Beaconwild Ltd

England & Wales · Charity number 216779

Details

Other names	ABBEYFIELD SOUTH DOWNS LIMITED, THE ABBEYFIELD EASTBOURNE SOCIETY LIMITED
Status	Registered
Legal form	Charitable company
Company number	00736150
Registered	1963-03-06
Register	View on the Charity Commission register

Contact

Address	Holdenhurst Mill Road Heathfield East Sussex TN21 0GG
Phone	01435866539
Email	info@abbsd.co.uk
Website	www.abbeyfield.com/south-downs

Activities

Objects: TO RELIEVE AGED IMPOTENT OR POOR PEOPLE OF ALL CLASSES, FOR THE ADVANCEMENT OF RELIGION & EDUCATION & FOR OTHER CHARITABLE PURPOSES BENEFICIAL TO THE COMMUNITY.

Activities: The provision of sheltered housing for elderly people

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, Accommodation/housing
- **Who:** Elderly/old People

Downloaded from opencharities.uk/ew/216779

Geography

- **Area of benefit:** EASTBOURNE
- East Sussex

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,236,401	£2,208,789	£10,437,761	44
2024-03-31	£4,333,621	£2,079,863	£10,410,149	42
2023-03-31	£1,546,330	£1,449,659	£8,024,961	37
2022-03-31	£997,740	£1,064,435	£8,075,301	33
2021-03-31	£969,876	£912,602	£8,141,996	31

Trustees

Name	Role	Appointed
DAVID BYRNE		2017-10-26
DR IRINA CONLAN		2023-06-29
Ian Arthur Thomas		2023-10-16
Joanne Kathleen Sorenson		2017-10-26
John Michael Timbs		2018-07-09
MALCOLM PARIS		2017-10-26
Nolan Taylor		2024-10-15
Peter James Anderson		2020-05-25

Linked charities

- ANGUS LODGE TRUST (216779-1)

Downloaded from opencharities.uk/ew/216779

Beaconwild Ltd

England & Wales - Charity number 216779

Accounts

Company registered number: 00736150
Charity number: 216779
Regulator of Social Housing registered number H0375

ABBEYFIELD SOUTH DOWNS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

ABBEYFIELD SOUTH DOWNS LIMITED

CONTENTS

The Board, Executive Officers and Advisers	1
Report of the Board of Trustees	2 - 14
Independent auditors' report	15 - 19
Statement of comprehensive income	20
Statement of changes in reserves	21
Balance sheet	22
Statement of cash flows	23
Notes to the financial statements	24 - 36
Detailed income and expenditure account	37

ABBEYFIELD SOUTH DOWNS LIMITED

THE BOARD, EXECUTIVE OFFICERS, ADVISERS

The Board as at the date of approval of this Annual Report **Note: all Board members are also trustees of the charity**	Mr I Thomas CEng BSc (Hons) MRICS MIStructE MCIOB (Chairman) Mr D Byrne FCII Mr M Paris MBE MCIOB Miss J Sorenson BA (Hons) PGDipM Chartered Marketer Mr J Timbs FCMI Mr P Anderson LLB(Hons) MBA Dr I Conlan MBA FCCA Mr N Taylor
Executive Officers as at the date of approval of this Annual Report	Mrs N Moss (General Manager)
Company secretary	Mr P Anderson LLB(Hons) MBA
Registered office and principal address	Holdenhurst Mill Road Heathfield East Sussex TN21 0GG
Independent auditors	Lindeyer Francis Ferguson Limited Statutory Auditors North House 198 High Street Tonbridge Kent TN9 1BE
Bankers	Barclays Bank plc 63/67 Terminus Road Eastbourne East Sussex BN21 3NE
Legal status	
Registered company limited by guarantee	No. 00736150
Registered with the Regulator of Social Housing	No. H0375
Registered with the Charity Commission	No. 216779

ABBEYFIELD SOUTH DOWNS LIMITED

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

Annual Report Statement

The Trustees, who also serve as directors of the charity under the Companies Act 2006, present their annual report, along with the audited financial statements for Abbeyfield South Downs Limited, covering the financial year ended 31 March 2025.

Objectives and Activities

As of 31 March 2025, the charity remains committed to preventing and alleviating loneliness and reducing the risk of isolation in later life. At the end of the reporting year, Abbeyfield South Downs had 106 homes available to let across its six sheltered housing schemes in Eastbourne, Heathfield, Tunbridge Wells, Hove, and Worthing. Providing comfortable and secure, low-cost and affordable homes within a communal living environment that encourages a supportive community, friendship and independence. This is made possible by our dedicated workforce, which provides our home-cooked meal provision, maintains daily contact with our tenants, and offers good-neighbour support and companionship.

To fulfil its objectives, the charity seeks to generate a sustainable surplus from rental income over expenditure. This financial approach underpins the ongoing upkeep of its properties and supports the delivery of consistently high-quality services. The charity remains committed to maintaining and enhancing these standards wherever possible, while ensuring full compliance with all legislation relevant to its operations.

Location	No of low-cost sheltered housing units	No of 'Affordable' sheltered housing units	No of General Needs housing units	Changes since 31 March 2024	Occupancy YTD
Eastbourne x 2	16		1	None	98%
Brighton & Hove	16		2	None	96%
Heathfield		48		None	99%
Tunbridge Wells	14			None	91%
Worthing [BCH]	9		[1]	[1] under development	85%
Worthing [SEA]	[8]			Closed May 2024 [8] under development	
Alfriston	[9]			Closed Jan 2025	59%
Total lettable units at 31/03/2025	**55**	**48**	**3**	**106**	**94%**

The Trustees have reviewed the Charity's aims and objectives and confirm that, in planning and delivering its activities, they have had due regard to the Charity Commission's guidance on public benefit, including its guidance on fee-charging. The Trustees also ensure that the Charity complies with all applicable legislation and regulatory requirements.

ABBEYFIELD SOUTH DOWNS LIMITED

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

Achievements and Performance

This reporting year has been one of change and resilience. Key influences that have dominated the year under review:

- Ian Thomas' succession to the Chair in April 2024
- The retirement of our CEO, Nolan Taylor, in September 2024.
- Appointment of Nikki Moss as General Manager in April 2024
- Restructure and appointment of a new management team
- Absorption of Abbeyfield Worthing Society
- Closure of Abbeyfield House, Alfriston

Following unanimous support from the Board of Trustees, Ian Thomas succeeded David Byrne as Chair of Abbeyfield South Downs. The Board extends its sincere thanks to David for a decade of dedicated leadership, during which the organisation experienced substantial growth and transformation. David's many contributions include the opening of Holdenhurst in 2022, a landmark project delivering 48 affordable rental apartments within a sheltered housing scheme. With a longstanding commitment to charitable work, David continues to serve Abbeyfield South Downs as a Trustee, bringing valuable experience and expertise to support its ongoing mission.

Ian's appointment represents a natural progression, following his integral role as Development Director in the planning, construction, and completion of the Holdenhurst development. Along with his professional background as a building surveyor, Ian brings over two decades of experience within the Abbeyfield movement, including senior roles at Abbeyfield Kent and the national Abbeyfield Society. His extensive background in social housing and property development positions him well to lead Abbeyfield South Downs into its next chapter.

Nolan Taylor, Chief Executive Officer, formally announced his retirement in March 2024 after 11 years of dedicated service to Abbeyfield South Downs. During his tenure, Nolan worked closely with David Byrne and Ian Thomas, playing a pivotal role in the charity's growth and development. He stepped down from day-to-day management at the end of June 2024 and officially retired in September. The Board expresses its sincere gratitude for Nolan's leadership and lasting contributions. Nolan's commitment to the charity's mission continues, and in October 2024, he joined the Board of Trustees, ensuring his experience remains part of Abbeyfield South Downs' future.

The Board of Trustees are delighted to welcome Nikki Moss to the role of General Manager in April 2024, taking responsibility for the operational management of the organisation and reporting directly to the board. Nikki has 11 years of service with Abbeyfield South Downs and 35 years of experience working in and managing services for older people. Her professional credentials include

a range of Level 3, 4, and 5 qualifications from Health & Social Care and the Chartered Institute of Housing. Nikki has a clear perspective on the charity's mission and its need for its services to be affordable to older people on the lowest incomes. Nikki can be credited with developing a dedicated workforce, a successful service model and taking the Holdenhurst development project to an operational service.

Following Board approval of the proposed restructuring plan in October 2023, implementation was led by Nikki Moss throughout 2024. The decision was driven by the charity's substantial growth — from 58 to 123 housing units between 2022 and 2024, representing a 112% increase, and the resulting operational pressures on the Management Team. Nolan's retirement further underscored the need to reinforce leadership capacity and reduce dependency on individual roles. The restructuring was designed to ensure the charity is equipped to deliver high-quality housing services while fostering a resilient, values-led organisation. It introduced the following strategic outcomes:

- Adequate resources to maintain service standards for tenants and staff.
- Company resilience to anticipate, adapt to, and recover from disruptions, while continuing to deliver its mission, safeguard people, and uphold values.
- Reduced reliance on single individuals, mitigating points of failure.
- A diverse range of skills to advance organisational objectives.
- Improved working conditions, acknowledging staff welfare as central to long-term success.
- Greater operational autonomy and clear accountability for service outcomes.
- Strengthened regulatory compliance.
- Transparent reporting mechanisms to inform financial and strategic decisions at Board level.

As of 31 March 2025, significant progress has been made across key operational and leadership areas. We are pleased to confirm our Finance Manager, Wendy Barrow, assumed additional responsibilities following Nolan's retirement. Wendy has been a valued member of the team for over ten years, bringing continuity, expertise, and a deep understanding of our financial systems. Her long-standing commitment and leadership are deeply appreciated, particularly during this period of transition.

Additionally, two Operational Managers have been recruited to strengthen support for tenants and staff, as well as to enhance oversight of property-related responsibilities. All planned outcomes are expected to be achieved during 2025/26, following a period of consolidation and embedding.

As of 1 April 2024, the Complaint Handling Code ('the Code') became statutory, requiring all members of the Housing Ombudsman Scheme to comply with its provisions by law. Abbeyfield South Downs is proud to have achieved full compliance, demonstrating our commitment to transparency, fairness, and continuous improvement.

The Company Secretary serves as the Member Responsible for Complaints (MRC), a designated role within the Abbeyfield South Downs Board. The MRC provides strategic oversight of complaint handling performance and ensures accountability is embedded across the organisation.

Following a detailed review of its viability, regrettably, the Abbeyfield South Downs board had to decide to close Abbeyfield House, Alfriston. We acquired the Alfriston and District Society in 2017. The service had struggled to achieve a viable occupancy in the preceding years. We implemented a comprehensive digital marketing plan, which proved successful for several years. Although the service was located in a beautiful village at the foot of the South Downs National Park, the quality and size of the accommodation no longer met the expectations of potential tenants. Due to the construction of the building, the cost of refurbishment or development was prohibitive, compounded by factors such as accessibility of services, transportation, and staffing in a rural area. A closure process can be distressing for tenants, their families, and staff. We strive to act as sensitively as possible, but it is the responsibility of Trustees to ensure that the charity's assets are used to serve as many people as possible. Where a service becomes unable to support itself financially, funds must be diverted to cover operational costs, which erodes charity funds in the long term. The closure concluded in January 2025. The funds acquired from the sale of the property will be used to support the development of new low-cost or affordable homes, furthering the charity's objectives and maximising the resources available to us.

The Abbeyfield Worthing Society gifted its assets to Abbeyfield South Downs in November 2023. The assets consisted of two properties in close proximity to each other, both underoccupied by 50% and requiring significant refurbishment. Due to insufficient staffing, we decided to close Seascapes and focus our resources on improving Beachside. Beachside had the advantage of a passenger lift. Beachside underwent refurbishment to address long-standing damp issues, as well as improvements to decoration, laundry, dining, and office spaces. The previous live-in staff accommodation was remodelled and refurbished to create an additional self-contained, low-cost lettable home. All tenants and staff from Seascapes relocated to Beachside or other ASD properties under improved terms and conditions. The staff team achieved full occupancy in August 2024, a level that has been sustained throughout the year.

Plans for the Future

ASD will continue to align decisions with its 2023 strategy, which prioritises sustainable growth, operational resilience, and tenant wellbeing.

We will seek opportunities for development within or adjacent to our current areas of operation. The nature and scale of future schemes will depend on the availability of suitable land, existing properties, or failed/failing developments that may be repurposed to meet local housing needs.

Strategic partnerships or mergers with other charities and organisations will also be considered where they align with our values and enhance our capacity to deliver high-quality housing and support.

Alongside service development, we remain focused on strengthening the governance and management of the company, including regular review of our organisational structure and systems to ensure they remain fit for purpose, legally compliant, and responsive to both operational demands and strategic priorities.

All initiatives will be reviewed in light of the economic climate and other influencing factors, ensuring our approach remains beneficial to the charity's purpose, financially sound, and adaptable to change.

The currently closed Seascapes site presents an opportunity for the charity to further its objectives. We intend to develop this site and create eight new, self-contained, low-cost, or affordable homes. We are pleased to be working in partnership with Worthing Council to gain grant funding from Homes England. The plans are at the preliminary stages, but we are optimistic that planning permission will be granted. This work will continue in 2025/26. We anticipate that homes will be available in 2026, subject to our achieving the required funding and the project costs remaining viable.

The Board remains firmly of the view that our 'Independent Living' development and its associated operating model represent a progressive solution to meeting the evolving expectations of an ageing population, alongside emerging policy realignments. Holdenhurst's success has been very encouraging, and we are committed to exploring opportunities to replicate similar models across our geographical footprint. We believe this approach may serve as a blueprint for similar developments in the future, for Abbeyfield South Downs and across the sector.

At the same time, we continue to support and invest in our existing sheltered housing services, where demand remains strong. These schemes provide an all-inclusive housing solution for tenants with the lowest incomes, particularly those eligible for welfare assistance. Making a tangible difference to the lives of the tenants they serve.

Demand for our services has been strong throughout the year, and we are confident of maintaining or exceeding our occupancy rate in 2025/26. Having duly considered the above, and taking into account the current economic environment and sector context, the Trustees have concluded that there are no material uncertainties that cast significant doubt on the charity's ability to continue.

Risk Management

The Board maintains a risk management process to identify, assess, and mitigate significant risks across all operations and development activities. David Byrne and Nolan Taylor lead oversight. The Board has requested a Risk Sub-Committee, involving operational staff, to support this process by contributing frontline insights and ensuring risks are grounded in day-to-day realities.

Strategic Risk	
Risk: Operating within a complex and evolving market influenced by regulatory shifts, competition, demographic change, and economic pressure.	**Mitigation:** • Annual review of Risk Register • Robust reporting to the Board of Trustees • Sector and economic surveillance • Adopted a 10-year Strategic Plan (2016–2026), grounded in sector research and operational intelligence. • Updated ten year Strategic Plan in development, informed by Trustee and leadership expertise and aligned with Abbeyfield England's direction
Financial Viability	
Risk: Financial underperformance affecting service quality and property maintenance.	**Mitigation:** • Operations continue to produce sufficient funds to support service excellence and property upkeep. • Annual financial budget approved by the Board, with quarterly reporting to track performance. • Monthly operational income/expenditure reporting to SMT and house staff. • Occupancy levels adopted as the primary KPI—actively tracked and reported. • Facility Agreement in place with Charity Bank and Big Society Capital, secured after modelling to G2060. Quarterly covenant performance reviews are conducted internally and externally • Review of Treasury and Investment Policies
Reputational Risk	
Risk: Threats to reputation from poor safeguarding, falling service standards, or deteriorating housing conditions.	**Mitigation:** • Continuous service monitoring by SMT, supported by the Board. • Operating Policies maintained and enacted, including Housing Ombudsman complaint handling code compliance. • Robust safeguarding policy in place for residents and staff.

	• Active Board engagement with Abbeyfield Society at a national level. • Independent maintenance survey commissioned; 10-year planned maintenance programme adopted, with review underway.
People Risk	
Risk: Organisational effectiveness may be compromised without skilled and supported staff and volunteers.	**Mitigation:** • Central focus on staff/tenant wellbeing. • Policies and procedures in place to uphold health and safety standards. • Policies and procedures in place to ensure employment rights and equality • Committed to the Living Wage Foundation recommendation • The board regularly evaluates its composition and diversity to ensure adequate oversight and strategic support.

Reserves Policy

The Charity maintains a reserves policy to ensure financial resilience and continuity of service. Unrestricted cash funds not designated for specific use are held at a level equivalent to at least three months' anticipated operating expenditure.

The Board considers this level of reserves sufficient to safeguard core activities in the event of a significant drop in income, allowing time to explore alternative funding sources or operational adjustments. The adequacy of reserves is reviewed quarterly by the Finance Sub-Committee, which reports directly to the full Board.

In addition to this core policy, the Board has discussed the need for a supplementary provision relating to Holdenhurst. Given the increased risk of latent defects following the liquidation of the main contractor, a thorough investigation and remedial works have been completed. However, recognising the potential for future issues, the Board proposes setting aside a sum to initiate a sinking fund for Holdenhurst. This fund would ordinarily be built up over time to cover long-term maintenance and unforeseen costs associated with a new building.

As of 7 August 2024, the Board has agreed to designate £550,000 as operational reserves and £450,000 specifically for Holdenhurst.

Financial Review

Abbeyfield South Downs' financial position stabilised during the year, supported by improved occupancy, modest income growth, and cost control. Total turnover increased to £2.13 million (2024: £1.95 million), while operating expenditure rose to £2.2 million (2024: £2.08 million), reflecting inflationary pressures linked to cost-of-living increases, sustained investment in staffing, and repairs and improvements to the housing properties.

The operating deficit narrowed to £77.2K (2024: £134.7K), driven by cost containment and improved occupancy. By year-end, ASD achieved 95% occupancy across its available housing stock, enhancing rental income and reducing void losses. This operational recovery contributed to a positive EBITDA, indicating that core activities are generating cash before financing and depreciation.

Cash at bank stood at £60.1K, with an additional £1.74 million held in short-term deposits. Long-term liabilities of £4.42 million (excluding housing grant) represent a manageable position relative to net assets of £10.44 million, with £2k in restricted funds. A post-balance sheet event, the sale of Abbeyfield Alfriston, generated an additional £625K before legal fees, further strengthening the company's liquidity.

Abbeyfield South Downs remains a going concern, with unrestricted reserves and interest income from deposits providing resilience against short-term fluctuations. The organisation continues to review its strategic options and remains committed to maintaining safe, secure housing and responsible financial management.

The Board recognise that, following our substantial growth of 112%, our current development capacity remains constrained. While core operations are generating positive cash flow, operating costs continue to exceed turnover, and inflationary pressures persist.

The Board further acknowledges that future expansion must be approached with strategic caution. Investments will be considered only where they align with ASD's charitable values, operational strengths, occupancy performance, and long-term sustainability. The organisation remains focused on sequencing growth carefully to avoid overextension and continues to monitor financial and operational indicators to ensure that any development is both viable and aligned with the charity's purpose.

Value for Money Statement – Year Ended 31 March 2025

Value for Money (VFM) is about being effective in how we plan, manage and operate the charity. It requires making the best use of the resources available to us to provide high-quality homes that enhance the quality of life for our tenants, along with excellent services and support.

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

The Regulator for Social Housing (RSH) issued a Value for Money Standard in April 2017 and a Technical Note in April 2018. Seven metrics were identified against which social housing providers are expected to report their performance in the annual report. The latter document acknowledges that the metrics may not be suitable for all providers, and any influencing factors should be explained in the commentary.

