



Annual Report and Accounts 2022

The Abbeyfield Society | Annual Report and Accounts | 31 March 2022

The Abbeyfield Society

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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 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 Beaman (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
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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.

Report of the Board (incorporating the Strategic Report) continued

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.

Report of the Board (incorporating the Strategic Report) continued

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%.

Report of the Board (incorporating the Strategic Report) continued

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.

Report of the Board (incorporating the Strategic Report) continued

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;

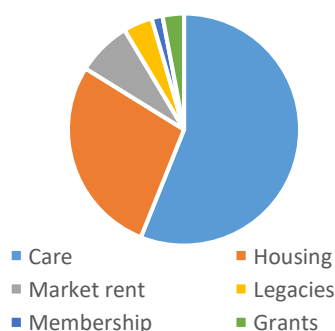
- A deterioration of £2.2m caused by an increased level of voids and higher operating costs of £0.6m.
- A reduction of £3.5m in the surplus on property disposals, down from a surplus of £5.2m to a £1.7m surplus (see note 12).
- £10.9m of impairment relating to the write-off of costs on the Plymouth Millbay 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)

Operating and Financial Review continued

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).

Operating and Financial Review continued

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;

Operating and Financial Review continued

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.

Operating and Financial Review continued

Highlights, four year summary

	31 March 2022	31 March 2021	31 March 2020	31 March 2019
	£'000	£'000	£'000	£'000
Statement of Comprehensive Income				
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 Modern 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

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.

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 CO₂ 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.

Governance continued

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.

Governance continued

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.

Governance continued

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.

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 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 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/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

Independent Auditor's Report to the Members of the Abbeyfield Society continued

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 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

		Continuing operations 2022	Discontinued operations 2022	Total 2022	Continuing operations 2021	Discontinued operations 2021	Total 2021
	Note	£'000	£'000	£'000	£'000	£'000	£'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

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

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

Financial Statements

Consolidated statement of Cash Flows for the year ended 31 March 2022

		2022 £'000	2021 £'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, AL1 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

Notes forming part of the Financial Statements for the year ended 31 March 2022

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

Notes forming part of the Financial Statements for the year ended 31 March 2022

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 have 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

Notes forming part of the Financial Statements for the year ended 31 March 2022

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

		Turnover 2022 £'000	Operating costs 2022 £'000	Operating (deficit) / surplus 2022 £'000
	Note			
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)

		Turnover 2021 £'000	Operating costs 2021 £'000	Operating (deficit) / surplus 2021 £'000
	Note			
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

		Turnover 2022 £'000	Operating costs 2022 £'000	Operating (deficit) / surplus 2022 £'000
	Note			
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)

		Turnover 2021 £'000	Operating costs 2021 £'000	Operating (deficit) / surplus 2021 £'000
	Note			
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)

Notes forming part of the Financial Statements for the year ended 31 March 2022

5. Income and expenditure from social housing lettings - Group

	Care £'000	Supported Housing £'000	Total 2022 £'000	Total 2021 £'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 £'000	Supported Housing £'000	Total 2022 £'000	Total 2021 £'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)

Notes forming part of the Financial Statements for the year ended 31 March 2022

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: 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.

Notes forming part of the Financial Statements for the year ended 31 March 2022

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

Board/Committee Member	Member of:					
	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 £'000	2021 £'000
Disposal proceeds	6,345	13,579
Cost of disposals	(3,192)	(5,867)
Selling costs	(150)	(315)
Grant recycled	(1,296)	(2,195)
Total	1,707	5,202

13. Interest receivable and income from investments - Group and Society

	Group 2022 £'000	Group 2021 £'000	Society 2022 £'000	Society 2021 £'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 2022 £'000	Group 2021 £'000	Society 2022 £'000	Society 2021 £'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

Notes forming part of the Financial Statements for the year ended 31 March 2022

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

Notes forming part of the Financial Statements for the year ended 31 March 2022

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	Society	Group	Society
	2022	2022	2021	2021
	£'000	£'000	£'000	£'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

Notes forming part of the Financial Statements for the year ended 31 March 2022

Disposals	(80)	(691)	(771)
As at 31 March 2022	563	694	1,257

Net book value at 31 March 2022	29	29	58
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Net book value at 31 March 2021	43	102	145
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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 necessary 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

Notes forming part of the Financial Statements for the year ended 31 March 2022

20. Properties for sale - Group

	Closed properties held for sale £'000	Developed units £'000	2022 Total £'000	2021 Total £'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 £'000	Developed units £'000	2022 Total £'000	2021 Total £'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 £'000	Group 2021 £'000	Society 2022 £'000	Society 2021 £'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 £'000	2021 £'000
Opening fair value	1,675	1,391
Additions	-	-
Fair Value Adjustment	73	284
Disposals	(1,156)	-
Closing fair value	592	1,675

Notes forming part of the Financial Statements for the year ended 31 March 2022

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

Notes forming part of the Financial Statements for the year ended 31 March 2022

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	-	-
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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.

Notes forming part of the Financial Statements for the year ended 31 March 2022

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 £'000	2021 £'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 £'000	2021 £'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

Notes forming part of the Financial Statements for the year ended 31 March 2022

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.

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Regulator of Social Housing No H1046

Company No 574816

Care Quality Commission No 1-102642859