20	-	-	**-**	(3,444)	(2,977)	(6,421)
Total Operating Costs	4	(48,475)	(3,934)	**(52,409)**	(53,046)	(11,240)	(64,286)
Operating (deficit)/ surplus	4,8	(2,667)	(1,642)	**(4,309)**	(6,577)	(6,437)	(13,014)
Surplus/(deficit) on disposal of Housing Properties	12	-	5,202	**5,202**	-	2,761	2,761
Other interest receivable and similar income	13	257	-	**257**	185	-	185
Interest and financing costs	14	(142)	(1)	**(143)**	(186)	(25)	(211)
Movement in fair value of investments	22	284	-	**284**	(113)	-	(113)
(Deficit) / surplus before taxation		(2,268)	3,559	**1,291**	(6,691)	(3,701)	(10,392)
Taxation	15	-	-	**-**	-	-	-
(Deficit) /surplus before and after taxation and total comprehensive (expense) / income for the year		(2,268)	3,559	**1,291**	**(6,691)**	**(3,701)**	**(10,392)**

The notes on pages 37 to 56 form part of these financial statements

Consolidated and Society Statements of Financial Position at 31 March 2021

	Note	**Group 2021 £'000**	Group 2020 £'000	**Society 2021 £'000**	Society 2020 £'000
Fixed assets					
Tangible fixed assets - housing properties	16	**133,423**	139,083	**134,676**	140,280
Tangible fixed assets - other	17	**145**	378	**145**	378
Investment properties	18	**800**	800	**800**	800
		134,368	140,261	135,621	141,458
Current assets					
Properties held for sale	20	**1,945**	1,036	**1,997**	1,097
Debtors - receivable within one year	21	**2,822**	2,976	**2,811**	2,807
Debtors - receivable after one year	21	**4,829**	5,690	**4,829**	5,690
Investments	22	**1,675**	1,391	**1,675**	1,391
Cash and cash equivalents		**23,691**	11,040	**23,615**	10,742
		34,962	22,133	**34,927**	21,727
Creditors: amounts due within one year	23	**(10,117)**	(10,300)	**(10,085)**	(9,871)
Net current assets		**24,845**	11,833	**24,842**	11,856
Total assets less current liabilities		**159,213**	152,094	**160,463**	153,314
Creditors: amounts after more than one year	24	**(25,492)**	(19,634)	**(25,492)**	(19,634)
Net assets		**133,721**	132,460	**134,971**	133,680
Capital and reserves					
Income and expenditure reserve		**120,953**	120,110	**122,203**	121,330
Restricted reserve		**12,768**	12,350	**12,768**	12,350
Total Capital and reserves		**133,721**	132,460	**134,971**	133,680

The financial statements were approved by the Board and authorised for issue on 10th August 2021 and signed on their behalf by:

Ian Plaistowe

Ian Plaistowe

Chairman

The notes on pages 37 to 56 form part of these financial statements

Financial Statements

Consolidated statement of Cash Flows for the year ended 31 March 2021

		2021	2020
		£'000	£'000
Cash flows from operating activities			
(Deficit) / surplus for the financial year		**1,261**	(10,704)
Adjustments for:			
Impairment of housing properties	8	**-**	5,872
Depreciation of fixed assets - housing properties	16	**2,671**	2,569
Accelerated depreciation on disposal of components	5	**220**	348
Impairment of current assets	8	**-**	549
Depreciation of fixed assets - other	17	**225**	263
Amortisation of grant	5	**(125)**	(167)
Movement in fair value of investments	22	**(284)**	113
Interest payable and finance costs	14	**143**	211
Interest received	13	**(257)**	(184)
(Surplus)/ Deficit on the disposal of fixed assets	12	**(5,202)**	(2,761)
Decrease/(increase) in trade and other debtors	21	**155**	1,001
(Increase)/decrease in properties held for sale	20	**(150)**	473
Increase / (decrease) in creditors including Revolving Credit Facility		**4,515**	182
Net cash (outflow)/inflow from operating activities		**3,172**	(2,235)
Cash flows from investing activities			
Transaction costs for sale of housing properties	12	**(315)**	(179)
Grant repaid		**(1,205)**	(5,179)
Proceeds from sale of fixed assets - housing properties	12	**13,579**	17,125
Purchase of fixed assets - housing properties	16	**(3,554)**	(8,452)
Purchase of fixed assets - other	17	**-**	(37)
Receipt of grant and other movements	25	**-**	12
Net loan repayments from/(advances) to member societies		**860**	(2)
Interest received	13	**257**	184
Net cash used in investing activities		**9,622**	3,472
Cash flows from financing activities			
Interest paid	14	**(143)**	(211)
Net cash (outflow)/inflow by financing activities		**(143)**	(211)
Net increase/(decrease) in cash and cash equivalents		**12,651**	1,026
Cash and cash equivalents at beginning of year		**11,040**	10,014
Cash and cash equivalents at end of year		**23,691**	11,040

The notes on pages 37 to 56 form part of these financial statements

Financial Statements

Consolidated statement of changes in reserves for the year ended 31 March 2021

	Income and expenditure reserve £'000	Restricted reserves £'000	Total £'000
Balance at 31 March 2020	120,110	12,350	132,460
Surplus / (Deficit) for the year	843	418	1,261
Balance at 31 March 2021	**120,953**	**12,768**	**133,721**

Society statement of changes in reserves for the year ended 31 March 2021

	Income and expenditure reserve £'000	Restricted reserves £'000	Total £'000
Balance at 31 March 2020	121,330	12,350	133,680
Surplus / (Deficit) for the year	873	418	1,291
Balance at 31 March 2021	**122,203**	**12,768**	**134,971**