RSH Metric		2025	2024
1	**Reinvestment %**	0.8%	0.6%
2	**New supply delivered %**	0.0%	0.0%
3	**Gearing %**	16.2%	15.8%
4	**EBITDA MRI interest cover %**	63.9%	43.2%
5	**Headline social housing cost per unit**	18,446	16,909
6	**Operating Margin %**		
	A. Operating Margin (social housing lettings only) %	-3.6%	-6.9%
	B. Operating Margin (overall)%	0.0%	0.0%
7	**Return on capital employed (ROCE) %**	-0.4%	-0.7%

Basis for Metrics

1. Reinvestment % – investment in properties as a % of total properties held.
2. New supply delivered – new social housing units delivered ÷ total units owned.
3. Gearing % – net debt ÷ housing properties.
4. EBITDA MRI interest cover % – EBITDA ÷ interest payable.
5. Headline social housing cost per unit – costs ÷ units (126).
6. Operating margin % – operating surplus/(deficit) ÷ turnover.
7. ROCE % – operating surplus ÷ total assets less current liabilities.

Commentary

- Reinvestment rose modestly to 0.8% in 2025, up from 0.6% in 2024. While still below sector averages, this increase reflects our cautious return to asset investment following a period of rapid organisational growth. Our focus remains on maintaining and improving existing stock, with reinvestment decisions guided by tenant need, safety, and long-term value.

- No new homes were delivered in either 2024 or 2025. This demonstrates a strategic pause following our 112% growth between 2022 and 2024, allowing us to consolidate operations, embed quality standards, and ensure sustainable service delivery across our expanded footprint.

- Gearing increased slightly to 16.2%, up from 15.8%. This remains comfortably below sector risk thresholds, signifying prudent borrowing to support operational resilience.

- Our EBITDA MRI interest cover improved significantly to 63.9%, up from 43.2% in 2024. This marks a positive shift in cash flow and operational efficiency.

- Our headline social housing cost per unit rose to £18,446 in 2025, reflecting both inflationary pressures and the distinctive nature of our service model.

  This enhanced model inevitably carries higher operating costs, but it delivers significant social value and aligns fully with our charity's purpose and public benefit obligations. We continue to monitor cost efficiency while safeguarding the quality of our services.

- Operating margins, while still negative for social housing lettings, have improved year-on-year, narrowing from -6.9% to -3.6%. This confirms our ongoing efforts to stabilise finances following a period of rapid expansion and indicates improved cost control.

  The overall operating margin remains at 0.0%, indicating a break-even position. This reflects the financial realities of delivering enhanced housing services within constrained funding environments. We continue to pursue efficiencies while safeguarding quality.

- ROCE remains negative at -0.4%, a slight improvement from -0.7% in 2024. This highlights the challenge of generating financial returns from socially focused assets. Our priority remains long-term value creation through safe, inclusive, and comfortable housing — not short-term profit.

The Board continues to scrutinise VFM through regular review of management accounts, KPIs and operational reporting. Unit costs and margins are closely monitored in relation to our distinctive housing model.

Governance

The Board of Trustees, who are also the directors for the purpose of company law, and who served during the year, are set out on page 1. Each member is recruited for their relevant experience and skills to provide substantive support to the management team. The directors manage the charity in accordance with the company's Memorandum and Articles of Association dated 1 December 2019. None of the Board of Trustees members has any beneficial interest in the company. All members of the Board of Trustees are members of the company.

Appointments to the Board of Trustees are proposed and ratified during regular Board meetings, with co-option permitted before formal approval where appropriate. Trustees are recruited through a combination of invitations and public advertisements, ensuring a broad reach and a diverse pool of candidates.

All Trustees with regular access to tenants undergo Disclosure and Barring Service (DBS) checks and are required to provide two references, in line with safeguarding best practice. New trustees receive a comprehensive induction aligned with the charity's Trustee Induction Process, which covers governance responsibilities, operational context, and a dedicated briefing on the Abbeyfield ethos. Trustees are also granted access to the Directors' Information folder via the charity's shared cloud storage, providing key reference materials.

Ongoing development is supported through optional training on request, with thematic Board-wide sessions delivered where there is shared interest. The Board continues to strengthen its approach to skills and diversity appraisal, recognising the value of inclusive and strategically balanced governance.

The Board of Trustees convenes quarterly to review operational performance and assess progress against the charity's strategic objectives. These meetings ensure that the charity's operations and development activities continue to align with its established policies and values. As part of its governance role, the Board is responsible for approving any proposed changes to operational policies. It also oversees all major expenditure decisions, maintaining financial accountability and ensuring that resource allocation supports the charity's mission and long-term sustainability.

The Board of Trustees is committed to ensuring that staff feel valued and appropriately rewarded for their contribution to the charity's work. As part of this commitment, Abbeyfield South Downs has adopted the Living Wage Foundation's voluntary 'living wage' standard. Pay awards are approved annually by the Board as part of the broader budget-setting process.

The remuneration of senior staff is overseen by an ad-hoc Remuneration Committee, chaired by the Chair of the Board. Following its review of relevant factors, including performance, benchmarking data, and sector comparisons, the Committee makes recommendations to the Board, which considers and approves them as part of its governance responsibilities.

The charity is a member of Abbeyfield England (AE), a national body supporting affiliated societies within the charitable housing sector. As part of this membership, the charity benefits from access to timely updates on sector-wide developments, shared good practice, and professional services designed to support operational and strategic delivery. These services enhance the charity's ability to remain responsive to emerging trends and regulatory shifts. An annual membership fee is paid to AE in recognition of the services provided.

The charity operates in accordance with the Governance and Financial Viability Standard (April 2015) issued by the Regulator for Social Housing. Additionally, it adheres to the principal recommendations outlined in the 2015 National Housing Federation Code of Governance, ensuring sound leadership, financial oversight, and accountability across all activities. As a smaller charity, it also adheres to the principles of the Code of Governance for Smaller Charities. This dual alignment supports

proportionate, mission-focused governance while upholding sector best practice.

Statement of Responsibilities of the Board of Trustees

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable legislation and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice). Company law and social housing legislation require that financial statements be prepared for each financial year. In accordance with company law, the Trustees must not approve the financial statements unless satisfied that they provide an accurate and fair view of the charitable company's affairs, including its incoming resources and their application, as well as the income and expenditure for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Make reasonable and prudent judgements and accounting estimates
- Prepare the financial statements on a going-concern basis unless it is inappropriate to presume the charitable company will continue in operation

The Trustees are also responsible for maintaining adequate accounting records that are sufficient to:

- Accurately reflect and explain the charitable company's transactions.
- Disclose its financial position with reasonable accuracy at any time.
- Ensure compliance with the Companies Act 2006, the Housing and Regeneration Act 2008, and the Accounting Direction for Registered Providers of Social Housing in England 2019.

In addition, Trustees are responsible for safeguarding the assets of the charitable company and taking reasonable steps to prevent and detect fraud and other irregularities.

Statement of Disclosure to the Auditor

Each Trustee in office at the date of approval of this report confirms that:

- So far as they are aware, there is no relevant audit information of which the charity's auditors are unaware.
- They have taken all reasonable steps necessary to ensure they are aware of such information, and to establish that the charity's auditors are also aware of it.

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

Auditor

The Trustees resolved to reappoint Lindeyer Francis Ferguson Limited as the company's auditor for the year ended 31 March 2025.

In preparing this report, the Trustees have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Board of Trustees on **2 October 2025** and signed on their behalf by:



Mr Ian Thomas
Chairman of Trustees

ABBEYFIELD SOUTH DOWNS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBEYFIELD SOUTH DOWNS LIMITED

Opinion

We have audited the financial statements of Abbeyfield South Downs Limited (the 'charitable company') for the year ended 31 March 2025 which comprise the statement of comprehensive income, the statement of changes in reserves, the balance sheet, the statement of cashflows 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 association's affairs as at 31 March 2025 and of its 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 in England 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the association 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 trustees' 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 association'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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBEYFIELD SOUTH DOWNS LIMITED

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the report of the board of trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the report of the board of trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the board of trustees.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit ; or
- the board were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of the board

As explained more fully in the board's responsibilities statement the board (who are also the directors of the association for the purposes of charity law) 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 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 is responsible for assessing the association'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 intends to liquidate the association or to cease operations, or has 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined below, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We obtained an understanding of the legal and regulatory framework applicable to the preparation of the financial statements of the Charity, and the procedures that management adopt to ensure compliance. We have considered the extent to which non-compliance night have a material effect on the financial statements, and in particular we identified the Companies Act 2006, the Housing and

Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing 2019, and the procedures that management adopt to ensure compliance, including those relating to the Housing SORP 2018.

We have also identified other laws and regulations that do not have a direct effect on the amounts or disclosures within the financial statements, but for which compliance is fundamental to the charity's operations and to avoid material penalties, including GDPR, health and safety, employment law, and fundraising regulations.

Having reviewed the laws and regulations applicable to the charity, we designed and performed audit procedures to obtain sufficient appropriate audit evidence. Specifically, we:

- Assigned an engagement team to the audit with particular familiarity in dealing with registered providers of social housing;
- Obtained an understanding of the charity's procedures for ensuring compliance with laws and regulations;
- Obtained and reviewed internal policy and procedure documents;
- Made enquiries of management and the trustees regarding whether they were aware of any actual or suspected incidences of non-compliance with laws and regulations;
- Obtained and reviewed meeting minutes;
- Reviewed legal expenses accounts for indications of any possible non-compliance; and
- Reviewed the completeness and accuracy of any disclosures made in the financial statements.

We assessed the susceptibility of the charity's financial statements to material misstatement, including considering how fraud might occur. This was performed by:

- We obtained the Board of Trustees' assessment of fraud risk and enquired as to any known or suspected instances of fraud;
- We considered whether management have incentives and opportunities to manipulate financial results (including overriding controls) and determined that the key risks related to the non-compliance with the Housing SORP 2018 in terms of component accounting in previous years, completeness of income, completeness of creditors, non-depreciation of properties in previous years and the risk of management override;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control;
- We tested journal entries to identify unusual transactions; and
- We designed and performed audit procedures to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations, including enquiry of the Board of Trustees, review of minutes and correspondence, and review of the completeness and accuracy of disclosures made in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBEYFIELD SOUTH DOWNS LIMITED

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.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Healey BA FCA (Senior statutory auditor)
for and on behalf of

Date: 3 October 2025

Lindeyer Francis Ferguson Limited
Statutory Auditors
North House
198 High Street
Tonbridge
Kent TN9 1BE

ABBEYFIELD SOUTH DOWNS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Turnover	2	2,131,621	-	2,131,621	1,945,206	-	1,945,206
Operating expenditure	2	(2,208,789)	-	(2,208,789)	(2,079,863)	-	(2,079,863)
Operating deficit		(77,168)	-	(77,168)	(134,657)	-	(134,657)
Interest receivable		73,636	-	73,636	33,775	-	33,775
Investment income		31,144	-	31,144	126,143	-	126,143
Other income		-	-	-	194		194
Gift of assets from merging societies	21	-	-	-	2,226,303	2,000	2,228,303
Surplus on ordinary activities for the year and total comprehensive income		**27,612**	-	**27,612**	**2,251,758**	**2,000**	**2,253,758**

The accounts were approved by the Board of Trustees on 2 October 2025

Mr I Thomas
Chairman

ABBEYFIELD SOUTH DOWNS LIMITED

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2025

	Restricted Income and expenditure reserve	*Unrestricted Income and expenditure reserve*	*Endowment reserve*	*Total*
	£	£	£	£
Balance at 1 April 2023	-	7,919,654	236,737	8,156,391
Total comprehensive income for the year	2,000	2,251,758	-	2,253,758
Transfer from endowment reserves	-	3,384	(3,384)	-
Balance at 31 March 2024 and 1 April 2024	2,000	10,174,796	233,353	10,410,149
Total comprehensive income for the year	-	27,612	-	27,612
Transfer from endowment reserves	-	3,384	(3,384)	-
Balance at 31 March 2025	2,000	10,205,792	229,969	10,437,761

ABBEYFIELD SOUTH DOWNS LIMITED

BALANCE SHEET
AS AT 31 MARCH 2025

	Notes	£	*2025* £	£	*2024 as restated* £
Fixed assets					
Tangible fixed assets	**7**		17,376,092		17,443,173
Investments	**8**		927,398		971,275
			18,303,490		18,414,448
Current assets					
Debtors	**9**	90,047		22,504	
Cash at bank and in hand		60,101		1,133,456	
Short term cash deposits		1,743,077		859,653	
Investments	**10**	109,295		78,151	
		2,002,520		2,093,764	
Creditors: amounts falling due within one year	**11**	(305,419)		(320,029)	
Net current assets			1,697,101		1,773,735
Total assets less current liabilities			20,000,591		20,188,183
Creditors: amounts falling due after one year	**13**		(9,562,830)		(9,778,034)
Net assets			**10,437,761**		**10,410,149**
Reserves					
Income and expenditure reserve	**18**		10,205,792		10,174,796
Restricted Income and expenditure reserve	**20**		2,000		2,000
Endowment reserves	**19**		229,969		233,353
			10,437,761		**10,410,149**

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Board of Trustees on 2 October 2025

Mr I Thomas
Chairman

Company registration number: 00736150

ABBEYFIELD SOUTH DOWNS LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

		2025	2024
		£	£
Net cash generated from operating activities	**A**	223,871	2,476,104
Cash flow from investing activities			
Purchase of tangible fixed assets		(272,234)	(1,593,545)
Purchase of Investments		-	(1,049,426)
Investment income		-	126,143
Interest received		73,636	33,775
Net cash used in investing activities		(198,598)	(2,483,053)
Cash flow from investing activities			
Grants received		(67,674)	(67,674)
Loans repaid		(147,530)	(190,028)
Net cash provided by investing activities		(215,204)	(257,702)
Net increase in cash and cash equivalents and change in net funds		(189,931)	(264,651)
Cash and cash equivalents at the beginning of the year		1,993,109	2,257,760
Cash and cash equivalents at the end of the year		1,803,178	1,993,109
Cash and cash equivalents consists of:			
Short term cash deposits		1,743,077	859,653
Cash at bank and in hand		60,101	1,133,456
		1,803,178	1,993,109

A. Reconciliation of net cash generated from operating activities

	£	£
Cash flow from operating activities		
Surplus for the year	27,612	2,253,758
Adjustments for non cash items:		
Depreciation	333,705	312,564
Increase in debtors	(67,543)	(8,136)
(Decrease)/increase in creditors	(14,610)	107,236
Decrease in provisions	-	(29,400)
Unrealised loss on investments	43,877	-
Investment income	(31,144)	-
Loss on disposal of fixed assets	5,610	-
Adjustments for investing or financing activities:		
Investment income	-	(126,143)
Interest receivable	(73,636)	(33,775)
Cash generated from operating activities	223,871	2,476,104

1 Accounting policies

1.1 Legal status

Abbeyfield South Downs Limited is a private company limited by guarantee incorporated in England and Wales and is a registered housing provider. The registered office is Holdenhurst, Mill Road, Heathfield, East Sussex, TN21 0GG.

1.2 Basis of preparation

The financial statements of the charity are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for private registered providers of social housing in England 2019. The charity is a public benefit entity as defined by FRS 102.

The accounts have been prepared on the historical cost convention, modified to include certain items at fair value.

The financial statements are presented in pounds sterling and rounded to the nearest pound.

The principal accounting policies adopted are set out below.

1.3 Income

Income is measured at the fair value of the consideration received or receivable net of VAT.

Turnover represents rental income receivable in the year net of losses from voids. Rental income is recognised in the period the rents fall due.

Income from government grants is recognised as turnover when the charity is entitled to the funds, the receipt is probable and the amount can be measured reliably. This is usually when a formal offer is made in writing.

1.4 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under the headings that classify all costs related to the category. Expenditure is inclusive of VAT.

1 Accounting policies (continued)

1.5 Charitable funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Society and which have not been designated for other purposes.

Endowment reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Revenue and expenditure cannot be directly set against endowment reserves but is taken through the Statement of Comprehensive Income.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets, other than freehold land, are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Housing Properties
Housing properties are held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation and impairment losses. Costs include the cost of acquiring land and buildings, development costs, and interest charges incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised.

Depreciation is provided on housing properties, excluding land, so as to write off the net cost less estimated residual value of each asset over its remaining estimated useful life. Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter, as follows:

Freehold buildings	-	50 - 80 years straight line
Roofs	-	40 - 50 years straight line
Windows	-	25 - 40 years straight line
Kitchens	-	10 - 20 years straight line
Bathrooms	-	10 - 33 years straight line
Lifts	-	15 years straight line
Heating systems	-	33 years straight line

1 Accounting policies (continued)

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Other fixed assets
Depreciation is provided on other fixed assets, so as to write off the net cost less estimated residual value of each asset over its remaining estimated useful life as follows:

Fixtures, fittings and equipment	-	10 years straight line

1.7 Impairment of fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. Where indicators are identified, an assessment for impairment is undertaken comparing the carrying amount to its recoverable amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the Statement of Comprehensive Income.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.9 Short term cash deposits

Short term cash deposits is cash that has been deposited with original maturities of more than three months but at the balance sheet date has a maturity of less than one year.

1.10 Financial instruments

The charity only has financial instruments which are classified as basic financial instruments.

Short-term debtors and creditors are measured at the settlement value. Any losses from impairment are recognised in income and expenditure.

Long-term debtors and creditors are measured at the settlement value. Any losses from impairment are recognised in income and expenditure.

Loans and borrowings are initially recorded at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method.

1 Accounting policies (continued)

1.11 Retirement benefits

The Charity operated a defined contribution pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the Scheme.

1.12 Government grants

Government grants include grants receivable from Homes England (HE), local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

2 Turnover and costs

	2025	*2024*
	£	£
Rent receivable		
Social housing	2,446,501	2,046,845
General housing	30,621	26,368
Void losses		
Social housing	(414,660)	(201,259)
Amortised government grants	68,074	68,074
Turnover from housing lettings	2,130,536	1,940,028
Income from other activities		
Sundry	1,085	5,178
Total	2,131,621	1,945,206
Operating costs from social housing activities:		
Management expenses	1,118,295	1,009,165
Property maintenance and refurbishment costs	158,362	153,091
Depreciation of housing properties	287,025	266,879
Other costs	645,107	650,728
Total	2,208,789	2,079,863
Net deficit from housing activities	(77,168)	(134,657)

3	**(Deficit)/surplus on ordinary activities**	*2025*	*2024*
		£	*£*
	This is stated after charging:		
	Depreciation of housing properties	287,025	266,879
	Depreciation of other tangible assets	46,680	45,685
	Auditors' remuneration for audit	10,800	11,700
	Auditors' remuneration for non-audit services	5,886	5,400

4	**Staff costs and key management personnel**	*2025*	*2024*
		£	*£*
	Wages and salaries	643,871	628,416
	Social security costs	39,346	38,621
	Other pension costs	16,654	14,456
		699,871	681,493

During the year redundancy payments of £8,853 (2024: £Nil) were made following the closure of Abbeyfield House, North Road, Alfriston.

The average number of employees for the year based on monthly headcount is as follows:

	2025	*2024*
	Number	*Number*
Housekeeping	41	39
Administration	3	3
	44	42

The average number of employees for the year based on full time equivalent was 13 (2024: 13)

5 Board and key management personnel remuneration

None (2024: none) of the trustees were reimbursed for any expenses.

A child of a trustee was employed during the year, the total remuneration, including social security and pension costs, for this employee amounted to £2,467 (2024: £Nil)

The total remuneration, including social security and pension costs, for key management personnel amounted to £155,766 (2024: £159,233).

The Chief Executive and General Manager received contributions into a defined contribution pension scheme. Contributions payable for the year were £6,458 (2024: £3,388).

5 Board and key management personnel remuneration (continued)

The number of employees whose total employee benefits excluding pension contributions earning over £60,000, classified within bands of £10,000 is as follows:

	2025	*2024*
£60,000 – £69,999	1	1
	1	1

6 Taxation

The Society, having exempt charitable status, is not liable to taxation.

7 Tangible fixed assets

	Housing Properties	*Fixtures, fittings and equipment*	*Total*
	£	£	£
Cost			
At 1 April 2024	18,297,127	583,522	18,880,649
Additions	222,757	49,477	272,234
Disposals	-	(29,378)	(29,378)
At 31 March 2025	18,519,884	603,621	19,123,505
Depreciation			
At 1 April 2024	1,152,435	285,041	1,437,476
Charge for the year	287,025	46,680	333,705
Eliminated on disposals	-	(23,768)	(23,768)
At 31 March 2025	1,439,460	307,953	1,747,413
Net book value			
At 31 March 2025	17,080,424	295,668	17,376,092
At 31 March 2024	17,144,692	298,481	17,443,173

8 Investments

	COIF Investment Fund	*COIF Ethical Investment Fund*	*Total*
	£	£	£
Cost or valuation			
At 31 March 2024	641,403	329,872	971,275
Interest and dividends received	17,444	9,351	26,795
Transfer to current investments	(17,444)	(9,351)	(26,795)
Change in market value	(29,884)	(13,993)	(43,877)
At 31 March 2025	611,519	315,879	927,398
Carrying amount			
At 31 March 2025	611,519	315,879	927,398
At 31 March 2024	641,403	329,872	971,275

9 Debtors: amounts falling due within one year

	2025	*2024*
	£	£
Rent and service charges receivable	15,318	9,272
Prepayments and accrued income	74,729	13,232
	90,047	22,504

10 Current asset investments

	2025	*2024*
	£	£
Unlisted Investments	109,295	78,151

Current asset investments comprise of a COIF Charities Deposit Fund of £109,295 (2024 - £78,151). This is part of the overall Deposit Fund which is retained for working capital purposes.

11 Creditors: amounts falling due within one year

	2025	*2024 as restated*
	£	£
Government grants	77,142	77,542
Trade creditors	34,930	63,587
Rent and service charges received in advance	30,428	28,014
Accruals and deferred income	11,942	12,842
Bank loans	147,682	136,240
Other creditors	3,295	1,804
	305,419	320,029

12 Deferred grant income

	2025	*2024*
	£	£
At 1 April 2024	5,288,418	5,356,492
Released to income in the year	(68,074)	(68,074)
At 31 March 2025	5,220,344	5,288,418

The movements on recycled capital grant is as follows:

	2025	*2024*
	£	£
At 1 April 2024	4,548,215	4,606,525
Released to income in the year	(58,310)	(58,310)
At 31 March 2025	4,489,905	4,548,215

13 Creditors: amounts falling due after one year

	2025	*2024 as restated*
	£	£
Bank loans	4,419,628	4,567,158
Government grants	5,143,202	5,210,876
At 31 March 2025	9,562,830	9,778,034

Grants due in more than one year relate to housing properties under development. These include £4,422,229 of Recycled Capital Grant Funds and £720,973 grant income received from Homes England. See Note 15 in relation to the development.

The Charity holds two long term loans, with a maximum facility of £5m. At the year end, £4,567,310 (2024 - £4,703,398) of this facility had been utilised.

14 Housing stock

	2025	*2024*
	£	£
The number of units in management at the end of the year were:		
General housing - social rent	3	3
Supported housing	120	120
	123	123

15 Financial commitments

Social Housing Grant was received in prior years totalling £40,129 in connection with work on improving one of the houses. This would be repayable if the relevant property is sold.

Further Social Housing funding was received for work on the new development, totalling £4.66m. This would be repayable if the relevant property is sold.

There is a fixed and floating charge on the properties and all assets held by Abbeyfield South Downs Limited, in relation to a long term third party loan. The amount owed under this guarantee at 31 March 2025 amounted to £4,567,310 (2024: £4,703,398).

16 Post Balance Sheet Event

On 2 June 2025, the charity completed the sale of a freehold property, Abbeyfield House, North Road, Alfriston. The sale proceeds were £625,000 before deduction of legal fees.

17 Prior period adjustment

During the preparation of the financial statements it was noted that the split of loans in the prior year financial statements had incorrectly been made between current and non-current liabilities.

As a result of this, a prior period adjustment has been made to amend this split, with the effect on the comparative figures being to decrease creditors due within 1 year by £218,198 and increase creditors due within more than 1 year by £218,198. There is no effect on the charity's statement of comprehensive income nor its reserves as a result of this adjustment.

18 Unrestricted reserves

Current year	*Balance at 1 April 2024*	*Income*	*Expenditure*	*Transfers*	*Balance at 31 March 2025*
	£	£	£	£	£
General funds	10,174,796	2,236,401	(2,208,789)	(996,616)	9,205,792
Designated funds					
Operational	-	-	-	550,000	550,000
Holdenhurst	-	-	-	450,000	450,000
Total designated funds	-	-	-	1,000,000	1,000,000
Total unrestricted funds	10,174,796	2,236,401	(2,208,789)	3,384	10,205,792

Designated funds
Transfers to designated funds represents funds set aside to be used as operational reserves and £450,000 specifically for Holdenhurst for the flat roof and the painted fascia boards.

19 Endowment reserves

Current year	*Balance at 1 April 2024*	*Income*	*Expenditure*	*Transfers*	*Balance at 31 March 2025*
	£	£	£	£	£
Permanent endowment					
Angus Lodge endowment fund	233,353	-	-	(3,384)	229,969

Prior year	*Balance at 1 April 2023*	*Income*	*Expenditure*	*Transfers*	*Balance at 31 March 2024*
	£	£	£	£	£
Permanent endowment					
Angus Lodge endowment fund	236,737	-	-	(3,384)	233,353

The permanent endowment fund represents the funds of Angus Lodge Trust, a linked charity of the Abbeyfield South Downs Limited, that were applied in purchasing 28.2% of the freehold land and buildings at 3, 5 and 7 Cadogan Gardens Tunbridge Wells (Abbeyfield House). A transfer is made to income and expenditure reserve, in respect of depreciation on the property.

20 Restricted reserves

Current year	*Balance at 1 April 2024*	*Income*	*Expenditure*	*Transfers*	*Balance at 31 March 2025*
	£	£	£	£	£
The Abbeyfield Worthing Society	2,000	-	-		2,000

Prior year	*Balance at 1 April 2023*	*Income*	*Expenditure*	*Transfers*	*Balance at 31 March 2024*
	£	£	£	£	£
The Abbeyfield Worthing Society	-	2,000	-	-	2,000

21 Gifts of assets from merging societies

	The Abbeyfield Worthing	**Total**
Freehold properties	1,320,000	1,320,000
Fixed asset investments	898,283	898,283
Current asset investments	25,000	25,000
Cash	14,673	14,673
Other net liabilities	(29,653)	(29,653)
	2,228,303	2,228,303

In the prior year, The Abbeyfield Worthing Society transferred its operations to Abbeyfield South Downs Limited on 31 October 2023. Under the terms of the agreement the freehold property and a cash sum were gifted to Abbeyfield South Downs. The gifts were included at fair value.

ABBEYFIELD SOUTH DOWNS LIMITED

DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	*2025* £	*2024* £	*2024* £
Turnover				
Social housing lettings		2,031,841		1,845,586
General needs rent		30,621		26,368
Amortised government grants		68,074		68,074
Sundry		1,085		5,178
		2,131,621		1,945,206
Administrative expenses - management				
House staff costs	560,473		499,234	
Staff training & welfare	4,262		2,196	
Food and other household costs	222,557		173,573	
Water rates	13,012		14,959	
Council tax	17,810		16,986	
Electricity	60,898		60,998	
Gas	67,039		69,795	
Insurance	32,899		29,869	
Cleaning	18,701		14,522	
Advertising	21,086		24,784	
Lifeline	39,148		41,656	
Telephone	11,118		12,084	
Television licence	2,612		2,824	
Depreciation of fixtures and fittings	46,680		45,685	
		(1,118,295)		(1,009,165)
Administrative expenses - other				
Administrative staff costs	178,419		205,066	
Printing, postage and stationery	11,267		12,943	
Travelling expenses	3,182		4,035	
Legal and professional fees	7,653		29,417	
Auditors' non-audit fees	5,886		5,400	
Audit fees	10,800		11,700	
Affiliation fees	31,253		16,586	
Bank charges and interest paid	327,002		334,389	
Service contracts	15,532		26,220	
Unrealised losses on investments	43,877		-	
Loss on disposal of fixed assets	5,610		-	
Sundry expenses	4,626		4,972	
		(645,107)		(650,728)
Repairs and maintenance				
Routine maintenance	158,362		153,091	
Depreciation of housing properties	287,025		266,879	
		(445,387)		(419,970)
Interest receivable	73,636		33,775	
Investment income	31,144		126,143	
Gifts received	-		2,228,303	
Other income	-		194	
		104,780		2,388,415
Surplus for the year		27,612		2,253,758

Beaconwild Ltd

England & Wales - Charity number 216779

Accounts

Company registered number: 00736150
Charity number: 216779
Regulator of Social Housing registered number H0375

ABBEYFIELD SOUTH DOWNS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

ABBEYFIELD SOUTH DOWNS LIMITED

CONTENTS

The Board, Executive Officers, and Advisers	1
Report of the Board of Trustees	3
Independent auditors' report	13
Statement of comprehensive income	18
Statement of changes in reserves	19
Balance sheet	20
Statement of cash flows	21
Notes to the financial statements	22

ABBEYFIELD SOUTH DOWNS LIMITED

THE BOARD, EXECUTIVE OFFICERS, ADVISERS

The Board as at the date of approval of this Annual Report **Note: all Board members are also trustees of the charity**	Mr I Thomas (Chairman) BSc (Hons) CEng MRICS MIStructE MCIOB (Appointed as Trustee 16th October 2023) Mr D Byrne FCII Mr M Paris MBE MCIOB Miss J Sorenson BA (Hons) PGDipM Chartered Marketer Mr J Timbs FCMI Mr P Anderson LLB(Hons) MBA Dr I Conlan (appointed 29 June 2023) Mr N Taylor (appointed 15th October 2024)
The following was also a Board member during part of the year covered by this Annual Report	Mr R Leon (resigned 26 July 2023) Mr W Rendall ACII MA Oxon (resigned 26 July 2023)
Executive Officers as at the date of approval of this Annual Report	Ms N Moss (General Manager) Mrs W Barrow (Finance Manager)
Company secretary	Mr P Anderson LLB(Hons) MBA
Registered office and principal address	Holdenhurst Mill Road Heathfield East Sussex TN21 0GG
Independent auditors	Lindeyer Francis Ferguson Limited Chartered Accountants Statutory Auditors North House 198 High Street Tonbridge Kent TN9 1BE
Bankers	Barclays Bank plc 63/67 Terminus Road Eastbourne East Sussex BN21 3NE
Legal status	
Registered company limited by guarantee	No. 00736150
Registered with the Regulator of Social Housing	No. H0375
Registered with the Charity Commission	No. 216779

ABBEYFIELD SOUTH DOWNS LIMITED

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

The trustees (who are also directors of the charity for the purposes of the Companies Act 2006) present their annual report together with the audited financial statements of Abbeyfield South Downs Limited for the year ended 31 March 2024.

Objectives and activities

The Charity's principal objective is to continue to provide comfortable housing in a safe environment complemented by good nutrition and companionship for older people. We do this through a dedicated and well-trained workforce complemented by a committed and well-motivated group of volunteers. As of 31 March 2024, we operated in the following areas:

	No of social sheltered housing units	No of affordable sheltered housing units	No of non-social housing units	Changes since 31 March 2023
Eastbourne	16	-	1	None
Brighton & Hove	16	-	2	None
Heathfield	-	48	-	None
Tunbridge Wells	14	-	-	None
Alfriston	9	-	-	None
Worthing	9		10	New from Worthing merger

In achieving its objectives, the Charity aims to create a surplus of income over expenditure which is sufficient to maintain the properties and services to a high standard. The Charity's ongoing aim is to ensure that these standards are maintained and improved wherever possible, and that the Charity adheres to all current legislation governing the services it offers.

When reviewing the Charity's aims and objectives, and planning its activities, the Trustees have due regard to the Charity Commission's public benefit guidance, including its guidance on fee-charging, and that the Charity complies with all current legislation.

ABBEYFIELD SOUTH DOWNS LIMITED

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

Achievements and performance

The year represented our first period with Holdenhurst at normal operational occupancy levels. It was a fantastic effort by everyone in the operational team to get Holdenhurst to full capacity so quickly. The previous years had been dominated by the development and the complexities involved including the pandemic and the main contractor going into liquidation. It was a good feeling to be at the beginning of a normal year and it was time to focus on core operational matters. The Board acknowledged at a strategy review meeting early in the calendar year, that the development had been a huge distraction in many ways, and it was time to look at our management structure and take account of succession planning for the future.

The success of the development in terms of our strategy reinforced the Board's commitment to replace our older stock of housing with new modern services like Holdenhurst. As previously, it would also keep existing older units open while they were viable and until such time as they could be replaced with new housing. It was also set as a strategic direction to work with other Abbeyfield Societies and indeed other similar organisations outside of the Abbeyfield movement. This was mainly triggered by the restructuring of Abbeyfield nationally and we, as a larger Abbeyfield organisation, considered we should lend our support and resources to smaller Abbeyfield organisations. As a result of discussions with the Abbeyfield Worthing Society, they asked us to take over their assets and operate them as Abbeyfield South Downs' houses. A deed of transfer was completed as of 31st October 2023 and Seascapes and Beachside were added to our operating portfolio.

The transition period of absorbing new services is always a challenge both financially and in terms of resource. This was achieved during the year thanks to hard work by our operational team. The opportunity of having an operating presence in Worthing was considered a massive positive for the Board. It was seen as a very sustainable location and worthy of investment. The Board decided, based on evidence presented, that investment in one Worthing property, Beachside was the best way forward to maintain the operational presence in Worthing and to review the other site, Seascapes, for potential redevelopment in the next financial year.

In terms restructuring, the future retirement plans of our CEO were a key focus and an opportunity to look at our management structure post the Holdenhurst development period. The result was a decision to expand our housing management team with three new posts, all operational people, with two housing managers and one finance person. Our Finance Manager was also a key part of the transition and agreed to absorb more duties. Key to the process was a promotion for our Operations Manager to General Manager and thus become our senior staff member. The plan was to phase in the transition from the new financial year, with our CEO in post for a transition period. During this phase the CEO would hand over day to day running of the charity while staying in post to assist the transition and take special responsibility for the Worthing houses. The Board acknowledges the hard work and flexibility of all those involved to achieve our strategic goal.

Our small, sheltered houses have maintained good occupancy levels, with the average occupancy being approximately 89% over the year for the historic South Downs Houses. The Worthing properties were only 50% occupied in November 2023 and thus presented a challenge but also an opportunity for the future. The early signs at the end of the year were positive for the house which continued to operate as occupancy was starting to have a more positive outlook. Initial thoughts about Seascapes were pushing us towards a formal review of the site for redevelopment.

In providing a safe environment, continued effort has been made to meet the evolving requirements of health and safety and fire regulations. Support is offered to residents by directing them to services appropriate to their needs. Every effort is made to provide nutritious, home-cooked meals for the residents to enjoy and to involve them in aspects of the day-to-day management of their homes.

The Charity is supported by its willing staff team and volunteers to ensure our services offer a happy and well-run environment. The Charity values its staff highly and appreciates those who continue to show commitment and dedication to the organisation and its residents. We consider ongoing collaboration between paid staff and volunteers essential to the Charity's future success. Following the cost-of-living crisis, high inflation, and increased energy costs, the Charity remains committed to paying its staff the voluntary real Living Wage, as the Real Living Wage Foundation proposed.

The Charity has continued to use targeted social media-based marketing to invite enquiries and convey a positive message. This approach has proved to be very effective in helping maintain good occupancy levels. Our marketing team has become adept at focussing the effort on the houses needing the most support.

Plans for the future

We will be monitoring the bedding in of the management restructure. In so doing the Board recognised that this must be a priority and strategic matters such as a new development may have to take a back seat for a short while.

In terms of the Board, succession planning again will be an ongoing theme. Some restructuring was planned. In the year we lost two Board Members who stood down and gained two. Bill Rendall had been involved with Abbeyfield for a number of years and the Board are very grateful for his contribution. His counsel will be missed. Our Chair David Bryne, while wanting to remain as a Trustee, also considered it would suit him to step down as Chair. Ian Thomas who recently joined the Board volunteered to be considered for the post subject to the support of the Board. The Board were delighted also to invite Nolan Taylor to become a Trustee after a period of leave in the new financial year and after his employment was completed. Subject to a review of circumstance nearer the time, Nolan indicated his willingness to join the Board.

Our commitment for the year ahead:

- Support the operational team to successfully deliver the restructure in management.
- Review investment in our older housing stock and undertake viability assessments which would embrace general principles of the quality of the accommodation as well as financial measures to gain an overall assessment of future market demands as well as the business viability.
- Start thinking about a new development and review the Seascapes Worthing site if resources allowed in terms of the management restructure and financial returns.
- Review investment strategy.
- Implement the Board changes discussed during the year.

Financial review

The cost-of-living crisis from the previous year continues still to influence our day-to-day life, in particular interest rates and our loan repayments. Being positive the last rise was mid-year and the signs coming out of the year were more stable and early talk of base rate reductions.

The legacy of poor construction left from the liquidation of the main contractor for Holdenhurst continued to generate management challenges and additional spend through the year. However, the problems were all known ones, and we seemed to not be facing any new challenges.

Absorbing two services which were making a loss was a huge challenge. However, the assets transferred by the Abbeyfield Worthing Society made the year into one of abundant surplus. But underlying this was a strong performance by our original South Downs houses. If you drill down into the figures for these properties, we were on budget in terms of EBITDA, Income and Expenditure and met loan covenants. A tremendous effort by our staff team across the organisation.

Financial Summary – South Downs Houses (Excluding Worthing):

- Core income of £1,857k against a budget of £1,824k
- Operating Expenditure of £1,270k against a budget of £1,289k
- EBITDA of £587k against a budget projection of £535k

The effect of the Worthing Houses was a loss which reduced the above EBITDA by £74k. However, the overall surplus as a result of the Worthing merger was £2,253,758.

In another year of unprecedented change for the Charity and financial uncertainty for the country we have emerged in good shape to navigate the future.

Reserves policy

It is the policy of the Charity that unrestricted cash funds which have not been designated for a specific use should be maintained at a level equivalent to at least three month's cash operating expenditure. The Board considers that reserves at this level will ensure that, in the event of a significant drop in income, the Charity will be able to continue its current activities while consideration is given to ways in which additional funds may be raised or alternative options explored. For the financial year 24/25 a review of operating reserve will be undertaken.

In addition to the normal reserves policy, the Board has set aside a further sum of £450,000 as a target reserve for defects work which may be required for Holdenhurst. Our overall operating reserve was therefore set at £825,000. This will be reviewed during 2024/25. It was also considered to be prudent to conduct a further review of a treasury and investment policy with a view to gaining a better return on cash funds and looking at the investments transferred from the Worthing merger.

Risk management

The Board has a Risk Committee comprising members from the Board and management and risk management is a standing agenda item for consideration at quarterly Board meetings. A subsidiary risk. The impact of increasing energy prices and interest rates are currently under review by the committee.