Consolidated statement of changes in reserves for the year ended 31 March 2020

	Income and expenditure reserve £'000	Restricted reserves £'000	Total £'000
Balance at 31 March 2019	131,385	11,779	143,164
Surplus / (Deficit) for the year	(11,275)	571	(10,704)
Balance at 31 March 2020	**120,110**	**12,350**	**132,460**

Society statement of changes in reserves for the year ended 31 March 2020

	Income and expenditure reserve £'000	Restricted reserves £'000	Total £'000
Balance at 31 March 2019	132,293	11,779	144,072
Surplus / (Deficit) for the year	(10,963)	571	(10,392)
Balance at 31 March 2020	**121,330**	**12,350**	**133,680**

The notes on pages 37 to 56 form part of these financial statements

Notes forming part of the Financial Statements for the year ended 31 March 2021

1. LEGAL STATUS

The Group consists of the following three trading entities: The Abbeyfield Society Limited ("The Society", company number 574816), Abbeyfield Properties Limited (company number 9482576) and The Abbeyfield Research Foundation (company number 9705217).

The Society is a company limited by guarantee, incorporated in England and Wales, having no share capital and with solely charitable objectives. The Society is registered with the Regulator of Social Housing and the Charity Commission. The Society's registered address is St. Peter's House, 2 Bricket Road, St. Albans, ALI 3JW. The Society is a member of each separate independent, Abbeyfield Member Society. The Society holds one £1 share in any Abbeyfield Member Society which is registered under the Co-operative and Community Benefit Societies Act 2014. The Society and the Group do not have a controlling interest in any Abbeyfield Member Society. The Society is a public benefit entity. These financial statements do not reflect any of the Member Societies assets, liabilities or financial transactions.

Abbeyfield Properties Limited is a company limited by shares, incorporated in England and Wales, having a share capital of £1. Abbeyfield Properties Limited is wholly owned by the Society. It is deployed by the Society as a design-and-build company for its new developments.

Abbeyfield Research Foundation is a company limited by guarantee, incorporated in England and Wales, having no share capital and with solely charitable objectives. It is registered with the Charity Commission (Charity No. 1167685). Abbeyfield Research Foundation is wholly owned by the Society. Abbeyfield Research Foundation is a fundraising and grant making body, which focuses on funding research into issues that affect older people.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for The Society includes the Companies Act, Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland", and the Statement of Recommended Practice (SORP) for Registered Social Housing Providers, "Accounting by Registered Social Housing Providers" 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

The accounts are prepared under the historic cost basis except for the modification to a fair value basis for certain financial instruments and investment properties, as specified in the accounting policies below. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

In preparing the separate financial statements of The Society, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the society;
- Disclosures in respect of the Society's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of The Society as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

Basis of Consolidation
The consolidated financial statements present the results of The Abbeyfield Society, a registered provider of social housing and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Income
The Society's turnover principally comprises residents' charges receivable from homes, annual membership

fees due from Member Societies, donations from third parties and fund-raising activities. The residents' charges are composite amounts covering rent, service charges and support. Income is measured at the fair value of the consideration received or receivable. The Group generates the following material income streams: -

- Rental income (after deducting lost rent from void properties available for letting);
- Service charges receivable;
- Donations and legacies;
- Membership fees;
- Property sales;
- Market rent.

Turnover from social housing lettings is recognised on delivery of services to end users, as the Society performs its obligations. Income from donations and legacies is accounted for on a receivable basis when it is more likely than not that the economic benefits will flow to the Society and the amount of the income can be measured reliably together with any related costs. Turnover from sale of properties is recognised on legal completion of sales. Rental income is recognised from the point when properties under development reach practical completion and are formally let. Income from properties built for sale is recognised at the point of legal completion of the sale.

Service Charges
The Group adopts either fixed or variable method for calculating and charging service charges to its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the estimated amounts chargeable.

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

Finance Costs
Finance costs are charged to the income statement over the term of the debt using the applicable interest rate so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Pension Costs
Contributions to the Group's defined contribution pension scheme are charged to the income statement in the year in which they become payable.

Holiday Pay Accrual
A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Tangible Fixed Assets- Housing Properties
Housing properties constructed or acquired (including land) on the open market are stated at cost less depreciation and impairment where applicable. Housing properties received as part of a transfer of undertakings were initially recorded at fair value; depreciation and impairment has been deducted as applicable.

The cost of freehold land and property represents their purchase price and any directly attributable costs of acquisition which may include an appropriate amount for staff costs and other costs of managing development.

Expenditure on major refurbishment to properties is capitalised where the works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the net rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income with the exception of components, which are capitalised as they have a life of more than one year.

Housing properties in the course of construction, excluding the estimated cost of the element of shared

ownership properties expected to be sold in first tranche, are included in Tangible Fixed Assets and held at cost less any impairment, and are transferred to completed properties when ready for letting.

Depreciation of Housing Properties
Housing properties are split between freehold land, structure and other major components that are expected to require replacement over time.

The portion of shared ownership property retained or expected to be retained is not depreciated on account of the high residual value. Neither the depreciable amount nor the expected annual depreciation charge for such assets is considered material, individually or in aggregate. Assets in the course of construction are not depreciated until they are completed and ready for use.

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

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

Description	Estimated useful life (years)
Structure	100
Roofs	50
Kitchen	30
Bathroom	30
Windows and doors	30
Electrical	20
Heating	15
Lifts	15
Furniture and Equipment	10

Allocation of Costs for Mixed Tenure and Shared Ownership Developments
Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. Where it is not possible to relate costs to a specific tenure type costs the costs are allocated by square footage.