The key risks to which the Charity is exposed, and their mitigations are noted below:

Risk	Mitigation
Strategic The Charity operates in a complex, fluid market dependent on numerous external factors, including regulation, competition, customer expectations and requirements and the economic environment.	The Charity adopted a 10-year strategic plan 2016-2026 which was prepared based on sector research, analysis of changes in the Charity's defined area of operation and the relevant experience of the trustees and management team, particularly knowledge of The Abbeyfield Society and its strategic plan. The Charity is currently preparing an update to the Strategic Plan covering 2023-2033 for consideration and adoption by the Board.
Financial viability Operations continue to generate sufficient funds to provide high standard services and maintenance of the houses.	The Board agrees an annual financial budget on a timely basis and receives quarterly reports to monitor progress against expectations. All budget planning and major capital expenditure is subject to approval by the Board. The Senior Management Team receives monthly operations income and expenditure reports for review with the house staff. The Charity strives to maintain high residential occupancy levels by sustaining local awareness as to the benefits which the Charity has to offer those in need, in the communities we serve. Occupancy levels have been adopted as the primary KPI and as such are regularly reported to management and the Board. The Board has a Facility Agreement (FA) with Charity Bank and Big Society Capital to fund the development and provide for residual debt following completion. This was secured following exhaustive modelling to G2060 by the Charity and its advisers, the results of

	which were made available to the Board. Performance against the covenants within the FA and any later deeds of variation are monitored quarterly internally and externally.
Reputation The Charity's reputation may be impacted by inadequate safeguarding of residents, a fall in service standards and deteriorating accommodation.	Services are continually reviewed and monitored by the Senior Management Team with support and regular scrutiny by Board members. Operating Policies are developed, logged and implemented as required. Policies for residents, including a clear complaints procedure, are in place for use by residents. The Board has adopted a clear policy and process to safeguard all residents and staff. Members of the Board are actively engaged with The Abbeyfield Society, to which Abbeyfield South Downs is affiliated, and contribute to developments at a national level. The Board commissioned an independent maintenance survey of all houses and has adopted a 10-year planned maintenance programme to ensure compliance with accepted standards. A review/update of the survey is currently under consideration.

People The success of the Charity is dependent on its staff and volunteers. The welfare of the staff and residents is of central importance to successful operations.	The Board support the management team to ensure appropriate policies and procedures are in place to protect the health and safety of staff and residents at all times. The Charity is committed to being both a Living Wage and equal opportunities employer.
The Board and management team must have an appropriate mix of skills to oversee existing operations and future plans.	The Board regularly assesses its own composition and diversity to ensure an adequate mix of skills. Experience is present to direct the Charity and provide substantive support to the management team.

Value for Money

Value for Money (VFM) is about being effective in how we plan, manage and operate the Charity. It requires making the best use of the resources available to us to provide quality homes to improve the quality of life of our residents, together with high quality services and support.

The Regulator for Social Housing (RSH) issued a new Value for Money Standard in April 2017 and a Technical Note in April 2018. These identified 7 metrics which social housing providers are expected to report their performance against in the annual report. The latter document acknowledges that the metrics will not necessarily be appropriate for all providers and any influencing factors should be explained in the commentary.

Metric	2023/24	2022/23
1. Reinvestment %	0.56%	2.8%
2. New supply delivered	N/A	45.3%
3. Gearing %	15.81%	16.09%
4. EBITDA MRI interest cover %	43%	497%
5. Headline social cost per unit	£16,909	£13,676
6. Operating margin %	-6.9%	6.3%
7. Return on capital employed	-0.75%	0.54%

The basis for the metrics is as follows:

- *Reinvestment % - the investment in properties (existing stock and new supply) as a percentage of the value of total properties held.*
- *New supply delivered (social housing units) % - the number of new social housing units delivered as a proportion of total social housing units owned.*
- *Gearing% - net debt as a percentage of the value of total properties held.*
- *EBITDA MRI Interest cover % - the level of surplus generated compared to the interest payable.*
- *Headline social housing cost per unit - social housing costs (as defined by the regulator) divided by total units owned and/or managed.*
- *6A. Operating margin (social housing lettings only) % - operating surplus/(deficit) from social housing lettings divided by turnover from social housing lettings.*
- *6B. Operating margin (overall)% - overall operating surplus/(deficit) divided by overall turnover.*
- *Return on capital employed (ROCE) % - compares the overall operating surplus to total assets less current liabilities.*

A. Excludes properties under development.
B. All interest payable relates to housing under development and is being capitalised until the development is open and generating income.
C. This metric does not apply as the Charity had no short- or long-term borrowings during the year under review.

Scrutiny of VFM is provided by the Board through the receipt of management accounts with KPIs considered appropriate for the management of the Charity and a report from the Management Committee which meets weekly to oversee operations. In particular, the Board are aware that the headline social cost per unit metric as reported at 5 above is high for the sector. This is due to the Charity following the Abbeyfield service model which incorporates at its heart the provision of nutritious meals for residents. The cost of preparing and providing food are not factors highlighted by the Regulator for Social Housing in its analysis of additional costs which may influence the escalation of unit cost.

Governance

The Board of Trustees, who are also the directors for the purpose of company law, and who served during the year are set out on page 1. Each member is recruited for his/her relevant experience and skills to provide substantive support to the management team. The Charity is managed by the directors in accordance with the company's Memorandum and Articles of Association dated 25 July 2016. None of the Board of Trustees has any beneficial interest in the company. All members of the Board of Trustees are members of the company.

Appointments to the Board of Trustees are proposed and ratified by the Board at their regular meetings. Co-option is permitted prior to ratification. They are recruited by invitation and by advertisement. Those with regular access to residents are subject to DBS (Disclosure and Barring Service) checks plus two other references. New trustees are given an induction in accordance with the Charity's Trustee Induction Process which not only covers governance and operational issues but also a briefing on the Abbeyfield ethos. Trustees are given access to the comprehensive Directors' Information folder in the Charity's shared cloud storage. Trustee training is available on request and where a subject of mutual interest is identified, for example GDPR, Board training is provided. The Board continues to develop an appropriate method for Appraisal of Board Skills and Diversity.

The Board of Trustees meets quarterly to review performance and ensure that the Charity operations and development are being managed in accordance with established policies. The Board approves any changes in operating policy when deemed necessary and is responsible for approving and monitoring all major expenditure.

It is an objective of the Board that staff should feel valued and be appropriately rewarded. To further this objective the Society has adopted the voluntary 'living wage'. Overall pay awards are approved by the Board as part of the annual budget setting process. The salaries of senior staff are considered by an ad-hoc Remuneration Committee which is chaired by the Chairman. The committee considers:

- The overall performance of the management team and the financial position of the Society
- The bench marking of salaries against similar roles in comparable charities and organisations operating inthe sector and the same geographical area
- The salaries paid within the Abbeyfield movement for comparable roles.
- Recommending discretionary bonus awards, although no formal method or basis for performance related pay has been adopted.

The recommendations from the Remuneration Committee are approved by the Board.

The Charity is a member of Abbeyfield England (Formerly The Abbeyfield Society (TAS)). The benefits offered to member societies include providing relevant information on national developments in the charitable housing sector and professional services in support of the affiliates. The Charity pays an annual fee to Abbeyfield England.

The Charity complies with the Governance and Financial Viability Standard (April 2015) issued by the Regulator for Social Housing and principal recommendations of the 2015 National Housing Federation Code of Governance. The Charity also adheres to the principles of the Code of Governance for Smaller Charities.

Statement of Board of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law and social housing legislation requires the trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- make judgments and accounting estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that thecharitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the

Accounting Direction for registered providers of social housing in England 2019. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- so far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware, and
- the trustees have taken all reasonable steps that ought to have been taken as trustees in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditor

The auditors, Lindeyer Francis Ferguson Limited, are deemed to have been re-appointed in accordance with section 487(2) of the Companies Act 2006.

In preparing this report, the Trustees have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Board of Trustees on 31st October 2024 and signed on their behalf by:

Mr I A Thomas
Chairman of trustees

ABBEYFIELD SOUTH DOWNS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBEYFIELD SOUTH DOWNS LIMITED

Opinion

We have audited the financial statements of Abbeyfield South Downs Limited (the 'charitable company') for the year ended 31 March 2024 which comprise the statement of comprehensive income, the statement of changes in reserves, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of 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 charitable company's affairs as at 31 March 2024, and of its incoming resources and application of resources, including its 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 in England 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 charitable company 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 trustees' 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 charity'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 trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBEYFIELD SOUTH DOWNS LIMITED

Other information

The board is responsible for the other information. The other information comprises the information included in the annual report, 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.

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

We have nothing to report 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 the audit:

- the information given in the report of the board of trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the report of the board of trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the board of trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the board was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of the board

As explained more fully in the board's responsibilities statement, the board members (who are also the directors of the association for the purposes of company law) 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 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 is responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the charitable company or to cease operations, or has 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined below, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We obtained an understanding of the legal and regulatory framework applicable to the preparation of the financial statements of the Charity, and the procedures that management adopt to ensure compliance. We have considered the extent to which non-compliance night have a material effect on the financial statements, and in particular we identified the Companies Act 2006, the Housing and Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing 2019, and the procedures that management adopt to ensure compliance, including those relating to the Housing SORP 2018.

We have also identified other laws and regulations that do not have a direct effect on the amounts or disclosures within the financial statements, but for which compliance is fundamental to the charity's operations and to avoid material penalties, including GDPR, health and safety, employment law, and fundraising regulations.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBEYFIELD SOUTH DOWNS LIMITED

Having reviewed the laws and regulations applicable to the charity, we designed and performed audit procedures to obtain sufficient appropriate audit evidence. Specifically, we:

- Assigned an engagement team to the audit with particular familiarity in dealing with registered providers of social housing;
- Obtained an understanding of the charity's procedures for ensuring compliance with laws and regulations;
- Obtained and reviewed internal policy and procedure documents;
- Made enquiries of management and the trustees regarding whether they were aware of any actual or suspected incidences of non-compliance with laws and regulations;
- Obtained and reviewed meeting minutes;
- Reviewed legal expenses accounts for indications of any possible non-compliance; and
- Reviewed the completeness and accuracy of any disclosures made in the financial statements.

We assessed the susceptibility of the charity's financial statements to material misstatement, including considering how fraud might occur. This was performed by:

- We obtained the Board of Trustees' assessment of fraud risk and enquired as to any known or suspected instances of fraud;
- We considered whether management have incentives and opportunities to manipulate financial results (including overriding controls) and determined that the key risks related to the non-compliance with the Housing SORP 2018 in terms of component accounting in previous years, completeness of income, completeness of creditors, non-depreciation of properties in previous years and the risk of management override;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control;
- We tested journal entries to identify unusual transactions; and
- We designed and performed audit procedures to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations, including enquiry of the Board of Trustees, review of minutes and correspondence, and review of the completeness and accuracy of disclosures made in the financial statements.

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

ABBEYFIELD SOUTH DOWNS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBEYFIELD SOUTH DOWNS LIMITED

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lindeyer Francis Ferguson Ltd

Jonathan Healey BA FCA (Senior statutory auditor)
for and on behalf of

Date: 3 October 2024

Lindeyer Francis Ferguson Limited
Chartered Accountants
Statutory Auditors
North House
198 High Street
Tonbridge
Kent TN9 1BE

ABBEYFIELD SOUTH DOWNS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Restricted funds 2023 £	Unrestricted funds 2023 £	*As restated* Total 2023 £
Turnover	2	1,945,206	-	1,945,206	-	1,546,330	1,546,330
Operating expenditure	2	(2,079,863)	-	(2,079,863)	-	(1,449,659)	(1,449,659)
Operating (deficit)/surplus		(134,657)	-	(134,657)	-	96,671	96,671
Interest receivable		33,775	-	33,775	-	2,381	2,381
Investment income		126,143	-	126,143	-	-	-
Other income		194	-	194	-	10,928	10,928
Gift of assets from merging societies	19	2,226,303	2,000	2,228,303	-	-	-
Income from property bond	7	-	-	-	-	1,130,000	1,130,000
Losses on revaluation of fixed asset		-	-	-	-	(1,158,890)	(1,158,890)
Surplus on ordinary activities for the year and total comprehensive income		**2,251,758**	**2,000**	**2,253,758**	**-**	**81,090**	**81,090**

The accounts were approved by the Board of Trustees on 31-OCT-2024

Mr I Thomas
Chairman

ABBEYFIELD SOUTH DOWNS LIMITED

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2024

	Restricted Income and expenditure reserve	*As restated Unrestricted Income and expenditure reserve*	*Endowment reserve*	*As restated Total*
	£	£	£	£
Balance at 1 April 2022	-	7,835,180	240,121	8,075,301
Total comprehensive income for the year	-	81,090	-	81,090
Transfer from endowment reserves	-	3,384	(3,384)	-
Balance at 31 March 2023 and 1 April 2023	-	7,919,654	236,737	8,156,391
Total comprehensive income for the year	2,000	2,251,758	-	2,253,758
Transfer from endowment reserves	-	3,384	(3,384)	-
Balance at 31 March 2024	2,000	10,174,796	233,353	10,410,149

ABBEYFIELD SOUTH DOWNS LIMITED

BALANCE SHEET
AS AT 31 MARCH 2024

	Notes	£	2024 £	£	As restated 2023 £
Fixed assets					
Tangible fixed assets	7		17,443,173		16,162,192
Investments	8		971,275		-
			18,414,448		16,162,192
Current assets					
Debtors	9	22,504		14,368	
Cash at bank and in hand		1,133,456		2,257,760	
Short term cash deposits		859,653			
Investments	10	78,151		-	
		2,093,764		2,272,128	
Creditors: amounts falling due within one year	11	(538,227)		(430,991)	
Net current assets			1,555,537		1,841,137
Total assets less current liabilities			19,969,985		18,003,329
Creditors: amounts falling due after one year	13		(9,559,836)		(9,817,538)
Provisions for liabilities	15		-		(29,400)
Net assets			**10,410,149**		**8,156,391**
Reserves					
Unrestricted Income and expenditure reserve			10,174,796		7,919,654
Restricted Income and expenditure reserve	18		2,000		-
Endowment reserves	17		233,353		236,737
			10,410,149		**8,156,391**

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Board of Trustees on 31-OCT-2024

Mr I Thomas
Chairman

Company registration number: 00736150

ABBEYFIELD SOUTH DOWNS LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

		2024	As restated 2023
		£	£
Net cash generated from operating activities	**A**	2,476,104	1,198,592
Cash flow from investing activities			
Purchase of tangible fixed assets		(1,593,545)	(549,251)
Disposal of tangible fixed assets		-	131,430
Purchase of Investments		(1,049,426)	-
Investment Income		126,143	-
Interest received		33,775	2,381
Net cash used in investing activities		(2,483,053)	(415,440)
Cash flow from investing activities			
Grants received/(paid)		(67,674)	150,499
Loans received		(190,028)	(166,888)
Net cash provided by investing activities		(257,702)	(16,389)
Net increase in cash and cash equivalents and change in net funds		(264,651)	766,763
Cash and cash equivalents at the beginning of the year		2,257,760	1,490,997
Cash and cash equivalents at the end of the year		1,993,109	2,257,760
Cash and cash equivalents consists of:			
Short term cash deposits		859,653	-
Cash at bank and in hand		1,133,456	2,257,760

A. Reconciliation of net cash generated from operating activities

	£	£
Cash flow from operating activities		
Surplus for the year	2,253,758	81,090
Adjustments for non cash items:		
Depreciation	312,564	298,899
Impairment of fixed assets	-	1,158,890
Increase in debtors	(8,136)	(901)
Increase/(Decrease) in creditors	107,236	(366,405)
(Decrease)/increase in provisions	(29,400)	29,400
Adjustments for investing or financing activities:		
Investment Income	(126,143)	-
Interest receivable	(33,775)	(2,381)
Cash generated from operating activities	2,476,104	1,198,592

1 Accounting policies

1.1 Legal status

Abbeyfield South Downs Limited is a private company limited by guarantee incorporated in England and Wales and is a registered housing provider. The registered office is Holdenhurst, Mill Road, Heathfield, East Sussex, TN21 0GG.

1.2 Basis of preparation

The financial statements of the charity are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for private registered providers of social housing in England 2019. The charity is a public benefit entity as defined by FRS 102.

The accounts have been prepared on the historical cost convention, modified to include certain items at fair value.

The financial statements are presented in pounds sterling and rounded to the nearest pound.

The principal accounting policies adopted are set out below.

1.3 Income

Income is measured at the fair value of the consideration received or receivable net of VAT.

Turnover represents rental income receivable in the year net of losses from voids. Rental income is recognised in the period the rents fall due.

Income from government grants is recognised as turnover when the charity is entitled to the funds, the receipt is probable and the amount can be measured reliably. This is usually when a formal offer is made in writing.

1.4 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under the headings that classify all costs related to the category. Expenditure is inclusive of VAT.

1 Accounting policies (continued)

1.5 Charitable funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Society and which have not been designated for other purposes.

Endowment reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Revenue and expenditure cannot be directly set against endowment reserves but is taken through the Statement of Comprehensive Income and then a transfer to endowment reserves is made as appropriate.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets, other than freehold land, are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Housing Properties
Housing properties are held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation and impairment losses. Costs include the cost of acquiring land and buildings, development costs, and interest charges incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised.

Depreciation is provided on housing properties, excluding land, so as to write off the net cost less estimated residual value of each asset over its remaining estimated useful life. Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter, as follows:

Freehold buildings	-	50 - 80 years straight line
Roofs	-	40 - 50 years straight line
Windows	-	25 years straight line
Kitchens	-	33 years straight line
Bathrooms	-	11 - 20 years straight line
Lifts	-	15 years straight line
Heating systems	-	33 years straight line

1 **Accounting policies (continued)**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Other fixed assets
Depreciation is provided on other fixed assets, so as to write off the net cost less estimated residual value of each asset over its remaining estimated useful life as follows:

Fixtures, fittings and equipment	-	10 years straight line

1.7 Impairment of fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. Where indicators are identified, an assessment for impairment is undertaken comparing the carrying amount to its recoverable amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the Statement of Comprehensive Income.

1.8 Fixed asset investments

Fixed asset investments are intially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.10 Financial instruments

The charity only has financial instruments which are classified as basic financial instruments.

Short-term debtors and creditors are measured at the settlement value. Any losses from impairment are recognised in income and expenditure.

Long-term debtors and creditors are measured at the settlement value. Any losses from impairment are recognised in income and expenditure.

Loans and borrowings are initially recorded at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method.

1 Accounting policies (continued)

1.11 Retirement benefits

The Charity operated a defined contribution pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the Scheme.

1.12 Government grants

Government grants include grants receivable from Homes England (HE), local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

2 Turnover and costs

	2024	*2023*
	£	£
Rent receivable		
Social housing	2,046,845	1,834,505
General housing	26,368	24,643
Void losses		
Social housing	(201,259)	(384,288)
Amortised government grants	68,074	68,074
Turnover from housing lettings	1,940,028	1,542,934
Income from other activities		
Sundry	5,178	3,396
Total	1,945,206	1,546,330
Operating costs from social housing activities:		
Management expenses	1,009,165	818,894
Property maintenance and refurbishment costs	153,091	123,390
Depreciation of housing properties	266,879	265,489
Other costs	650,728	241,886
Total	2,079,863	1,449,659
Net (deficit)/surplus from housing activities	(134,657)	96,671

3 (Deficit)/surplus on ordinary activities

	2024	*2023*
	£	*£*
This is stated after charging:		
Depreciation of housing properties	266,879	265,489
Depreciation of other tangible assets	45,685	33,410
Auditors' remuneration for audit	9,000	7,800
Auditors' remuneration for non-audit services	8,100	5,946

4 Staff costs and key management personnel

	2024	*2023*
	£	*£*
Wages and salaries	628,416	474,496
Social security costs	38,621	33,461
Other pension costs	14,456	10,511
	681,493	518,468

The average number of employees for the year based on monthly headcount is as follows:

	2024	*2023*
	Number	*Number*
Housekeeping	39	34
Administration	3	3
	42	37

The average number of employees for the year based on full time equivalent was 13 (2023: 19)

5 Board and key management personnel remuneration

None (2023: none) of the trustees were reimbursed for any expenses.

The total remuneration, including social security and pension costs, for key management personnel amounted to £159,233 (2023: £120,311).

The Chief Executive is a member of the company's defined contribution pension scheme. Contributions payable for the year were £3,388 (2023: £2,457).

5 Board and key management personnel remuneration (continued)

The number of employees whose total employee benefits including pension contributions earning over £60,000, classified within bands of £10,000 is as follows:

	2024	*2023*
£70,000 – £79,999	-	1
£80,000 – £89,999	1	-
	1	1

6 Taxation

The Society, having exempt charitable status, is not liable to taxation.

7 Tangible fixed assets

	Housing Properties	*Fixtures, fittings and equipment*	*Total*
	£	£	£
Cost			
At 1 April 2023	16,880,546	406,558	17,287,104
Additions	1,416,581	176,964	1,593,545
At 31 March 2024	18,297,127	583,522	18,880,649
Depreciation			
At 1 April 2023	885,556	239,356	1,124,912
Charge for the year	266,879	45,685	312,564
At 31 March 2024	1,152,435	285,041	1,437,476
Net book value			
At 31 March 2024	17,144,692	298,481	17,443,173
At 31 March 2023	15,994,990	167,202	16,162,192

7 Tangible fixed assets (continued)

During the prior year, following the completion of the development at Holdenhurst, Heathfield, the charity made a claim under the terms of a property bond in relation to this property. This was due to additional works being needed to remedy construction issues during the course of the development. As a result of this claim, the charity received a total payment of £1.13m from the bond and, due to the nature of this additional income, this has been treated as an extraordinary item on the Statement of Financial Activity.

8 Investments

	COIF Investment Fund	*COIF Ethical Investment Fund*	*Total*
	£	£	£
Cost or valuation			
At 1 April 2023	-	-	-
Additions/Gifts Received	569,144	290,714	859,858
Transfer to current investments	(8,614)	(4,654)	(13,268)
Interest and dividends received/ change in market value	80,873	43,812	124,685
At 31 March 2024	641,403	329,872	971,275
Carrying amount			
At 31 March 2024	641,403	329,872	971,275
At 31 March 2023	-	-	-

9 Debtors: amounts falling due within one year

	2024	*2023*
	£	£
Rent and service charges receivable	9,272	4,050
Prepayments and accrued income	13,232	9,118
Other debtors	-	1,200
	22,504	14,368

10 Current asset investments

	2024	*2023*
	£	*£*
Unlisted Investments	78,151	-

Current asset investments comprise of a COIF Charities Deposit Fund of £78,151 (2023 - £Nil). This is part of the overall Deposit Fund which is retained for working capital purposes.

11 Creditors: amounts falling due within one year

	2024	*2023*
	£	*£*
Government grants	77,542	77,942
Trade creditors	63,587	89,852
Rent and service charges received in advance	28,014	30,533
Accruals and deferred income	12,842	46,093
Bank loans	354,438	291,672
Other creditors	1,804	26,328
	538,227	562,420

12 Deferred grant income

	2024	*2023*
	£	*£*
At 1 April 2023	5,356,492	5,243,373
Grants received	-	181,193
Released to income in the year	(68,074)	(68,074)
At 31 March 2024	5,288,418	5,356,492

The movements on recycled capital grant is as follows:

	2024	*2023*
	£	*£*
At 1 April 2023	4,606,525	4,483,642
Grants received	-	181,193
Released to income in the year	(58,310)	(58,310)
At 31 March 2024	4,548,215	4,606,525

13 Creditors: amounts falling due after one year

	2024	*2023*
	£	*£*
Bank loans	4,348,960	4,538,988
Government grants	5,210,876	5,278,550
	9,559,836	9,817,538

Grants due in more than one year relate to housing properties under development. These include £4.66m of Recycled Capital Grant Funds and £749,063 grant income received from Homes England. See Note 14 in relation to the development.

The Charity holds two long term loans, with a maximum facility of £5m. At the year end, £4,703,398 (2023 - £4,830,660) of this facility had been utilised.

14 Housing stock

	2024	*2023*
	£	*£*
The number of units in management at the end of the year were:		
General housing - social rent	3	3
Supported housing	120	103
	123	106

15 Provisions for liabilities

	2024	*2023*
	£	*£*
Provision	-	29,400

The provision relates to a settlement agreement reached during the early part of the 2023/24 financial year to cancel the development of bespoke software.

16 Financial commitments

Social Housing Grant was received in prior years totalling £40,129 in connection with work on improving one of the houses. This would be repayable if the relevant property is sold.

Further Social Housing funding was received for work on the new development, totalling £4.66m. This would be repayable if the relevant property is sold.

There is a fixed and floating charge on the properties and all assets held by Abbeyfield South Downs Limited, in relation to a long term third party loan. The amount owed under this guarantee at 31 March 2024 amounted to £4,703,398 (2023: £4,830,660).

17 Endowment reserves

Current year	*Balance at 1 April 2023*	*Income*	*Expenditure*	*Transfers*	*Balance at 31 March 2024*
	£	£	£	£	£
Permanent endowment					
Angus Lodge endowment fund	236,737	-	-	(3,384)	233,353

Prior year	*Balance at 1 April 2022*	*Income*	*Expenditure*	*Transfers*	*Balance at 31 March 2023*
	£	£	£	£	£
Permanent endowment					
Angus Lodge endowment fund	240,121	-	-	(3,384)	236,737

The permanent endowment fund represents the funds of Angus Lodge Trust, a linked charity of the Abbeyfield South Downs Limited, that were applied in purchasing 28.2% of the freehold land and buildings at 3, 5 and 7 Cadogan Gardens Tunbridge Wells (Abbeyfield House). A transfer is made to income and expenditure reserve, in respect of depreciation on the property.

18 Restricted reserves

Current year	*Balance at 1 April 2023*	*Income*	*Expenditure*	*Transfers*	*Balance at 31 March 2024*
	£	£	£	£	£
The Abbeyfield Worthing Society	-	2,000	-	-	2,000

As part of the gift of funds from The Abbeyfield Worthing Society, a restricted reserve was received in relation to the Anniversary Celebrations of this Society.

19 Gifts of assets from merging societies

	The Abbeyfield Worthing Society	Total
Freehold properties	1,320,000	1,320,000
Fixed asset investments	898,283	898,283
Current asset investments	25,000	25,000
Cash	14,673	14,673
Other net liabilities	(29,653)	(29,653)
	2,228,303	2,228,303

The Abbeyfield Worthing Society transferred its operations to Abbeyfield South Downs Limited on 31 October 2023. Under the terms of the agreement the freehold property and a cash sum were gifted to Abbeyfield South Downs. The gifts were included at fair value.

20 Prior period adjustment

During the preparation of the 2023-24 financial statements, it was noted that capital additions totalling £131,430 had incorrectly been included twice within fixed asset additions in the prior year. As result of this, an amendment was made to the prior to year to correct this position, with the financial effect being to reduce the loss on the revaluation of the fixed assets as at 31 March 2023 and thus increase the charity's unrestricted reserves by £131,430.

ABBEYFIELD SOUTH DOWNS LIMITED

DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	*2024* £	*2023* £	*2023* £
Turnover				
Social housing lettings		1,845,586		1,450,217
General needs rent		26,368		24,643
Amortised government grants		68,074		68,074
Sundry		5,178		3,396
		1,945,206		1,546,330
Administrative expenses - management				
House staff costs	499,234		404,363	
Staff training & welfare	2,196		3,478	
Food and other household costs	173,573		154,735	
Water rates	14,959		8,133	
Council tax	16,986		8,644	
Electricity	60,998		37,349	
Gas	69,795		62,334	
Insurance	29,869		21,125	
Cleaning	14,522		9,771	
Advertising	24,784		20,201	
Lifeline	41,656		36,752	
Telephone	12,084		17,140	
Television licence	2,824		1,460	
Depreciation of fixtures and fittings	45,685		33,409	
		(1,009,165)		(818,894)
Administrative expenses - other				
Administrative staff costs	205,066		148,017	
Printing, postage and stationery	12,943		10,129	
Travelling expenses	4,035		2,456	
Legal and professional fees	29,417		45,609	
Auditors' non-audit fees	8,100		5,946	
Audit fees	9,000		7,800	
Affiliation fees	16,586		15,933	
Bank charges and interest paid	334,389		743	
Service contracts	26,220		2,030	
Sundry expenses	4,972		3,223	
		(650,728)		(241,886)
Repairs and maintenance				
Routine maintenance	153,091		123,390	
Depreciation of housing properties	266,879		265,489	
		(419,970)		(388,879)
Interest receivable	159,918		2,381	
Gifts received	2,228,303		-	
Other income	194		10,928	
Losses on revaluation of fixed asset	-		(1,158,890)	
Income from property bond	-		1,130,000	
		2,388,415		(15,581)
Surplus for the year		2,253,758		81,090

Beaconwild Ltd

England & Wales - Charity number 216779

Accounts

Company registered number: 00736150
Charity number: 216779
Regulator of Social Housing registered number H0375

ABBEYFIELD SOUTH DOWNS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

ABBEYFIELD SOUTH DOWNS LIMITED

CONTENTS

The Board, Executive Officers and Advisers	1
Report of the Board of Trustees	3
Independent auditors' report	14
Statement of comprehensive income	19
Statement of changes in reserves	20
Balance sheet	21
Statement of cash flows	22
Notes to the financial statements	23

ABBEYFIELD SOUTH DOWNS LIMITED

THE BOARD, EXECUTIVE OFFICERS, ADVISERS

The Board as at the date of approval of this Annual Report	Mr D Byrne FCII (Chairman) Mr M Paris MBE MCIOB Miss J Sorenson BA (Hons) PGDipM Chartered Marketer Mr W Rendall ACII MA Oxon (resigned 26 July 2023)
Note: all Board members are also trustees of the charity	Mr J Timbs FCMI Mr P Anderson LLB(Hons) MBA Dr I Conlan (appointed 29 June 2023) Mr R Leon (appointed 9 January 2023) (resigned 26 July 2023)
The following was also a Board member during part of the year covered by this Annual Report	Mrs L Phair MA, BSc (Hons) Nursing RMN RGN DPNS (Deputy Chairman Resigned 16 July 2022
Executive Officers as at the date of approval of this Annual Report	Mr N Taylor (Chief Executive Officer) Mr I Thomas (Development Director) Ms N Moss (Operations Manager)
Company secretary	Mr P Anderson LLB(Hons) MBA
Registered office and principal address	Holdenhurst Mill Road Heathfield East Sussex TN21 0GG
Independent auditors	Lindeyer Francis Ferguson Limited Chartered Accountants Statutory Auditors North House 198 High Street Tonbridge Kent TN9 1BE
Bankers	Barclays Bank plc 63/67 Terminus Road Eastbourne East Sussex BN21 3NE

ABBEYFIELD SOUTH DOWNS LIMITED

THE BOARD, EXECUTIVE OFFICERS, ADVISERS

Legal status

Registered company limited by guarantee	No. 00736150
Registered with the Regulator of Social Housing	No. H0375
Registered with the Charity Commission	No. 216779

ABBEYFIELD SOUTH DOWNS LIMITED

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

The trustees (who are also directors of the charity for the purposes of the Companies Act 2006) present their annual report together with the audited financial statements of Abbeyfield South Downs Limited for the year ended 31 March 2023.

Objectives and activities

The Charity's principal objective is to continue to provide comfortable housing in a safe environment complemented by good nutrition and companionship for older people. We do this through a dedicated and well-trained workforce complemented by a committed and well-motivated group of volunteers. As at 31 March 2023 we operated in the following areas:

	No of social sheltered housing units	No of affordable sheltered housing units	No of non-social housing units	Changes since 31 March 2022
Eastbourne	16	-	1	None
Brighton & Hove	16	-	2	None
Heathfield	-	48	-	The house opened on 06/04/22 and is now fully occupied
Tunbridge Wells	14	-	-	
Alfriston	9	-	-	

In achieving its objectives, the Charity aims to create a surplus of income over expenditure which is sufficient to maintain the properties and services to a high standard. The Charity's ongoing aim is to ensure that these standards are maintained and improved wherever possible, and that the Charity adheres to all current legislation governing the services it offers.

When reviewing the Charity's aims and objectives, and planning its activities, the Trustees have due regard to the Charity Commission's public benefit guidance, including its guidance on fee-charging, and that the Charity complies with all current legislation.

Achievements and performance

The year under review was one of consolidation. Our new development at Holdenhurst was completed on 6 April 2022. We focused our efforts on letting the 48 one and two-bed apartments, with the additional services of scheme staff and catering service in a modern energy-efficient building designed to enable tenants to live independently. This was achieved by our year's end. However, this achievement has not been without significant challenges. Due to the resourceful knowledge and forward risk planning of the Charity's staff, we have recovered just over £1.13M of our additional costs from the contract Performance Bond following the liquidation of the main contractor. The claim payment ensured we completed the project without incurring significant additional expenditure, which is a considerable achievement. Seeing Holdenhurst develop into a community after many years of planning and dedication from the Charity and its supporters is gratifying.

Our small, sheltered houses have maintained good occupancy levels, with the average occupancy being approximately 89% over the year. In providing a safe environment, continued effort has been made to meet the evolving requirements of health and safety and fire regulations. Support is offered to residents by directing them to services appropriate to their needs. Every effort is made to provide nutritious, home-cooked meals for the residents to enjoy and to involve them in aspects of the day-to-day management of their homes.

The Charity is supported by its willing staff team and volunteers to ensure our services offer a happy and well-run environment. The Charity values its staff highly and appreciates those who continue to show commitment and dedication to the organisation and its residents. We consider ongoing collaboration between paid staff and volunteers essential to the Charity's future success. Following the cost-of-living crisis, high inflation, and increased energy costs, the Charity remains committed to paying its staff the voluntary real Living Wage, as the Real Living Wage Foundation proposed.

The Charity has continued to use targeted social media-based marketing to invite enquiries and convey a positive message. This approach has proved to be very effective in helping maintain good occupancy levels. Our marketing team has become adept at focussing the effort on the houses needing the most support.

The Covid pandemic now seems like a long time ago. Still, we continue to remain vigilant and promote good health protection procedures and guidance to ensure the safety of our staff, residents, and visitors. We have largely recovered from the financial effects of the pandemic.

Plans for the future

In January 2022, with the Holdenhurst development substantially completed as a project, we undertook a strategic review to consider if and how the organisation should change over the next 5-year period. This re-affirmed our view that we would: continue to operate having regard to the principles and philosophies espoused by Richard Carr-Gomm, the founder of The Abbeyfield Society; and remain as a member of the Abbeyfield Society during their current period of structural re-organisation. Aligned to this, we have committed to support sheltered housing within our estate for so long as we are able to keep them financially viable. The review also recorded a desire to grow the business and confirmed an aim to have commenced upon another development project within the next 5 years. It was important that we retained the knowledge and experience of the Holdenhurst development and there was a desire to consider another similar development. This would not however preclude the consideration of growth through smaller redevelopment (rather than new build) projects; nor mergers and alliances with and acquisitions of similar charities. It was recognised that we would have to consider what internal changes and additional resources the company will need to run the existing estate efficiently and handle the organic growth and development opportunities envisaged. It was also considered to be prudent to consider a review of a treasury policy.

We continue to monitor our properties to ensure they remain fit for purpose with particular emphasis on H&S and fire safety issues.

Financial review

The opening of Holdenhurst was the dominant occurrence in the year. As a result the year was always going to be a challenge particularly for our operational management team and the staff at Holdenhurst. To bring some perspective on the challenge, we left a financial year with good levels of occupancy in operational stock and overnight with 48 new units coming online we effectively generated an occupancy nearer 50% but with the additional expenditure linked to operating the new units. The Charity had never had to plan for a year and produce a budget in such circumstances in its history. In addition to this seismic shift in our operational structure, all this was happening during a cost-of-living crisis the like of which we had not seen for decades. Inflationary pressures and rising interest rates all had to be considered.

The cost-of-living crisis generated a major problem for the Charity related to utility costs. As a result of intense efforts over a short period of time the majority of the Charity's utility contracts were switched from a commercial basis to domestic rates thus giving us and our residents protection from rising costs.

Although we opened the scheme at Holdenhurst the scheme still had various defects works to complete and the legacy of poor construction left from the liquidation of the main contractor continued to generate management challenges and additional spend through the year.

The challenges mentioned above must be kept in mind when reading the key financial achievements below:

Financial achievements and comments:

- Core income of £1,491,565 against a budget of £1,559,655. The Charity actually achieved its goal of letting all the units in their new scheme by year end. In terms of physical occupancy the target was met.
- The slight reduction in income was linked to the rate of letting through the year with a few lettings achieving financial completion near year end - the income became crystalised marginally slower than projected.
- Operating Expenditure of £1,150,651 against a budget of £1,188,626 – in a year of financial turmoil across the globe we delivered services just under budget.
- The receipt of the Performance Bond payment of £1.13M replenished our cash reserve. Cash at bank has increased to £2.25M (£1.49M in 2022).
- A net surplus from housing activities of £96,671 (a deficit of £201,728 in 2022).
- In achieving the above a 7.5% cost of living addition to wage was paid to staff for the last 3 months of the financial year to help them with the cost-of-living crisis.

In a year of unprecedented change for the Charity and financial uncertainty for the country we have emerged in good shape to navigate the future.

Reserves policy

It is the policy of the Charity that unrestricted cash funds which have not been designated for a specific use should be maintained at a level equivalent to at least three month's cash operating expenditure (on the basis of anticipated expenditure as Holdenhurst was operational from April 2022, approximately £375,000). The Board considers that reserves at this level will ensure that, in the event of a significant drop in income, the Charity will be able to continue its current activities while consideration is given to ways in which additional funds may be raised or alternative options explored.

In addition to the normal reserves policy the Board has set aside a further sum of £450,000 as a target reserve for defects work which may be required for Holdenhurst. This will be reviewed during 2023. It was also considered to be prudent to conduct a review of treasury and investment policy with a view to gaining a better return on cash funds.

Risk management

The Board has a Risk Committee comprising members from the Board and management and risk management is a standing agenda item for consideration at quarterly Board meetings. A subsidiary risk. The impact of increasing energy prices and interest rates are currently under review by the committee.

The key risks to which the Charity is exposed and their mitigations are noted below:

Risk	Mitigation
Strategic The Charity operates in a complex, fluid market dependent on numerous external factors, including regulation, competition, customer expectations and requirements and the economic environment.	The Charity adopted a 10-year strategic plan 2016-2026 which was prepared based on sector research, analysis of changes in the Charity's defined area of operation and the relevant experience of the trustees and management team, particularly knowledge of The Abbeyfield Society and its strategic plan. The Charity is currently preparing an update to the Strategic Plan covering 2023-2033 for consideration and adoption by the Board.
Financial viability Operations continue to generate sufficient funds to provide high standard services and maintenance of the houses.	The Board agrees an annual financial budget on a timely basis and receives quarterly reports to monitor progress against expectations. All budget planning and major capital expenditure is subject to approval by the Board. The Senior Management Team receives monthly operations income and expenditure reports for review with the house staff.