Tangible Fixed Assets - Other
Other tangible fixed assets are stated at historic cost less accumulated depreciation and any accumulated impairment losses. Historic cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Society. The carrying amount of the replaced part is written off. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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

Description	Estimated useful life (Years)
Furniture & equipment	10
Motor vehicles	5
Office furniture	5
Office equipment and computers	3-5

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised below operating surplus/(deficit), in the statement of comprehensive income.

Investment Properties
Investment properties consist of properties not held for social benefit or use in operations. They are properties held to earn rental income or for capital appreciation. They are initially measured at cost and subsequently at fair value as determined by external valuers. No depreciation is provided. Changes in fair value are recognised in income or expenditure.

Government Grants
Grant received in relation to constructed or acquired housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018.

Grant is carried as deferred income in the balance sheet and released to the income and expenditure account on a systematic basis over the useful economic lives of the asset for which it was received.

Where social housing grant ("SHG") funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the income and expenditure account. Where properties with grant attached are received as part of a transfer of undertakings the ultimate requirement to recycle/repay grant sits within The Society and is recorded as a contingent liability. When properties are identified for sale and a grant liability will crystallise that is not covered by the anticipated sales proceeds, additional provision for impairment is recorded.

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

Grants due from government organisations or received in advance are included as current assets or liabilities.

Recycled Capital Grant Fund
On the occurrence of certain relevant events, primarily the sale of dwellings, Homes England can direct the Society to recycle capital grants or to make repayments of the recoverable amount. The Group adopts a policy of recycling, for which a separate fund is maintained. If unused within a three-year period, grant should be repayable to Homes England with interest.

Any unused recycled capital grant held, is disclosed in the balance sheet under "creditors due after more than one year", except where the property disposal was greater than two years previous and this is disclosed, as creditors due less than one year.

Valuation of Investments
Investments in subsidiaries are measured at cost less accumulated impairment. Investments in listed company shares, which have been classified as current asset investments, are stated at fair value at each balance sheet date. Gains and losses are recognised in the income statement for the period.

Impairment of Tangible Fixed Assets
The housing property portfolio for the Group is assessed for indicators of impairment at each balance sheet date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. An option appraisal is carried out to determine the option which produces the highest net realisable value. Some properties have been valued at value-in-use service potential. The Society defines cash generating units at unit level. Where the recoverable amount of an asset or cash generating unit is lower than its carrying value an impairment is recorded through a charge to income and expenditure.

Properties Held for Sale
Properties held for sale represent work in progress and completed properties, including housing properties developed for transfer to other registered providers; closed properties received as part of a transfer of undertakings that are held for sale; properties developed for outright sale; and shared ownership properties. For shared ownership properties the value held as properties held for sale is the estimated cost to be sold as a first tranche.

Properties held for sale are stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs.

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

Recoverable Amount of Rental and Other Trade Receivables.
The Group estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair it reviews

the age profile of the debt, historic collection rates and the class of debt.

Loans to Member Societies
Loans to Member Societies are regarded as concessionary loans (FRS 102). Those loans are made at a rate of interest which is below the prevailing market rate of interest.

These loans are measured at the amount advanced at the inception of the loan less amounts received and any provisions for impairment. Any associated grant is recognised as deferred income until the loan is redeemed.

Rent and Service Charge Agreements
The Group has made arrangement with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

Loans, Investments and Short-Term Deposits
These instruments are initially recorded at the transaction price less any transaction costs (historic cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost. Loans and investments that are payable or receivable within one year are not discounted.

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

Cash and Cash Equivalents
Cash and cash equivalents in the Group's balance sheet consists of cash at bank and on deposit with an original maturity of three months or less.

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

Reserves
Income received, and expenditure incurred, for restricted purposes is separately accounted for within restricted funds. Restricted funds arise from either the conditions of the legacy, or surplus from transfer of merging societies, donation of merger of Societies. Realised and unrealised gains and losses on assets held by these funds are also allocated to the fund.

Leased Assets: Lessee
Where assets are financed by leasing agreements that give rights approximately to ownership (finance leases), the assets are treated as if they has been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease Lease incentives received are recognized over the term of the lease as an integral part of the total lease expense

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

- whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration in reaching such a decision include

the economic viability and expected future financial performance of the asset.

- the anticipated costs to complete on a development scheme are based on anticipated construction cost, effective rate of interest on loans during the construction period, legal costs and other costs. Based on the costs to complete, the Board then determines the recoverability of the cost of properties developed for outright sale and/or land held for sale. This judgement is also based on the Board's best estimate of sales value based on economic conditions within the area of development.
- the appropriate allocation of costs relating to shared ownership between current and fixed assets.
- the categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset.
- Leases are categorised, as operating, or finance leases. The risk and rewards of ownership of the asset have been considered, over the economic life of the new Southampton scheme, not just one lease period of 30 years. The assessment shows that the risks and rewards are predominately with the lessor over the economic life of the site and it is accordingly accounted for as an operating lease.
- Investments (see note 22):

  The most critical estimates, assumptions and judgements relate to the determination of carrying value of investments are determined using the valuation provided by Barclays Wealth and Investment Management and Charles Stanley & Co Limited.
- Debtors (see note 21):

  The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an aging profile basis to consider whether each debt is recoverable.
- Investment properties (see note 18):

  Investment properties are valued annually using yield methodology. This uses market rental values capitalised at market capitalisation rate, there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Key input into the valuation in the last financial year, which had been retained for the year to 31 March 2021,

  were:

- Rent payable;
- Net initial yield;
- Location and condition of the property;

Other Key Sources of Estimation Uncertainty:

Tangible Fixed Assets (see note 16) are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number factors. Residual value assessments consider issues such as future and market conditions, the remaining life of the asset and projected disposal values. For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components