	The Charity strives to maintain high residential occupancy levels by sustaining local awareness as to the benefits which the Charity has to offer those in need, in the communities we serve. Occupancy levels have been adopted as the primary KPI and as such are regularly reported to management and the Board. The Board has a Facility Agreement (FA) with Charity Bank and Big Society Capital to fund the development and provide for residual debt following completion. This was secured following exhaustive modelling to G2060 by the Charity and its advisers, the results of which were made available to the Board. Performance against the covenants within the FA and any later deeds of variations are monitored quarterly internally and externally.
Reputation The Charity's reputation may be impacted by inadequate safeguarding of residents, a fall in service standards, deteriorating accommodation or reputational risks emanating from elsewhere in the Abbeyfield family.	Services are continually reviewed and monitored by the Senior Management Team with support and regular scrutiny by Board members. Operating Policies are developed, logged and implemented as required. Policies for residents, including a clear complaints procedure, are in place for use by residents. The Board has adopted a clear policy and process to safeguard all residents and staff. Members of the Board are actively engaged with The Abbeyfield Society, to which Abbeyfield South Downs is affiliated, and contribute to developments at a national level. The Board commissioned an independent maintenance survey of all houses and has adopted a 10-year planned maintenance programme to ensure compliance with accepted standards. A review/update of the survey is currently under consideration.

People	
The success of the Charity is dependent on its staff and volunteers. The welfare of the staff and residents is of central importance to successful operations.	The Board support the management team to ensure appropriate policies and procedures are in place to protect the health and safety of staff and residents at all times. The Charity is committed to being both a Living Wage and equal opportunities employer.
The Board and management team must have an appropriate mix of skills to oversee existing operations and future plans.	The Board regularly assesses its own composition and diversity to ensure an adequate mix of skills. Experience is present to direct the Charity and provide substantive support to the management team.

Value for Money

Value for Money (VFM) is about being effective in how we plan, manage and operate the Charity. It requires making the best use of the resources available to us to provide quality homes to improve the quality of life of our residents, together with high quality services and support.

The Regulator for Social Housing (RSH) issued a new Value for Money Standard in April 2017 and a Technical Note in April 2018. These identified 7 metrics which social housing providers are expected to report their performance against in the annual report. The latter document acknowledges that the metrics will not necessarily be appropriate for all providers and any influencing factors should be explained in the commentary.

Metric	2022/23	2021/22
1. Reinvestment %	2.8%	10.0%
2. New supply delivered	45.3%	N/A
3. Gearing %	16%	19.69%
4. EBITDA MRI interest cover %	497%	15.0%
5. Headline social cost per unit	£13,676	£18,352
6. Operating margin %	6.3%	-23.4%
7. Return on capital employed	0.54%	-1.12%

The basis for the metrics is as follows:

1. Reinvestment % - the investment in properties (existing stock and new supply) as a percentage of the value of total properties held.
2. New supply delivered (social housing units) % - the number of new social housing units delivered as a proportion of total social housing units owned.

3. Gearing% - net debt as a percentage of the value of total properties held.
4. EBITDA MRI Interest cover % - the level of surplus generated compared to the interest payable.
5. Headline social housing cost per unit - social housing costs (as defined by the regulator) divided by total units owned and/or managed.
6. 6A. Operating margin (social housing lettings only) % - operating surplus/(deficit) from social housing lettings divided by turnover from social housing lettings.
   6B. Operating margin (overall)% - overall operating surplus/(deficit) divided by overall turnover.
7. Return on capital employed (ROCE) % - compares the overall operating surplus to total assets less current liabilities.

A Excludes properties under development.
B All interest payable relates to housing under development and is being capitalised until the development is open and generating income.
C This metric does not apply as the Charity had no short or long term borrowings during the year under review.

Scrutiny of VFM is provided by the Board through the receipt of management accounts with KPIs considered appropriate for the management of the Charity and a report from the Management Committee which meets weekly to oversee operations. In particular the Board are aware that the headline social cost per unit metric as reported at 5 above is high for the sector. This is due to the Charity following the Abbeyfield service model which incorporates at its heart the provision of nutritious meals for residents. The cost of preparing and providing food are not factors highlighted by the Regulator for Social Housing in its analysis of additional costs which may influence the calculation of unit cost.

Governance

The Board of Trustees, who are also the directors for the purpose of company law, and who served during the year are set out on page 1. Each member is recruited for his/her relevant experience and skills to provide substantive support to the management team. The Charity is managed by the directors in accordance with the company's Memorandum and Articles of Association dated 25 July 2016. None of the Board of Trustees has any beneficial interest in the company. All members of the Board of Trustees are members of the company.

Appointments to the Board of Trustees are proposed and ratified by the Board at their regular meetings. Co-option is permitted prior to ratification. They are recruited by invitation and by advertisement. Any with regular access to residents are subject to DBS (Disclosure and Barring Service) checks plus two other references. New trustees are given an induction in accordance with the Charity's Trustee Induction Process which not only covers governance and operational issues but also a briefing on the Abbeyfield ethos. Trustees are given access to the comprehensive Directors' Information folder in the Charity's shared cloud storage.

Trustee training is available on request and where a subject of mutual interest is identified, for example GDPR, Board training is provided.

The Board of Trustees meets quarterly to review performance and ensure that the Charity operations and development are being managed in accordance with established policies. The Board approves any changes in operating policy when deemed necessary and is responsible for approving and monitoring all major expenditure.

It is an objective of the Board that staff should feel valued and be appropriately rewarded. To further this objective the Charity has adopted the voluntary 'living wage'. Overall pay awards are approved by the Board as part of the annual budget setting process. The salaries of senior staff are considered by an ad-hoc Remuneration Committee which is chaired by the Chairman. The committee considers:

- The overall performance of the management team and the financial position of the Charity.
- The bench marking of salaries against similar roles in comparable charities and organisations operating in the sector and the same geographical area.
- The salaries paid within the Abbeyfield movement for comparable roles.
- Recommending discretionary bonus awards, although no formal method or basis for performance related pay has been adopted.

The recommendations from the Remuneration Committee are approved by the Board.

The Charity is a member of The Abbeyfield Society (TAS). The benefits offered to members include providing relevant information on national developments in the charitable housing sector and professional services in support of the affiliates. The Charity pays an annual fee to TAS.

The Charity complies with the Governance and Financial Viability Standard (April 2015) issued by the Regulator for Social Housing and principal recommendations of the 2015 National Housing Federation Code of Governance. The Charity also adheres to the principles of the Code of Governance for Smaller Charities.

Statement of Board of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

Company law and social housing legislation requires the trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for registered providers of social housing in England 2019. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- so far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware, and
- the trustees have taken all reasonable steps that ought to have been taken as trustees in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditor

The Trustees resolved to reappoint Lindeyer Francis Ferguson Limited as auditor of the company for the year ended 31 March 2023.

In preparing this report, the Trustees have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

ABBEYFIELD SOUTH DOWNS LIMITED

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

This report was approved by the Board of Trustees on ....26th September 2023 and signed on their behalf by:



.....

Mr D Byrne
Chairman of trustees

ABBEYFIELD SOUTH DOWNS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBEYFIELD SOUTH DOWNS LIMITED

Opinion

We have audited the financial statements of Abbeyfield South Downs Limited (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of comprehensive income, the statement of changes in reserves, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of 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 charitable company's affairs as at 31 March 2023, and of its incoming resources and application of resources, including its 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 in England 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 charitable company 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 trustees' 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 charity'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 trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBEYFIELD SOUTH DOWNS LIMITED

Other information

The board is responsible for the other information. The other information comprises the information included in the annual report, 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.

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

We have nothing to report 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 the audit:

- the information given in the report of the board of trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the report of the board of trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the board of trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the board was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of the board

As explained more fully in the board's responsibilities statement, the board members (who are also the directors of the association for the purposes of company law) 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 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 is responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the charitable company or to cease operations, or has 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined below, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We obtained an understanding of the legal and regulatory framework applicable to the preparation of the financial statements of the Charity, and the procedures that management adopt to ensure compliance. We have considered the extent to which non-compliance night have a material effect on the financial statements, and in particular we identified the Companies Act 2006, the Housing and Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing 2019, and the procedures that management adopt to ensure compliance, including those relating to the Housing SORP 2018.

We have also identified other laws and regulations that do not have a direct effect on the amounts or disclosures within the financial statements, but for which compliance is fundamental to the charity's operations and to avoid material penalties, including GDPR, health and safety, employment law, and fundraising regulations.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBEYFIELD SOUTH DOWNS LIMITED

Having reviewed the laws and regulations applicable to the charity, we designed and performed audit procedures to obtain sufficient appropriate audit evidence. Specifically, we:

- Assigned an engagement team to the audit with particular familiarity in dealing with registered providers of social housing;
- Obtained an understanding of the charity's procedures for ensuring compliance with laws and regulations;
- Obtained and reviewed internal policy and procedure documents;
- Made enquiries of management and the trustees regarding whether they were aware of any actual or suspected incidences of non-compliance with laws and regulations;
- Obtained and reviewed meeting minutes;
- Reviewed legal expenses accounts for indications of any possible non-compliance; and
- Reviewed the completeness and accuracy of any disclosures made in the financial statements.

We assessed the susceptibility of the charity's financial statements to material misstatement, including considering how fraud might occur. This was performed by:

- We obtained the Board of Trustees' assessment of fraud risk and enquired as to any known or suspected instances of fraud;
- We considered whether management have incentives and opportunities to manipulate financial results (including overriding controls) and determined that the key risks related to the non-compliance with the Housing SORP 2018 in terms of component accounting in previous years, completeness of income, completeness of creditors, non-depreciation of properties in previous years and the risk of management override;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control;
- We tested journal entries to identify unusual transactions; and
- We designed and performed audit procedures to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations, including enquiry of the Board of Trustees, review of minutes and correspondence, and review of the completeness and accuracy of disclosures made in the financial statements.

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

ABBEYFIELD SOUTH DOWNS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBEYFIELD SOUTH DOWNS LIMITED

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lindeyer Francis Ferguson LTD

Jonathan Healey BA FCA (Senior statutory auditor)
for and on behalf of

Date: 28 September 2023

Lindeyer Francis Ferguson Limited
Chartered Accountants
Statutory Auditors
North House
198 High Street
Tonbridge
Kent TN9 1BE

ABBEYFIELD SOUTH DOWNS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	*2023* £	*2022* £
Turnover	2	1,546,330	862,707
Operating expenditure	2	(1,449,659)	(1,064,435)
Operating surplus/ (deficit)		96,671	(201,728)
Interest receivable		2,381	73
Other income		10,928	1,150
Gain on sale of property		-	133,810
Income from property bond	7	1,130,000	-
Losses on revaluation of fixed asset	7	(1,290,320)	-
Deficit on ordinary activities for the year and total comprehensive income		**(50,340)**	**(66,695)**

The accounts were approved by the Board of Trustees on 26th Sept 2023

Mr D Byrne
Chairman

ABBEYFIELD SOUTH DOWNS LIMITED

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2023

	Income and expenditure reserve	*Endowment reserve*	*Total*
	£	*£*	*£*
Balance at 1 April 2021	7,898,491	243,505	8,141,996
Total comprehensive income for the year	(66,695)	-	(66,695)
Transfer from endowment reserves	3,384	(3,384)	-
Balance at 31 March 2022 and 1 April 2022	7,835,180	240,121	8,075,301
Total comprehensive income for the year	(50,340)	-	(50,340)
Transfer from endowment reserves	3,384	(3,384)	-
Balance at 31 March 2023	7,788,224	236,737	8,024,961

ABBEYFIELD SOUTH DOWNS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	£	2023 £	£	2022 £
Fixed assets					
Tangible fixed assets	7		16,162,192		17,202,160
			16,162,192		17,202,160
Current assets					
Debtors	8	14,368		13,467	
Cash at bank and in hand		2,257,759		1,490,997	
		2,272,127		1,504,464	
Creditors: amounts falling due within one year	9	(562,420)		(773,238)	
Net current assets			1,709,707		731,226
Total assets less current liabilities			17,871,899		17,933,386
Creditors: amounts falling due after one year	11		(9,817,538)		(9,858,085)
Provisions for liabilities	13		(29,400)		-
Net assets			**8,024,961**		**8,075,301**
Reserves					
Income and expenditure reserve			7,788,224		7,835,180
Endowment reserves	15		236,737		240,121
			8,024,961		**8,075,301**

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Board of Trustees on 26th Sept 2023

Mr D Byrne
Chairman

Company registration number: 00736150

ABBEYFIELD SOUTH DOWNS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

		2023	2022
		£	£
Net cash generated from operating activities	A	1,330,021	376,178
Cash flow from investing activities			
Purchase of tangible fixed assets		(549,251)	(1,874,377)
Proceeds from sales of properties		-	608,377
Interest received		2,381	73
Net cash used in investing activities		(546,870)	(1,265,927)
Cash flow from investing activities			
Grants received		150,499	226,721
Loans received		(166,888)	911,214
Net cash provided by investing activities		(16,389)	1,137,935
Net increase in cash and cash equivalents and change in net funds		766,762	248,186
Cash and cash equivalents at the beginning of the year		1,490,997	1,242,811
Cash and cash equivalents at the end of the year		2,257,759	1,490,997
Cash and cash equivalents consists of:			
Cash at bank and in hand		2,257,759	1,490,997

A. Reconciliation of net cash generated from operating activities

	£	£
Cash flow from operating activities		
Surplus/(deficit) for the year	(50,340)	(66,695)
Adjustments for non cash items:		
Depreciation	298,899	91,727
Impairment of fixed assets	1,290,320	-
(Increase)/decrease in debtors	(901)	1,346
(Decrease)/increase in creditors	(234,976)	483,683
Increase/(decrease) in provisons	29,400	-
Adjustments for investing or financing activities:		
Gain on sale of property	-	(133,810)
Interest receivable	(2,381)	(73)
Cash generated from operating activities	1,330,021	376,178

1 Accounting policies

1.1 Legal status

Abbeyfield South Downs Limited is a private company limited by guarantee incorporated in England and Wales and is a registered housing provider. The registered office is Abbeyfield House, North Road, Alfriston, East Sussex, BN26 5XB.

1.2 Basis of preparation

The financial statements of the charity are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for private registered providers of social housing in England 2019. The charity is a public benefit entity as defined by FRS 102.

The accounts have been prepared on the historical cost convention, modified to include certain items at fair value.

The financial statements are presented in pounds sterling and rounded to the nearest pound.

The principal accounting policies adopted are set out below.

1.3 Income

Income is measured at the fair value of the consideration received or receivable net of VAT.

Turnover represents rental income receivable in the year net of losses from voids. Rental income is recognised in the period the rents fall due.

Income from government grants is recognised as turnover when the charity is entitled to the funds, the receipt is probable and the amount can be measured reliably. This is usually when a formal offer is made in writing.

1.4 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under the headings that classify all costs related to the category. Expenditure is inclusive of VAT.

1 Accounting policies (continued)

1.5 Charitable funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Society and which have not been designated for other purposes.

Endowment reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Revenue and expenditure cannot be directly set against endowment reserves but is taken through the Statement of Comprehensive Income and then a transfer to endowment reserves is made as appropriate.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets, other than freehold land, are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Housing Properties
Housing properties are held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation and impairment losses. Costs include the cost of acquiring land and buildings, development costs, and interest charges incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised.

Depreciation is provided on housing properties, excluding land, so as to write off the net cost less estimated residual value of each asset over its remaining estimated useful life. Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter, as follows:

Freehold buildings	-	50 - 80 years straight line
Roofs	-	40 - 50 years straight line
Windows	-	25 years straight line
Kitchens	-	33 years straight line
Bathrooms	-	11 - 20 years straight line
Lifts	-	15 years straight line
Heating systems	-	33 years straight line

Freehold land and assets in the course of construction are not depreciated.

1 **Accounting policies (continued)**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Other fixed assets

Depreciation is provided on other fixed assets, so as to write off the net cost less estimated residual value of each asset over its remaining estimated useful life as follows:

Fixtures, fittings and equipment	-	10 years straight line

1.7 Impairment of fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. Where indicators are identified, an assessment for impairment is undertaken comparing the carrying amount to its recoverable amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the Statement of Comprehensive Income.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.9 Financial instruments

The charity only has financial instruments which are classified as basic financial instruments.

Short-term debtors and creditors are measured at the settlement value. Any losses from impairment are recognised in income and expenditure.

Long-term debtors and creditors are measured at the settlement value. Any losses from impairment are recognised in income and expenditure.

Loans and borrowings are initially recorded at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method.

1.10 Retirement benefits

The Charity operated a defined contribution pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the Scheme.

1 Accounting policies (continued)

1.11 Government grants

Government grants include grants receivable from Homes England (HE), local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

2 Turnover and costs

	2023	*2022*
	£	£
Rent receivable		
Social housing	1,834,505	1,014,035
General housing	24,643	23,036
Void losses		
Social housing	(384,288)	(177,015)
Amortised government grants	68,074	400
Turnover from housing lettings	1,542,934	860,456
Income from other activities		
Coronavirus Job Retention Scheme grants	-	1,719
Sundry	3,396	532
Total	1,546,330	862,707
Operating costs from social housing activities:		
Management expenses	818,894	693,059
Property maintenance and refurbishment costs	123,390	90,076
Depreciation of housing properties	265,489	56,289
Other costs	241,886	225,011
Total	1,449,659	1,064,435
Net surplus/(deficit) from housing activities	96,671	(201,728)

3 Surplus/(deficit) on ordinary activities

	2023	*2022*
	£	£
This is stated after charging:		
Depreciation of housing properties	265,489	56,289
Depreciation of other tangible assets	33,410	35,438
Auditors' remuneration for audit	7,800	7,800
Auditors' remuneration for non-audit services	5,946	5,486

4 Staff costs and key management personnel

	2023	*2022*
	£	£
Wages and salaries	474,496	442,435
Social security costs	33,461	34,339
Other pension costs	10,511	15,619
	518,468	492,393

The average number of employees for the year based on monthly headcount is as follows:

	2023	*2022*
	Number	*Number*
Housekeeping	34	30
Administration	3	3
	37	33

The average number of employees for the year based on full time equivalent was 19 (2022: 18)

5 Board and key management personnel remuneration

None (2022: none) of the trustees were reimbursed for any expenses.

The total remuneration, including social security and pension costs, for key management personnel amounted to £120,311 (2022: £123,386).

The Chief Executive is a member of the company's defined contribution pension scheme. Contributions payable for the year were £2,457 (2022: £9,011).

5 Board and key management personnel remuneration (continued)

The number of employees whose total employee benefits including pension contributions earning over £60,000, classified within bands of £10,000 is as follows:

	2022	*2021*
£60,000–£69,999	-	1
£70,000–£79,999	1	1
	1	2

6 Taxation

The Society, having exempt charitable status, is not liable to taxation.

7 Tangible fixed assets

	Housing Properties	*Housing Properties under development*	*Fixtures, fittings and equipment*	*Total*
	£	£	£	£
Cost				
At 1 April 2022	3,110,747	14,544,631	372,795	18,028,173
Additions	-	515,488	33,763	549,251
Revaluation	-	(1,290,320)	-	(1,290,320)
Transfer	13,769,799	(13,769,799)	-	-
At 31 March 2023	16,880,546	-	406,558	17,287,104
Depreciation				
At 1 April 2022	620,067	-	205,946	826,013
Charge for the year	265,489	-	33,410	298,899
At 31 March 2023	885,556	-	239,356	1,124,912
Net book value				
At 31 March 2023	15,994,990	-	167,202	16,162,192
At 31 March 2022	2,490,680	14,544,631	166,849	17,202,160

7 Tangible fixed assets (continued)

Housing properties under development include the site at Holdenhurst, Heathfield, which was completed during the year. An impairment review was carried out as at 30 June 2022 prior to the property being transferred across to Housing Properties.