Notes forming part of the Financial Statements for the year ended 31 March 2021

4. Particulars of turnover, operating costs and operating surplus - Group

	Note	**Turnover 2021 £'000**	**Operating costs 2021 £'000**	**Operating (deficit) / surplus 2021 £'000**
Social housing lettings	5	**39,568**	**(49,556)**	**(9,988)**
Activities other than Social Housing Activities				
Affordable rent (Independent Living) and other		**3,619**	**(1,648)**	**1,971**
Membership activity		**725**	**(750)**	**(25)**
International activity		-	**(45)**	**(45)**
Deficit from sale of current assets		**37**	**(71)**	**(34)**
Disposal of development properties		-	-	-
Surplus from property disposal		-	-	-
Other		**55**	**(51)**	**4**
Donations and legacies		**2,039**	**(320)**	**1,719**
ICT/Furlough Income		**2,059**	-	**2,059**
Total		**48,102**	**(52,441)**	**(4,339)**

	Note	Turnover 2020 £'000	Operating costs 2020 £'000	Operating (deficit) / surplus 2020 £'000
Social housing lettings	5	44,649	(59,418)	(14,769)
Activities other than Social Housing Activities				
Market rent (Independent Living) and other		3,867	(2,593)	1,274
Membership activity		752	(620)	132
International activity		-	(84)	(84)
Surplus from sale of current assets		-	(832)	(832)
Disposal of development properties		615	(423)	192
Surplus from property disposal		-	-	-
Other		-	(44)	(44)
Donations and legacies		1,066	(260)	806
ICT/Furlough Income		-	-	-
Total		50,949	(64,274)	(13,325)

4. Particulars of turnover, operating costs and operating surplus - Society

	Note	**Turnover 2021 £'000**	**Operating costs 2021 £'000**	**Operating (deficit) / surplus 2021 £'000**
Social housing lettings	5	**39,568**	**(49,556)**	**(9,988)**
Activities other than Social Housing Activities				
Affordable rent (Independent Living) and other		**3,619**	**(1,648)**	**1,971**
Membership activity		**725**	**(750)**	**(25)**
International activity		-	**(45)**	**(45)**
Deficit from sale of current assets		**37**	**(71)**	**(34)**
Disposal of development properties		-	-	-
Surplus from property disposal		-	-	-
Other		-	**(19)**	**(19)**
Donations and legacies		**2,092**	**(320)**	**1,772**
ICT/Furlough Income		**2,059**	-	**2,059**
Total		**48,100**	**(52,409)**	**(4,309)**

	Note	Turnover 2020 £'000	Operating costs 2020 £'000	Operating (deficit) / surplus 2020 £'000
Social housing lettings	5	44,649	(59,418)	(14,769)
Activities other than Social Housing Activities				
Market rent (Independent Living) and other		3,867	(2,593)	1,274
Membership activity		752	(620)	132
International activity		(2)	(84)	(86)
Surplus from sale of current assets		-	(832)	(832)
Disposal of development properties		615	(423)	-
Surplus from property disposal		-	-	-
Other		-	(56)	(56)
Donations and legacies		1,391	(260)	1,131
ICT/Furlough Income		-	-	-
Total		51,272	(64,286)	(13,014)

5. Income and expenditure from social housing lettings - Group

		Care	Supported Housing	Total 2021	Total 2020
		£'000	**£'000**	**£'000**	£'000
Income					
Rents net of identifiable service charges		25,897	2,341	**28,238**	31,749
Service charge income		-	11,205	**11,205**	12,733
Grant amortisation		125	-	**125**	167
Turnover from social housing lettings		26,022	13,546	**39,568**	44,649
Expenditure					
Management		(5,978)	(3,124)	**(9,102)**	(8,535)
Service charge costs		(3,874)	(2,053)	**(5,927)**	(6,719)
Charges for support services		(20,931)	(6,922)	**(27,853)**	(31,827)
Routine maintenance		(1,015)	(1,665)	**(2,680)**	(2,563)
Major repairs expenditure		(360)	(44)	**(404)**	(250)
Bad debts		101	(90)	**11**	(142)
Impairment (Housing Properties)	8	-	-	-	(5,872)
Accelerated depreciation		(155)	(65)	**(220)**	(348)
Depreciation (Housing Properties)		(1,481)	(1,190)	**(2,671)**	(2,569)
Depreciation (Other Fixed Assets)		(149)	(76)	**(225)**	(263)
Abortive Costs		(318)	(167)	**(485)**	(330)
Operating expenditure on social housing lettings		**(34,160)**	**(15,396)**	**(49,556)**	(59,418)
Operating (deficit)/surplus on social housing lettings		**(8,137)**	**(1,850)**	**(9,988)**	(14,769)
Void losses		**(6,148)**	**(2,181)**	**(8,329)**	(7,870)

5. Income and expenditure from social housing lettings - Society

		Care	Supported Housing	Total 2021	Total 2020
		£'000	**£'000**	**£'000**	£'000
Income					
Rents net of identifiable service charges		25,897	2,341	**28,238**	31,749
Service charge income		-	11,205	**11,205**	12,733
Grant amortisation		125	-	**125**	167
Turnover from social housing lettings		**26,022**	**13,546**	**39,568**	44,649
Expenditure					
Management		(5,978)	(3,124)	**(9,102)**	(8,535)
Service charge costs		(3,874)	(2,053)	**(5,927)**	(6,699)
Charges for support services		(20,931)	(6,922)	**(27,853)**	(31,847)
Routine maintenance		(1,015)	(1,665)	**(2,680)**	(2,563)
Major repairs expenditure		(360)	(44)	**(404)**	(250)
Bad debts		101	(90)	**11**	(142)
Impairment (Housing Properties)	8	-	-	-	(5,872)
Accelerated depreciation		(155)	(65)	**(220)**	(348)
Depreciation (Housing Properties)		(1,481)	(1,190)	**(2,671)**	(2,569)
Depreciation (Other Fixed Assets)		(149)	(76)	**(225)**	(263)
Abortive Costs		(318)	(167)	**(485)**	(330)
Operating expenditure on social housing lettings		**(34,160)**	**(15,396)**	**(49,556)**	(59,418)
Operating (deficit)/surplus on social housing lettings		**(8,137)**	**(1,850)**	**(9,988)**	(14,769)
Void losses		**(6,148)**	**(2,181)**	**(8,329)**	(7,870)

6. Particulars of turnover from non-social housing lettings - Group and Society

	2021	2020
	£'000	£'000
Affordable Rent	**3,619**	3,867
Total	**3,619**	3,867

7. Units of housing stock - Group and Society

	2021	2020
	Total	Total
Supported Housing	**1,041**	956
Residential care home bed spaces	**677**	718
Affordable Rent	**271**	281
Total Owned and Managed accommodation	**1,989**	1,955
Units under construction	**130**	125
Units owned by the society but managed by others	**90**	87

8. Operating (deficit)/surplus

	Group	Group	**Society**	Society
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
This is arrived at after charging:				
Depreciation of housing properties: charge for the year	**2,671**	2,569	**2,671**	2,569
Depreciation of other tangible fixed assets	**224**	263	**224**	263
Accelerated depreciation	**220**	348	**220**	348
Impairment (Housing Properties)	-	5,872	-	5,872
Impairment (Current Assets)	-	549	-	549
Operating lease charges	**781**	717	**781**	717
Auditors' remuneration:				
Group accounts	**85**	113	**85**	113
Subsidiaries	**10**	6	**10**	-
Other audit related assurance	**7**	8	**7**	8
Tax advice	**20**	14	**20**	14

9. Employees

	Group 2021 £'000	Group 2020 £'000	**Society 2021 £'000**	Society 2020 £'000
Staff costs (including Executive Management Team) Consist of:				
Wages and salaries	**27,759**	30,812	**27,759**	30,812
Social Security Costs	**2,062**	2,078	**2,062**	2,078
Cost of defined contribution scheme	**876**	839	**876**	839
Total	**30,697**	33,729	**30,697**	33,729

Employees numbers

The average number of employees (including Executive Management Team) expressed as full time equivalents (calculated based on a standard working week of 35 hours) during the year was as follows:

	Group 2021	Group 2020	**Society 2021**	Society 2020
Administration	**126**	125	**126**	125
Development	**4**	7	**4**	7
Housing, Support and Care	**969**	971	**969**	971
Total	**1,099**	1,103	**1,099**	1,103

10. Board and executive remuneration

None of the members of the Board received any emoluments (2020: £nil). Board expenses for the year were **£7,835** (2020: £29,716).

	Group 2021 £'000	Group 2020 £'000	**Society 2021 £'000**	Society 2020 £'000
Executive emoluments	**1,335**	1,242	**1,335**	1,242
Contributions to money purchase pension schemes	**66**	66	**66**	66
Total	**1,401**	1,308	**1,401**	1,308

The total amount payable to the Chief Executive post, who was also the highest paid director, in respect of emoluments was £176,741 (2020: £175,039). Employer pension contributions totalling £10,930 were made during the year for a defined contribution scheme which is open to all employees.

The remuneration paid to staff (including the Executive Management Team) earning over £60,000:

	Group 2021 number	Group 2020 number	**Society 2021 number**	Society 2020 number
£60,001 - £70,000	9	6	9	6
£70,001 - £80,000	5	7	5	7
£80,001 - £90,000	3	1	3	1
£90,001 - £100,000	4	1	4	1
£110,001 - £120,000	-	1	-	1
£120,001 - £130,000	1	-	1	-
£130,001 - £140,000	1	-	1	-
£140,001 - £150,000	-	1	-	1
£170,001 - £180,000	1	2	1	2

11. Board/Committee Members

	Member of:						
Board/Committee Member	**Remuneration & Nominations Committee**	**Members Committee**	**Audit and Risk Committee**	**Finance & Operations Committee**	**Quality Committee**	**Group Board**	**Property Committee**
Ian Plaistowe	✓	✓		✓		✓	
Jenny Lawrence		✓	✓			✓	
Chris Smith	✓		✓			✓	✓
Andre Decraene		✓	✓			✓	
Norman Greville				✓		✓	✓
Amanda Houlihan	✓	✓		✓	✓	✓	
Jeff Medlock				✓		✓	✓
Rt. Rev Dr Stephen Venner	✓			✓		✓	
Sara Beamand					✓	✓	
Andrew Larpent					✓	✓	
Cedric Meiring						✓	
Ken Staveley						✓	
Brian Williams						✓	

12. Surplus on disposal of Fixed Assets - Group and Society

	2021	2020
	£'000	£'000
Disposal proceeds	**13,579**	17,125
Cost of disposals	**(5,867)**	(13,210)
Selling costs	**(315)**	(179)
Grant recycled	**(2,195)**	(975)
	5,202	**2,761**

13. Interest receivable and income from investments - Group and Society

	Group	Group	**Society**	Society
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Abbeyfield member societies	**117**	176	**117**	176
Interest receivable	**140**	8	**140**	9
Total	**257**	184	**257**	185

14. Interest payable and similar charges - Group and Society

	Group	Group	**Society**	Society
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Bank Loans and overdrafts	**142**	179	**142**	179
Recycled capital grant fund	**1**	32	**1**	32
Total	**143**	211	**143**	211

15. Taxation

The Abbeyfield Society is a registered charity and is therefore potentially exempt from taxation of its income and gains to the extent that they fall within Part ii of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Acts 1992. No tax charge has arisen in the year.