During the year, and following the completion of the development at Holdenhurst, Heathfield, the charity made a claim under the terms of a property bond in relation to this property. This was due to additional works being needed to remedy construction issues during the course of the development. As a result of this claim, the charity received a total payment of £1.13m from the bond and, due to the nature of this additional income, this has been treated as an extraordinary item on the Statement of Financial Activity.

8 Debtors: amounts falling due within one year

	2023	*2022*
	£	£
Rent and service charges receivable	4,050	4,859
Prepayments and accrued income	9,118	8,608
Other debtors	1,200	-
	14,368	13,467

9 Creditors: amounts falling due within one year

	2023	*2022*
	£	£
Government grants	77,942	115,322
Trade creditors	89,852	131,603
Rent and service charges received in advance	30,533	28,756
Accruals and deferred income	46,093	234,044
Bank loans	291,672	261,362
Other creditors	26,328	2,151
	562,420	773,238

10 Deferred grant income

	2023	*2022*
	£	£
At 1 April 2022	5,243,373	4,912,398
Grants received	181,193	331,375
Released to income in the year	(68,074)	(400)
At 31 March 2023	5,356,492	5,243,373

10 Deferred grant income (continued)

The movements on recycled capital grant is as follows:

	2023	*2022*
	£	£
At 1 April 2022	4,483,642	4,152,267
Grants received	181,193	331,375
Released to income in the year	(58,310)	-
At 31 March 2023	4,606,525	4,483,642

11 Creditors: amounts falling due after one year

	2023	*2022*
	£	£
Bank loans	4,538,988	4,705,876
Government grants	5,278,550	5,128,051
Other creditors	-	24,158
At 31 March 2023	9,817,538	9,858,085

Grants due in more than one year relate to housing properties under development. These include £4.66m of Recycled Capital Grant Funds and £749,063 grant income received from Homes England. See Note 14 in relation to the development.

The Charity holds two long term loans, with a maximum facility of £5m. At the year end, £4,830,660 (2022 - £4,967,238) of this facility had been utilised.

12 Housing stock

	2023	*2022*
	£	£
The number of units in management at the end of the year were:		
General housing - social rent	3	3
Supported housing	103	55
	106	58

13 Provisions for liabilities

	2023	2022
	£	£
Provision	29,400	-

The provision relates to a settlement agreement reached after the year end to cancel the development of bespoke software.

14 Financial commitments

Social Housing Grant was received in prior years totalling £40,129 in connection with work on improving one of the houses. This would be repayable if the relevant property is sold.

Further Social Housing funding was received for work on the new development, totalling £4.66m. This would be repayable if the relevant property is sold.

There is a fixed and floating charge on the properties and all assets held by Abbeyfield South Downs Limited, in relation to a long term third party loan. The amount owed under this guarantee at 31 March 2023 amounted to £4,830,660 (2022: £4,967,238).

15 Endowment reserves

Current year	*Balance at 1 April 2022*	*Income*	*Expenditure*	*Transfers*	*Balance at 31 March 2023*
	£	£	£	£	£
Permanent endowment					
Angus Lodge endowment fund	240,121	-	-	(3,384)	236,737

Prior year	*Balance at 1 April 2021*	*Income*	*Expenditure*	*Transfers*	*Balance at 31 March 2022*
	£	£	£	£	£
Permanent endowment					
Angus Lodge endowment fund	243,505	-	-	(3,384)	240,121

The permanent endowment fund represents the funds of Angus Lodge Trust, a linked charity of the Abbeyfield South Downs Limited, that were applied in purchasing 28.2% of the freehold land and buildings at 3, 5 and 7 Cadogan Gardens Tunbridge Wells (Abbeyfield House). A transfer is made to income and expenditure reserve, in respect of depreciation on the property.

ABBEYFIELD SOUTH DOWNS LIMITED

DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	*2023* £	*2022* £	*2022* £
Turnover				
Social housing lettings		1,450,217		837,020
General needs rent		24,643		23,036
Amortised government grants		68,074		400
Coronavirus Job Retention Scheme grants		-		1,719
Sundry		3,396		532
		1,546,330		862,707
Administrative expenses - management				
House staff costs	404,363		363,204	
Staff training & welfare	3,478		2,373	
Food and other household costs	154,735		94,731	
Water rates	8,133		10,181	
Council tax	8,644		13,429	
Electricity	37,349		25,162	
Gas	62,334		44,670	
Insurance	21,125		24,407	
Cleaning	9,771		7,924	
Advertising	20,201		25,336	
Lifeline	36,752		26,614	
Telephone	17,140		18,768	
Television licence	1,460		822	
Depreciation of fixtures and fittings	33,409		35,438	
		(818,894)		(693,059)
Administrative expenses - other				
Administrative staff costs	148,017		153,152	
Printing, postage and stationery	10,129		23,803	
Travelling expenses	2,456		4,041	
Legal and professional fees	45,609		4,574	
Auditors' non-audit fees	5,946		5,486	
Audit fees	7,800		7,800	
Affiliation fees	15,933		16,162	
Bank charges and interest paid	743		157	
Bad debts	-		2,178	
Service contracts	2,030		-	
Sundry expenses	3,223		7,658	
		(241,886)		(225,011)
Repairs and maintenance				
Routine maintenance	123,390		90,076	
Depreciation of housing properties	265,489		56,289	
		(388,879)		(146,365)
Interest receivable	2,381		73	
Gain on disposal of property	-		133,810	
Other income	10,928		1,150	
Losses on revaluation of fixed asset	(1,290,320)		-	
Income from property bond	1,130,000		-	
		(147,011)		135,033
Deficit for the year		(50,340)		(66,695)

Beaconwild Ltd

England & Wales - Charity number 216779

Accounts

Company registered number: 00736150
Charity number: 216779
Regulator of Social Housing registered number H0375

ABBEYFIELD SOUTH DOWNS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

ABBEYFIELD SOUTH DOWNS LIMITED

CONTENTS

The Board, Executive Officers and Advisers	1
Report of the Board of Trustees	3
Independent auditors' report	14
Statement of comprehensive income	18
Statement of changes in reserves	19
Balance sheet	20
Statement of cash flows	21
Notes to the financial statements	22

ABBEYFIELD SOUTH DOWNS LIMITED

THE BOARD, EXECUTIVE OFFICERS, ADVISERS

The Board as at the date of approval of this Annual Report	Mr D Byrne FCII (Chairman) Mr M Paris MBE MCIOB Miss J Sorenson BA (Hons) PGDipM Chartered Marketer Mr W Rendall ACII MA Oxon Mr J Timbs FCMI Mr P Anderson LLB(Hons) MBA
Note: all Board members are also trustees of the charity	
The following was also a Board member during part of the year covered by this Annual Report	Mrs L Phair MA, BSc (Hons) Nursing RMN RGN DPNS (Deputy Chairman) Resigned 16/7/22
Executive Officers as at the date of approval of this Annual Report	Mr N Taylor (Chief Executive Officer) Mr I Thomas (Development Director) Ms N Moss (Operations Manager)
Company secretary	Mr P Anderson LLB(Hons) MBA
Registered office and principal address	Alfriston House North Road Alfriston East Sussex BN26 5XB Registered Office address changed in July 2022 to: Holdenhurst Mill Road Heathfield East Sussex TN21 0GG
Independent auditors	Lindeyer Francis Ferguson Limited Chartered Accountants Statutory Auditors North House 198 High Street Tonbridge Kent TN9 1BE
Bankers	Barclays Bank plc 63/67 Terminus Road Eastbourne East Sussex BN21 3NE

ABBEYFIELD SOUTH DOWNS LIMITED

THE BOARD, EXECUTIVE OFFICERS, ADVISERS

Legal status

Registered company limited by guarantee	No. 00736150
Registered with the Regulator of Social Housing	No. H0375
Registered with the Charity Commission	No. 216779

ABBEYFIELD SOUTH DOWNS LIMITED

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

The trustees (who are also directors of the charity for the purposes of the Companies Act 2006) present their annual report together with the audited financial statements of Abbeyfield South Downs Limited for the year ended 31 March 2022.

Objectives and activities

The Charity's principal objective is to continue to provide comfortable housing in a safe environment complemented by good nutrition and companionship for older people. We do this through a dedicated and well - trained workforce complemented by a committed and well-motivated group of volunteers. As at 31 March 2022 we operated in the following areas:

	No of sheltered houses	No of social housing units	No of non-social housing units	Changes since 31 March 2021
Eastbourne	16	1	-	
Brighton & Hove	16	2	-	One unit has been transferred to general needs housing
Heathfield	-	-	-	The house in Heathfield has been demolished and development of a 48 unit social housing Extra Care residence was in progress and completed 06.04.22
Hastings	-	-	-	Closed due to viability and accommodation standards
Tunbridge Wells	14	-	-	
Alfriston	9	-	-	

In achieving its objectives, the Charity aims to create a surplus of income over expenditure which is sufficient to maintain the properties and services to a high standard. The Charity's ongoing aim is to ensure that these standards are maintained and improved wherever possible and that the Charity adheres to all current legislation governing the services it offers.

When reviewing the Charity's aims and objectives, and planning its activities, the Trustees have due regard to the Charity Commission's public benefit guidance, including its guidance on fee-charging, and that the Charity complies with all current legislation.

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance

The year under review has been dominated by three key influences: the effects of the Covid-19 pandemic, the well documented problems of attracting staff in the social care sector and activity to realise the Charity's long held vision of developing affordable 'extra care' facilities that meet the growing needs and expectations of older people under difficult circumstances.

The Covid-19 pandemic

The management team and house staff have continued to monitor, develop and implement procedures to protect residents, visitors and employees from the threat of Coronavirus against a background of everchanging circumstances, advice and regulation. Health and Safety measures and PPE supplies continue to be maintained across the estate, with access to communal areas being restricted as necessary in accordance with government guidelines and meals delivered to residents' rooms where appropriate until late 2021. The Board is grateful for the support of all concerned, including the families and friends of residents, for their cooperation in respecting the physical environment of vulnerable people.

Thanks to the magnificent efforts of everybody at Abbeyfield South Downs the organisation continues to limit the physical and mental effects of the virus. The Charity has avoided the need to place staff on furlough, other than those required to self-isolate in accordance with government guidance. The organisation has followed all the relevant government advice and supported vulnerable individuals.

Abbeyfield South Downs continued to use targeted social media based marketing to invite enquiries and convey a positive message. The effective measures put in place mean that occupancy, and hence the charity's income, has held up well without the need to use reserves to continue operations despite the ongoing increases in costs to protect against the virus.

The Charity relies heavily on its willing staff team to provide the support and efficiencies necessary to ensure our houses provide a happy and well run environment. The Charity values its staff highly and is committed to paying the 'living wage'. The Charity and residents are also indebted to the teams of volunteers at each of the houses, over another difficult year, whose assistance and friendship improves the lives of the residents in their chosen communities.

Feedback from residents and relatives continues to show satisfaction. In providing a safe environment particular effort has been made to meet the evolving requirements of health and safety and fire regulations. Support is provided to residents by directing them to services appropriate to their needs. Every effort is made to provide nutritious, home cooked meals for the residents to enjoy and to involve them in most aspects of the day to day management of their homes.

Holdenhurst redevelopment and plans for the future

The Holdenhurst development has been subject to frustrating delays. Castleoak Care Partnerships Ltd, our development partner and main contractor, had had difficulty since the latter part of 2020 to secure adequate labour, sub-contractors and materials. After a very frustrating period of little progress through 2021, this culminated in their liquidation on 28th October 2021. This was not unexpected and preparations were put in place prior to the actual date of liquidation for this eventuality. Considerable extra management time was required to manage the financial and contractual implications. As a result of the early preparations we were quickly able on 22nd November 2021 to appoint J Cheesmur (Lewes) Ltd to complete the project. On the 6th April 2022 we achieved Practical Completion and the first flat was occupied shortly after. The Abbeyfield South Downs team have been working hard to prepare and market Holdenhurst in addition to their other responsibilities. In common with the hospitality sector across the UK our operational team had found it hard to recruit a staff team for Holdenhurst and so, once that team was recruited in spring 2021 they were retained. Additional costs were incurred in their employment until the scheme finally opened in April 2022. The twelve month's delay to the completion of Holdenhurst aligns closely with the period of this report. As a result, the anticipated rental income from Holdenhurst will not be realised until the next financial year.

The Board continued to explore options for the Holdenhurst scheme during the development phase and were delighted that a successful grant application for additional funds to Homes England, supported by The Abbeyfield Society and Charity Bank, enabled the scheme to offer all 48 units on an Affordable Rent basis. This additional grant utilised recycled grant and further similar funding was also sourced with the assistance of Homes England to cushion the impact of Castleoak's liquidation early in 2022. This additional funding was a key building block in recovering from the difficult position after our main contractor's liquidation. Even with the additional grant funding more money had to be injected into the scheme to complete the works and cover our costs linked to the delay in completing. As a result of the Castleoak liquidation the quality of the build suffered in the later stages of their tenure and many defects have had to be put right to make the building suitable for occupation.

The achievement of developing an all Affordable Rent scheme aids the Trustees to fulfil their charitable objects and strengthens their belief that this type of scheme will offer older people much needed, high quality community affordable housing which is in short supply in the South East. The response to the opening of the scheme has been remarkable with occupancy at the end of August at 79%. The ASD team have developed and apply a comprehensive process to ensure applications are evaluated on a fair and transparent basis in accordance with the Charity's agreed criteria and with a focus on supporting local people.



The Board remains of the opinion that our "Extra Care" development and the operating model developed is the future in meeting the changing expectations and requirements of an ageing population and consequential policy realignments. We are encouraged by the early success of the Holdenhurst experience and shall explore how this model can be best replicated across our geographical area of operation. It is also considered it may be the way forward for future Abbeyfield developments and we hope will be used as a study to help inform future schemes. Nevertheless, we continue to look to support and invest in our existing sheltered housing services where we feel there is sufficient demand within an identified geographical area. We continue to explore solutions to the paradox of competing Abbeyfield schemes in Tunbridge Wells operated by two different Abbeyfield organisations and the confusion this creates for potential tenants and funders. Most of our properties enjoy relatively high occupancy levels and we can see the benefit provided by well-run supported sheltered schemes which are financially viable and integrate into the local community.

Financial review

These financial statements reflect the development project and we are pleased that all 48 units under construction will be retained in an all affordable rental scheme.

It is also pleasing to record that control of the Charity's *core* provision of housing and the Charity's assets remain well managed, particularly in light of the Covid-19 pandemic and the potential impact on income and inevitable additional costs which the Charity has sought to absorb rather than pass on to the residents.

Financial highlights include:

- Turnover from housing lettings of £860,456 has decreased by 9.5% compared to 2021 (£950,725) reflecting the closure of Ridge House.
- Housing activities have generated an operating deficit after depreciation of £201,728.
- Net cash deficit from operating activities of £66,695 (cash generated of £57,274 in 2021).
- In February 2022, following the liquidation of Castleoak Care Partnerships Limited and the resulting costs incurred at Holdenhurst, Homes England confirmed a further transfer of recycled grant for £331,375. This brings the total Government Recycled Capital Grant Funds and new grant committed to the Holdenhurst development paid and receivable to £5.2M. Grant of £330k was received during the year.
- Cash at bank has increased to £1.49M (£1.24M in 2021) as a result of grant funding received.
- The level of reserves has reduced to £8.07M from £8.14M last year.

Reserves policy

It is the policy of the Charity that unrestricted cash funds which have not been designated for a specific use should be maintained at a level equivalent to at least three month's cash operating expenditure (on the basis of anticipated expenditure as Holdenhurst was operational from April 2022,

approximately £297,000). The Board considers that reserves at this level will ensure that, in the event of a significant drop in income, the Charity will be able to continue its current activities while consideration is given to ways in which additional funds may be raised or alternative options explored.

In addition to the normal reserves policy the Board have had discussions about setting a sum aside to cover any defects on Holdenhurst. The risk of uncovering future defects is higher when you go through a main contractor liquidation. In completing the works investigation and subsequent remedial work was undertaken. However, going forward, it is proposed that a sum will be set aside to kick start the sinking fund normally established for a new building such as Holdenhurst which would normally be built up over a period of time.

Risk management

The Board operates a dynamic risk management process to ensure that it can identify, control and monitor significant risks in operations and development. The Board has a Risk Committee comprising members from the Board and management and risk management is a standing agenda item for consideration at quarterly Board meetings. A subsidiary risk register for the Heathfield development was maintained by the Development Director and reviewed by the Development Team of directors and management. The impact of increasing energy prices and interest rates are currently under review by the committee.

The key risks to which the Charity is exposed and their mitigations are noted below:

Risk	Mitigation
Strategic The Charity operates in a complex, fluid market dependent on numerous external factors, including regulation, competition, customer expectations and requirements and the economic environment.	The Charity adopted a 10 year strategic plan 2016-2026 which was prepared based on sector research, analysis of changes in the Charity's defined area of operation and the relevant experience of the trustees and management team, particularly knowledge of The Abbeyfield Society and its strategic plan. The Charity is currently preparing an update to the Strategic Plan covering 2022-2032 for consideration and adoption by the Board. The Board has approved a joint project, proposed by the former Deputy Chairman, with the Association for Dementia Studies

	at the University of Worcester, to develop and publish new models to support independence and combat loneliness and isolation for older people. Research Grant Funding of the two year project of £114,000 has been allocated to this project by the Abbeyfield Research Foundation.
Financial viability	
Operations continue to generate sufficient funds to provide high standard services and maintenance of the houses.	The Board agrees an annual financial budget on a timely basis and receives quarterly reports to monitor progress against expectations. All budget planning and major capital expenditure is subject to approval by the Board. The Senior Management Team receives monthly operations income and expenditure reports for review with the house staff. The Charity strives to maintain high residential occupancy levels by sustaining local awareness as to the benefits which the Charity has to offer those in need, in the communities we serve. Occupancy levels have been adopted as the primary KPI and as such are regularly reported to management and the Board.
Adequate funding is available for the Holdenhurst development project.	The Board has a Facility Agreement (FA) with Charity Bank and Big Society Capital to fund the development and provide for residual debt following completion. This was secured following exhaustive modelling to G2060 by the Charity and its advisers, the results of which were made available to the Board. Performance against the covenants within the FA are monitored quarterly internally and externally.

Reputation The Charity's reputation may be impacted by inadequate safeguarding of residents, a fall in service standards and deteriorating accommodation.	Services are continually reviewed and monitored by the Senior Management Team with support and regular scrutiny by Board members. Operating Policies are developed, logged and implemented as required. Policies for residents, including a clear complaints procedure, are in place for use by residents. The Board has adopted a clear policy and process to safeguard all residents and staff. Members of the Board are actively engaged with The Abbeyfield Society, to which Abbeyfield South Downs is affiliated, and contribute to developments at a national level. The Board commissioned an independent maintenance survey of all houses and has adopted a 10 year planned maintenance programme to ensure compliance with accepted standards. A review/update of the survey is currently under consideration.
People The success of the Charity is dependent on its staff and volunteers. The welfare of the staff and residents is of central importance to successful operations. The Board and management team must have an appropriate mix of skills to oversee existing operations and future plans.	The Board support the management team to ensure appropriate policies and procedures are in place to protect the health and safety of staff and residents at all times. The Charity is committed to being both a Living Wage and equal opportunities employer. The Board regularly assesses its own composition and diversity to ensure an adequate mix of skills. Experience is present to direct the Charity and provide substantive support to the management team.

Value for Money

Value for Money (VFM) is about being effective in how we plan, manage and operate the Charity. It requires making the best use of the resources available to us to provide quality homes to improve the quality of life of our residents, together with high quality services and support.