16. Housing properties - Group

	Care, Housing and Independent Living completed £'000	Care, Housing and Independent Living under construction £'000	Shared ownership completed £'000	Total £'000
Cost:				
As at 31 March 2020	**155,887**	**12,450**	**793**	**169,130**
Additions:				
Construction Costs	-	1,982	-	1,982
Additions to completed Schemes	-	-	-	-
Replaced components	1,573	-	-	1,573
Transferred to Care under Construction	(497)	-	-	(497)
Component disposal	(389)	-	-	(389)
Closed property disposal	(10,451)	-	-	(10,451)
Construction assets completed during the year	4,283	(4,283)	-	-
As at 31 March 2021	**150,406**	**10,149**	**793**	**161,348**
Depreciation:				
As at 31 March 2020	**19,436**	-	-	**19,436**
Charge for the year	2,671	-	-	2,671
Eliminated on disposals: components	(161)	-	-	(161)
Eliminated on disposals: other	(1,828)	-	-	(1,828)
As at 31 March 2021	**20,118**	-	-	**20,118**
Impairment:				
As at 31 March 2020	**10,611**	-	-	**10,611**
Charge for the year	-	-	-	-
Reversed prior year impairment	-	-	-	-
Released in the year at sale	(2,804)	-	-	(2,804)
As at 31 March 2021	**7,807**	-	-	**7,807**
Net book value at 31 March 2021	**122,481**	**10,149**	**793**	**133,423**
Net book value at 31 March 2020	125,840	12,450	793	139,083

16. Housing properties - Society

	Care, Housing and Independent Living completed £'000	Care, Housing and Independent Living under construction £'000	Shared ownership completed £'000	Total £'000
Cost:				
As at 31 March 2020	**155,887**	**13,647**	**793**	**170,327**
Additions:				
Costruction Costs	-	2,038	-	2,038
Additions to completed Schemes	-	-	-	-
Replaced components	1,573	-	-	1,573
Transferred to Care under Construction	(497)	-	-	(497)
Component disposal	(389)	-	-	(389)
Closed property disposal	(10,451)	-	-	(10,451)
Construction assets completed during the year	4,283	(4,283)	-	-
As at 31 March 2021	**150,406**	**11,402**	**793**	**162,601**
Depreciation:				
As at 31 March 2020	**19,436**	-	-	**19,436**
Charge for the year	2,671	-	-	2,671
Eliminated on disposals: components	(161)	-	-	(161)
Eliminated on disposals: other	(1,828)	-	-	(1,828)
As at 31 March 2021	**20,118**	**-**	**-**	**20,118**
Impairment:				
As at 31 March 2020	**10,611**	-	-	**10,611**
Charge for the year	-	-	-	-
Reversed prior year impairment	-	-	-	-
Released in the year at sale	(2,804)	-	-	(2,804)
As at 31 March 2021	**7,807**	-	-	**7,807**
Net book value at 31 March 2021	**122,481**	**11,402**	**793**	**134,676**
Net book value at 31 March 2020	125,840	13,647	793	140,280

16. Housing properties - Society continued

	Group 2021 £'000	**Society** 2021 £'000	Group 2020 £'000	Society 2020 £'000
Freehold	**131,510**	**132,763**	137,886	139,083
Long leasehold	**1,913**	**1,913**	1,197	1,197
Total	**133,423**	**134,676**	139,083	140,280
Works to properties included above				
Improvements to existing properties capitalised	**1,573**	**1,573**	1,932	1,932
Major repairs expenditure	**263**	**263**	79	79
Total	**1,836**	**1,836**	2,011	2,011
Capital grant - Housing Properties in Reserves				
As at 1 April 2020	**27,465**	**27,465**	29,660	29,660
Capital grant - Housing Properties in creditors	**15,691**	**15,691**	15,740	15,740
Recycled Capital Grant Fund	**5,459**	**5,459**	4,544	4,544
Total	**48,615**	**48,615**	49,944	49,944

The Society had property with a book value of **£17.6m** pledged as security at 31 March 2021 (2020: £37.1m)

17. Tangible fixed assets - Other - Group and Society

	Fixtures, fittings and furniture £'000	Computer and other office equipment £'000	**Total £'000**
Cost:			
As at 31 March 2020	**688**	**1,415**	**2,103**
Additions	-	-	**-**
Disposals	(15)	-	**(15)**
As at 31 March 2021	**673**	**1,415**	**2,088**
Depreciation:			
As at 31 March 2020	**620**	**1,105**	**1,725**
Charge for the year	17	208	**225**
Disposals	(7)	-	**(7)**
As at 31 March 2021	**630**	**1,313**	**1,943**
Net book value at 31 March 2021	**43**	**102**	**145**
Net book value at 31 March 2020	68	309	378

18. Investment properties

Investment properties consist of properties not held for social benefit or for use in the business. Investment properties are measured at the cost on initial recognition. Subsequently they are carried at fair value determined annually and derived from the current market rent and investment property yield for comparable real estate, adjusted if neccessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the statement of comprehensive income.

Group and Society

	Market rent £'000
Cost:	
As at 1 April 2020	800
Revaluation	-
At 31 March 2021	**800**

The valuations were undertaken by JLL during August 2018 in accordance with the RICS Valuation Global Standards 2017 and the RICS Valuation - Professional Standards 2014 and have been reviewed annually thereafter. In valuing investment properties an investment method of valuation was used. Details of the assumptions made and the key sources of estimation uncertainty are given in note 3.

If investment property had been accounted for under the historic cost accounting rules the properties would have been measured as follows

	Group 2020 £'000	Group 2019 £'000	**Society 2020 £'000**	Society 2019 £'000
Cost:				
Historic cost	**591**	591	**591**	591
Accumulated Depreciation	**(139)**	(136)	**(139)**	(136)
At 31 March 2021	**452**	455	**452**	455

19. Investments

	Country of incorporation or registration	Voting rights % held	Nominal value of the shares held	Nature of business	Nominal value of the share held
Subsidiary Undertakings					
Abbeyfield Properties Limited	England	100%	£1	Design-and-build	Incorporated company, limited by shares
The Abbeyfield Research Foundation	England	100%	£nil	Fundraising and Grant making	Incorporated company, limited by guarantee
Abbeyfield UK Limited	England	100%	£nil	Dormant	Incorporated company, limited by guarantee
Pebblemist Limited	England	100%	£nil	Dormant	Incorporated company, limited by guarantee
Abbeyfield Elland Society Limited	England	100%	£nil	Dormant	Incorporated company, limited by guarantee

All above Subsidiary undertakings are registered at St Peters House, 2 Bricket Road, St Albans, Hertfordshire, AL1 3JW

20. Properties for sale - Group

	Closed properties held for sale £'000	**Developed units £'000**	**2021 Total £'000**	2020 Total £'000
Work in progress	**-**	**2,529**	**2,529**	1,683
Completed properties - developed and closed	**-**	**-**	**-**	-
Completed properties - acquired	**120**	**-**	**120**	816
Less: Provision for impairment	**-**	**(704)**	**(704)**	(1,463)
Total	**120**	**1,825**	**1,945**	1,036

20. Properties for sale - Society

	Closed properties held for sale £'000	**Developed units £'000**	**2021 Total £'000**	2020 Total £'000
Work in progress	**-**	**2,581**	**2,581**	1,744
Completed properties - developed and closed	**-**	**-**	**-**	-
Completed properties - acquired	**120**	**-**	**120**	816
Less: Provision for impairment	**-**	**(704)**	**(704)**	(1,463)
Total	**120**	**1,877**	**1,997**	1,097

Properties developed for sale do not include capitalised interest.

21. Debtors - Group and Society

	Group 2021 £'000	Group 2020 £'000	**Society 2021 £'000**	Society 2020 £'000
Due within one year				
Rent and service charge arrears	**313**	500	**313**	500
Less: Provision for doubtful debts	**(276)**	(417)	**(276)**	(417)
	37	83	**37**	83
Abbeyfield member societies	**160**	76	**160**	76
Other debtors	**769**	958	**758**	790
Prepayments and accrued income	**1,856**	1,859	**1,856**	1,858
Total	**2,822**	2,976	**2,811**	2,807
Due after one year				
Due from Abbeyfield member societies	**4,829**	5,690	**4,829**	5,690

22. Current asset investments - Group and Society

	2021 £'000	2020 £'000
Opening fair value	**1,391**	1,504
Additions	**-**	-
Fair Value Adjustment	**284**	(113)
Disposals	**-**	-
Closing fair value	**1,675**	1,391

All current asset investments are shares held in listed companies which trade on a regular basis. These investments are managed by Barclays Wealth Capital Management and Charles Stanley & Co Limited. Original cost of investment was £1.5m

23. Creditors: falling due within one year - Group and Society

	Group 2021 £'000	Group 2020 £'000	**Society 2021 £'000**	Society 2020 £'000
Trade creditors	**737**	1,186	**737**	1,186
Taxation and social security	**250**	362	**250**	362
Other creditors	**1,573**	1,433	**1,541**	713
Recycled Capital Grant Fund (note 26)	**1,221**	1,211	**1,221**	1,211
Accruals and deferred income	**6,336**	6,108	**5,467**	5,333
Amount owed to group undertakings	**-**	-	**869**	1,066
Total	**10,117**	10,300	**10,085**	9,871

24. Creditors: falling due after one year - Group and Society

	Group 2021 £'000	Group 2020 £'000	**Society 2021 £'000**	Society 2020 £'000
Deferred capital grant (note 25)	**15,690**	15,740	**15,690**	15,740
Recycled Capital Grant Fund (note 26)	**4,238**	3,332	**4,238**	3,332
Bank Loan	**5,000**	**-**	**5,000**	-
Other creditors	**564**	562	**564**	562
Total	**25,492**	19,634	**25,492**	19,634

25. Deferred capital grant - Group and Society

	2021	2020
	£'000	£'000
At 31 March 2020	**15,740**	18,012
Grants receivable during the year	**-**	12
Grants recycled from the recycled grant fund	**75**	186
Amortisation released at sale	**-**	43
Grant Reversed	**-**	(2,346)
Released to income during the year	**(125)**	(167)
Total	**15,690**	15,740

26. Recycled capital grant fund - Group and Society

Capital grant: relating to development activities funded by	**HCA 2021 £'000**	**GLA 2021 £'000**	**Total 2021 £'000**	HCA 2020 £'000	GLA 2020 £'000	Total 2020 £'000
At 1 April 2020	**2,594**	**1,949**	**4,543**	4,417	2,102	6,519
Inputs to fund:						
Grants recycled from reserves at point of sale	**597**	**1,599**	**2,196**	136	839	975
Restated Grant Allocated to a property	**-**	**-**	**-**	-	-	-
Transfer to deferred grant	**(75)**	**-**	**(75)**	(150)	-	(150)
Interest accrued	**-**	**-**	**-**	21	11	32
Transfer to Member Society	**(230)**	**-**	**(230)**	(1,830)	-	(1,830)
Repayment to GLA	**-**	**(975)**	**(975)**	-	(1,003)	(1,003)
At 31 March 2021	**2,886**	**2,573**	**5,459**	2,594	1,949	4,543
Included in creditors: amounts due within one year	1,221	-	**1,221**	236	975	1,211
Included in creditors: amounts due after more than one year	1,665	2,573	**4,238**	2,358	974	3,332
At 31 March 2021	**2,886**	**2,573**	**5,459**	2,594	1,949	4,543

27. Loans and borrowings - Group and Society

	Bank loans 2021 £'000	Bank loans 2020 £'000
Maturity of debt:		
On demand or within one year	**-**	**-**
More than one year and up to two years	**5,000**	-
Total	**5,000**	**-**

The Group has a £5 million Revolving Credit Facility and a £5 million Overdraft facility with Barclays Bank. The facilities are secured by charges on the housing properties of the group.

The Revolving Credit Facility is fully drawn and the full overdraft is available to be drawn. Both facilities end on the 31st December 2023.

Loans are secured by specific charges on the housing properties of the Group, as disclosed in note 16.

	2021 £'000	2020 £'000
Financial assets		
Financial assets measured at fair value:		
Investments	**1,675**	1,391
Financial assets measured at historic cost:		
Trade receivables	**313**	500
Other receivables	**7,338**	8,166
Cash and cash equivalents	**23,691**	11,040
Total financial assets	**33,017**	21,097
Financial liabilities		
Financial liabilities measured at amortised cost:		
Loans payable	**-**	**-**
Financial liabilities measured at historic cost:		
Trade creditors	**(737)**	(1,186)
Other creditors	**(8,159)**	(7,903)
Total financial liabilities	**(8,896)**	(9,089)

For cash and cash equivalents, short term deposits, current receivables, current payables and loans payable, the carrying amounts approximate fair value, because of the short maturity of these instruments, and therefore fair value information is not included in the table above.

28. Contingent liabilities

The Group receives grants from Homes England and from the Greater London Authority, which are used to fund the acquisition and development of housing properties and their components. Where member societies and other organisations have transferred their net assets to the Group through a transfer of undertakings, any related grants are taken into account in the fair value of the assets and this is credited to reserves as part of the surplus/deficit on transfer. The Group has a future obligation to recycle such grants once the properties are disposed of. The amount of grant on properties which are not operational which will be recycled on disposal, where not already accrued is £3,201k.

Through the Abbeyfield Research Foundation, grants are awarded to fund research into issues affecting the care of older people, with the aim of developing practical solutions to improve care. At 31 March 2021 the outstanding commitment made by Abbeyfield Research Foundation is £715k (2019 £642k).

Total Grants in reserves amount to £27.46m (2020 £29.66m).

29. Operating leases - Group and Society

The Group and Society had minimum lease payments under non-cancellable operating leases as set out below:

	2021	2020
	£'000	£'000
Amounts payable as Lessee:		
Within one year	**781**	781
After one year but within five years	**2,996**	2,996
After five years	**17,289**	18,041
Total	**21,066**	21,818

30. Capital commitments - Group and Society

	2021	2020
	£'000	£'000
Commitments contracted but not provided for:		
Maintenance	**838**	202
Construction	**11,612**	14,030
Commitments approved by the Board but not provided for:		
Maintenance	**125**	125
Construction	**513**	528
Total	**13,088**	14,885

Capital commitments for the Group and Society will be funded as follows:		
Social Housing Grant	**1,282**	1,282
LA Grant	**450**	450
New loans	-	-
Sales of properties	**4,720**	4,720
Donations	**200**	200
Reimbursment of construction costs	**-**	350
Existing cash and utilisation of facilities	**6,436**	7,883
Total	**13,088**	14,885

31. Related party disclosures

Total charges received from Abbeyfield Properties Limited ("APL") for design-and-build fees amount to £1,611k (2020: £7,184k) that includes 5% mark up by APL. The costs relating to the design-and-build invoices from the contractors amount to £1,535k (2020: £6,842k). APL made a charitable donation to TAS of £54k during the year (2020: £325k).

A grant of £300k (2020: £300k) was made to Abbeyfield Research Foundation ("ARF") by the Society during the year.

During the year costs of £750k (2020: £620k) were incurred as part of the society's support for member societies. This includes a nominal allocation of central costs of £0k. (2020:£85k). The real costs of supporting the Member Societies are estimated to exceed £1m, but it is not considered reasonable to reflect such an estimate in the allocation.

Three of the Society's trustees are also Chairs of Member / International Societies and as such transactions with these member / international societies are considered to be related parties.

The trustees and their relevant Societies and transactions of membership fees are as follows:

Name	Society	Value of transactions
Jeff Medlock - Vice Chairman	Abbeyfield Beaconsfield Society	£10,376
Andre Decraene	Abbeyfield Belgium	£1,264
Cedric Meiring	Abbeyfield South Africa	£1,404

32. Business combinations

No businesses were transferred to the Society during the current year

33. Post Balance Sheet Events

Since the end of the financial year,the freehold interests in 3 properties were sold and funds received of £1.22m.

To find an Abbeyfield near you,
just call us on **01727 857536**.

We'd be happy to chat or for you to visit.

For more information, you can also visit:

www.abbeyfield.com
AbbeyfieldSociety
abbeyfield_society
TheAbbeyfieldSociety
@TheAbbeyfield

Abbeyfield National Office for the UK:
St Peter's House, 2 Bricket Road, St Albans, Herts, AL1 3JW

Registered Charity 200719 Company No 574816 Regulator of Social Housing No H1046 Care Quality Commission No 1-102642859