The Regulator for Social Housing (RSH) issued a new Value for Money Standard in April 2017 and a Technical Notein April 2018. These identified 7 metrics which social housing providers are expected to report their performance against in the annual report. The latter document acknowledges that the metrics will not necessarily be appropriate for all providers and any influencing factors should be explained in the commentary.

Metric	2021/22	2020/21
1. Reinvestment %	10.0%	44.0%
2. New supply delivered	N/A	N/A
3. Gearing %	19.69%	16.4%
4. EBITDA MRI interest cover %	15.0%	221.0%
5. Headline social cost per unit	£18,352	£14,040
6. Operating margin %	-23.4%	5.9%
7. Return on capital employed	-1.12%	0.34%

The basis for the metrics is as follows:

1. *Reinvestment % - the investment in properties (existing stock and new supply) as a percentage of the value of total properties held.*
2. *New supply delivered (social housing units) % - the number of new social housing units delivered as a proportion of total social housing units owned.*
3. *Gearing% - net debt as a percentage of the value of total properties held.*
4. *EBITDA MRI Interest cover % - the level of surplus generated compared to the interest payable.*
5. *Headline social housing cost per unit - social housing costs (as defined by the regulator) divided by total units owned and/or managed.*
6. *6A. Operating margin (social housing lettings only)% - operating surplus/(deficit) from social housing lettings divided by turnover from social housing lettings.*

   6B. Operating margin (overall)% - overall operating surplus/(deficit) divided by overall turnover.
7. *Return on capital employed (ROCE) % - compares the overall operating surplus to total assets less current liabilities.*

A Excludes properties under development.

B All interest payable relates to housing under development and is being capitalised until the development is open and generating income.

C This metric does not apply as the Charity had no short or long term borrowings during the year under review.

Scrutiny of VFM is provided by the Board through the receipt of management accounts with KPIs considered appropriate for the management of the Charity and a report from the Management Committee which meets weekly to oversee operations. In particular the Board are aware that the headline social cost per unit metric as reported at 5 above is high for the sector. This is due to the Charity following the Abbeyfield service model which incorporates at its heart the provision of nutritious meals for residents. The cost of preparing and providing food are not factors highlighted by the Regulator for Social Housing in its analysis of additional costs which may influence the calculation of unit cost.

Governance

The Board of Trustees, who are also the directors for the purpose of company law, and who served during the year are set out on page 1. Each member is recruited for his/her relevant experience and skills to provide substantive support to the management team. The Charity is managed by the directors in accordance with the company's Memorandum and Articles of Association dated 25 July 2016. None of the Board of Trustees has any beneficial interest in the company. All members of the Board of Trustees are members of the company.

Appointments to the Board of Trustees are proposed and ratified by the Board at their regular meetings. Co-option is permitted prior to ratification. They are recruited by invitation and by advertisement. Those with regular access to residents are subject to DBS (Disclosure and Barring Service) checks plus two other references. New trustees are given an induction in accordance with the Charity's Trustee Induction Process which not only covers governance and operational issues but also a briefing on the Abbeyfield ethos. Trustees are given access to the comprehensive Directors' Information folder in the Charity's shared cloud storage. Trustee training is available on request and where a subject of mutual interest is identified, for example GDPR, Board training is provided. The Board continues to develop an appropriate method for Appraisal of Board Skills and Diversity.

The Board of Trustees meets quarterly to review performance and ensure that the Charity operations and development are being managed in accordance with established policies. The Board approves any changes in operating policy when deemed necessary and is responsible for approving and monitoring all major expenditure.

It is an objective of the Board that staff should feel valued and be appropriately rewarded. To further this objective the Society has adopted the voluntary 'living wage'. Overall pay awards are approved by the Board as part of the annual budget setting process. The salaries of senior staff are considered by an ad-hoc Remuneration Committee which is chaired by the Chairman. The committee considers:

- The overall performance of the management team and the financial position of the Society
- The bench marking of salaries against similar roles in comparable charities and organisations operating inthe sector and the same geographical area

- The salaries paid within the Abbeyfield movement for comparable roles.
- Recommending discretionary bonus awards, although no formal method or basis for performance related pay has been adopted.

The recommendations from the Remuneration Committee are approved by the Board.

The Charity is a member of The Abbeyfield Society (TAS). The benefits offered to member societies include providing relevant information on national developments in the charitable housing sector and professional services in support of the affiliates. The Charity pays an annual fee to TAS.

The Charity complies with the Governance and Financial Viability Standard (April 2015) issued by the Regulator for Social Housing and principal recommendations of the 2015 National Housing Federation Code of Governance. The Charity also adheres to the principles of the Code of Governance for Smaller Charities.

Statement of Board of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law and social housing legislation requires the trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that thecharitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for registered providers of social housing in England 2019. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ABBEYFIELD SOUTH DOWNS LIMITED

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

Statement of disclosure to auditor

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- so far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware, and
- the trustees have taken all reasonable steps that ought to have been taken as trustees in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditor

The Trustees resolved to reappoint Lindeyer Francis Ferguson Limited as auditor of the company for the year ended 31 March 2022.

In preparing this report, the Trustees have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Board of Trustees on ....29th..September 2022 and signed on their behalf by:

.....

Mr D Byrne
Chairman of trustees

ABBEYFIELD SOUTH DOWNS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBEYFIELD SOUTH DOWNS LIMITED

Opinion

We have audited the financial statements of Abbeyfield South Downs Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of comprehensive income, the statement of changes in reserves, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of 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 company's affairs as at 31 March 2022, and of its incoming resources and application of resources, including its 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 in England 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 company 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 trustees' 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 charity'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 trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBEYFIELD SOUTH DOWNS LIMITED

Other information

The board is responsible for the other information. The other information comprises the information included in the annual report, 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.

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

We have nothing to report 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 the audit:

- the information given in the report of the board of trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the report of the board of trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the board of trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the board was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of the board

As explained more fully in the board's responsibilities statement, the board members (who are also the directors of the association for the purposes of company law) 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 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 is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the company or to cease operations, or has 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined below, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

- We obtained an understanding of the legal and regulatory framework applying to the Charity, in particular the Companies Act 2006, the Housing and Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing 2019, and the procedures that management adopt to ensure compliance, including those relating to the Housing SORP 2018;
- We assigned an engagement team to the audit with particular familiarity in dealing with registered providers of social housing;
- We assessed the susceptibility of the Charity's financial statement to material misstatement, including considering how fraud might occur;
- We obtained the Board of Trustees' assessment of fraud risk and enquired as to any known or suspected instances of fraud;
- We considered whether management have incentives and opportunities to manipulate financial results (including overriding controls) and determined that the key risks related to

the non compliance with the Housing SORP 2018 in terms of component accounting in previous years, completeness of income, completeness of creditors, non-depreciation of properties in previous years and the risk of management override;

- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control;
- We tested journal entries to identify unusual transactions; and
- We designed and performed audit procedures to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations, including enquiry of the Board of Trustees, review of minutes and correspondence, and review of the completeness and accuracy of disclosures made in the financial statements.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lindeyer Francis Ferguson LTD

Jonathan Healey BA FCA (Senior statutory auditor)
for and on behalf of

Date: 29 September 2022

Lindeyer Francis Ferguson Limited
Chartered Accountants
Statutory Auditors
North House
198 High Street
Tonbridge
Kent TN9 1BE

ABBEYFIELD SOUTH DOWNS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Turnover	2	862,707	969,103
Operating expenditure	2	(1,064,435)	(912,602)
Operating (deficit) / surplus		(201,728)	56,501
Interest receivable		73	773
Other income		1,150	-
Gain on sale of property		133,810	-
(Deficit) / surplus on ordinary activities for the year and total comprehensive income		**(66,695)**	**57,274**

The accounts were approved by the Board of Trustees on 29th September 2022

Mr D Byrne
Chairman

Mr P Anderson
Company Secretary

ABBEYFIELD SOUTH DOWNS LIMITED

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2022

	Income and expenditure reserve	*Endowment reserve*	*Total*
	£	*£*	*£*
Balance at 1 April 2020	7,837,833	246,889	8,084,722
Total comprehensive income for the year	57,274	-	57,274
Transfer from endowment reserves	3,384	(3,384)	-
Balance at 31 March 2021 and 1 April 2021	7,898,491	243,505	8,141,996
Total comprehensive income for the year	(66,695)	-	(66,695)
Transfer from endowment reserves	3,384	(3,384)	-
Balance at 31 March 2022	7,835,180	240,121	8,075,301

ABBEYFIELD SOUTH DOWNS LIMITED

BALANCE SHEET
AS AT 31 MARCH 2022

	Notes	£	2022 £	£	2021 £
Fixed assets					
Tangible fixed assets	7		17,202,160		15,894,077
			17,202,160		15,894,077
Current assets					
Debtors	8	13,467		14,813	
Cash at bank and in hand		1,490,997		1,242,811	
		1,504,464		1,257,624	
Creditors: amounts falling due within one year	9	(773,238)		(313,713)	
Net current assets			731,226		943,911
Total assets less current liabilities			17,933,386		16,837,988
Creditors: amounts falling due after one year	11		(9,858,085)		(8,695,992)
Net assets			**8,075,301**		**8,141,996**
Reserves					
Income and expenditure reserve			7,835,180		7,898,491
Endowment reserves	15		240,121		243,505
			8,075,301		**8,141,996**

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Board of Trustees on 29th September 2022

Mr D Byrne
Chairman

Mr P Anderson
Company Secretary

Company registration number: 00736150

ABBEYFIELD SOUTH DOWNS LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

		2022	*2021*
		£	£
Net cash generated / (absorbed) from operating activities	**A**	376,178	(145,556)
Cash flow from investing activities			
Purchase of tangible fixed assets		(1,874,377)	(7,053,993)
Proceeds from sales of properties		608,377	-
Interest received		73	773
Net cash used in investing activities		(1,265,927)	(7,053,220)
Cash flow from investing activities			
Grants received		226,721	2,317,267
Loans received		911,214	3,794,662
Net cash provided by investing activities		1,137,935	6,111,929
Net increase / (decrease) in cash and cash equivalents and change in net funds		248,186	(1,086,847)
Cash and cash equivalents at the beginning of the year		1,242,811	2,329,658
Cash and cash equivalents at the end of the year		1,490,997	1,242,811
Cash and cash equivalents consists of:			
Cash at bank and in hand		1,490,997	1,242,811

A. Reconciliation of net cash generated from operating activities

	£	£
Cash flow from operating activities		
(Deficit) / surplus for the year	(66,695)	57,274
Adjustments for non cash items:		
Depreciation	91,727	89,943
Decrease / (increase) in debtors	1,346	(3,404)
Increase / (decrease) in creditors	483,683	(288,596)
Adjustments for investing or financing activities:		
Gain on sale of property	(133,810)	-
Interest receivable	(73)	(773)
Cash generated / (absorbed) from operating activities	376,178	(145,556)

1 Accounting policies

1.1 Legal status

Abbeyfield South Downs Limited is a private company limited by guarantee incorporated in England and Wales and is a registered housing provider. The registered office is Abbeyfield House, North Road, Alfriston, East Sussex, BN26 5XB.

1.2 Basis of preparation

The financial statements of the charity are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for private registered providers of social housing in England 2019. The charity is a public benefit entity as defined by FRS 102.

The accounts have been prepared on the historical cost convention, modified to include certain items at fair value.

The financial statements are presented in pounds sterling and rounded to the nearest pound.

The principal accounting policies adopted are set out below.

1.3 Income

Income is measured at the fair value of the consideration received or receivable net of VAT.

Turnover represents rental income receivable in the year net of losses from voids. Rental income is recognised in the period the rents fall due.

Income from government grants is recognised as turnover when the charity is entitled to the funds, the receipt is probable and the amount can be measured reliably. This is usually when a formal offer is made in writing.

1.4 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under the headings that classify all costs related to the category. Expenditure is inclusive of VAT.

1 Accounting policies (continued)

1.5 Charitable funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Society and which have not been designated for other purposes.

Endowment reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Revenue and expenditure cannot be directly set against endowment reserves but is taken through the Statement of Comprehensive Income and then a transfer to endowment reserves is made as appropriate.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets, other than freehold land, are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Housing Properties
Housing properties are held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation and impairment losses. Costs include the cost of acquiring land and buildings, development costs, and interest charges incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised.

Depreciation is provided on housing properties, excluding land, so as to write off the net cost less estimated residual value of each asset over its remaining estimated useful life. Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter, as follows:

Freehold buildings	-	50 years straight line
Roofs	-	40 years straight line
Windows	-	25 years straight line
Kitchens	-	10 years straight line
Lifts	-	15 years straight line

Freehold land and assets in the course of construction are not depreciated.

1 Accounting policies (continued)

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Other fixed assets
Depreciation is provided on other fixed assets, so as to write off the net cost less estimated residual value of each asset over its remaining estimated useful life as follows:

Fixtures, fittings and equipment	-	10 years straight line

1.7 Impairment of fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. Where indicators are identified an assessment for impairment is undertaken comparing the carrying amount to its recoverable amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the Statement of Comprehensive Income.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.9 Financial instruments

The charity only has financial instruments which are classified as basic financial instruments.

Short-term debtors and creditors are measured at the settlement value. Any losses from impairment are recognised in income and expenditure.

Loans and borrowings are initially recorded at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method.

1.10 Retirement benefits

The Charity operated a defined contribution pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the Scheme.

1 Accounting policies (continued)

1.11 Government grants

Government grants include grants receivable from Homes England (HE), local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

2 Turnover and costs

	2022	*2021*
	£	£
Rent receivable		
Social housing	1,014,035	1,076,114
General housing	23,036	23,568
Void losses		
Social housing	(177,015)	(149,357)
Amortised government grants	400	400
Turnover from housing lettings	860,456	950,725
Income from other activities		
Coronavirus Job Retention Scheme grants	1,719	11,178
Sundry	532	7,200
Total	862,707	969,103
Operating costs from social housing activities:		
Management expenses	693,059	586,250
Property maintenance and refurbishment costs	90,076	70,854
Depreciation of housing properties	56,289	56,289
Other costs	225,011	199,209
Total	1,064,435	912,602
Net deficit from housing activities	(201,728)	56,501

3 (Deficit) / surplus on ordinary activities

	2022	*2021*
	£	*£*
This is stated after charging:		
Depreciation of housing properties	56,289	56,289
Depreciation of other tangible assets	35,438	33,654
Auditors' remuneration for audit	7,800	7,800
Auditors' remuneration for non-audit services	5,486	7,030

4 Staff costs and key management personnel

	2022	*2021*
	£	*£*
Wages and salaries	442,435	401,462
Social security costs	34,339	30,340
Other pension costs	15,619	9,595
	492,393	441,397

The average number of employees for the year based on monthly headcount is as follows:

	2022	*2021*
	Number	*Number*
Housekeeping	30	27
Administration	3	4
	33	31

The average number of employees for the year based on full time equivalent was 18 (2021: 17).

5 Board and key management personnel remuneration

None (2021: none) of the trustees were reimbursed for any expenses.

The total remuneration, including social security and pension costs, for key management personnel amounted to £123,386 (2021: £114,936).

The Chief Executive is a member of the company's defined contribution pension scheme. Contributions payable for the year were £9,011 (2021: £2,980).

5 Board and key management personnel remuneration (continued)

The number of employees whose total employee benefits including pension contributions earning over £60,000, classified within bands of £10,000 is as follows:

	2022	*2021*
£60,000–£69,999	1	1
£70,000–£79,999	1	-
	2	1

6 Taxation

The Society, having exempt charitable status, is not liable to taxation.

7 Tangible fixed assets

	Housing Properties	*Housing Properties under development*	*Fixtures, fittings and equipment*	*Total*
	£	£	£	£
Cost				
At 1 April 2021	3,620,747	12,687,703	406,186	16,714,636
Additions	-	1,856,928	17,449	1,874,377
Disposals	(510,000)	-	(50,840)	(560,840)
At 31 March 2022	3,110,747	14,544,631	372,795	18,028,173
Depreciation				
At 1 April 2021	632,337	-	188,222	820,559
Charge for the year	56,289	-	35,438	91,727
Depreciation eliminated on disposal	(68,559)	-	(17,714)	(86,273)
At 31 March 2022	620,067	-	205,946	826,013
Net book value				
At 31 March 2022	2,490,680	14,544,631	166,849	17,202,160
At 31 March 2021	2,988,410	12,687,703	217,964	15,894,077

7 Tangible fixed assets (continued)

Housing properties under development include the sites at Holdenhurst and Heathfield, which are being developed into new housing. An impairment review was carried out and no change to the carrying value was required.

8 Debtors: amounts falling due within one year

	2022	*2021*
	£	£
Rent and service charges receivable	4,859	11,866
Prepayments and accrued income	8,608	2,947
	13,467	14,813

9 Creditors: amounts falling due within one year

	2022	*2021*
	£	£
Government grants	115,322	11,068
Trade creditors	131,603	237,848
Rent and service charges received in advance	28,756	27,465
Accruals and deferred income	234,044	12,504
Bank loans	261,362	24,828
Other creditors	2,151	-
	773,238	313,713

10 Deferred grant income

	2022	*2021*
	£	£
At 1 April 2021	4,912,398	2,595,531
Grants received	331,375	2,317,267
Released to income in the year	(400)	(400)
At 31 March 2022	5,243,373	4,912,398

10 Deferred grant income (continued)

The movements on recycled capital grant is as follows:

	2022	*2021*
	£	*£*
At 1 April 2021	4,152,267	1,835,000
Grants received	331,375	2,317,267
At 31 March 2022	4,483,642	4,152,267

11 Creditors: amounts falling due after one year

	2022	*2021*
	£	*£*
Bank loans	4,705,876	3,794,662
Government grants	5,128,051	4,901,330
Other creditors	24,158	-
At 31 March 2022	9,858,085	8,695,992

Grants due in more than one year relate to housing properties under development. These include £4.48m of Recycled Capital Grant Funds and £749,063 grant income received from Homes England. See Note 14 in relation to the development.

The Charity holds two long term loans, with a maximum facility of £5m. At the year end £4,967,238 of this facility had been utilised.

12 Housing stock

	2022	*2021*
	£	*£*
The number of units in management at the end of the year were:		
General housing - social rent	3	3
Supported housing	55	62
	58	65

13 Capital commitments and post balance sheet events

At 31 March 2022 the charity had capital commitments as follows:

	2022	*2021*
	£	£
Contracted for but not provided for in the financial statements	-	999,187

On 26 July 2019, the charity's Board approved and signed a JCT Design and Build Contract with Castleoak Care Partnerships Limited for £11,764,547. The contract was subsequently passed to J. Cheesmur & Sons (Lewes) Limited. During the year the development continued, with all agreed work being completed by the year end, and included in the accounts.

Work on the new development has continued into the next financial year, in order to carry out rectifications on some of the earlier work completed. The Charity entered into a performance bond alongside the construction contract. An application has been submitted to realise a claim against the bond for these works. The current provisional claim totals £1,577,418. The outcome of this application is not yet confirmed.

14 Financial commitments

Social Housing Grant was received in prior years totalling £40,129 in connection with work on improving one of the houses. This would be repayable if the relevant property is sold.

Further Social Housing funding was received for work on the new development, totalling £4.48m. This would be repayable if the relevant property is sold.

There is a fixed and floating charge on the properties and all assets held by Abbeyfield South Downs Limited, in relation to a long term third party loan. The amount owed under this guarantee at 31 March 2022 amounted to £4,967,238 (2021: £3,753,129).

15 Endowment reserves

Current year	*Balance at 1 April 2021*	*Income*	*Expenditure*	*Transfers*	*Balance at 31 March 2022*
	£	£	£	£	£
Permanent endowment					
Angus Lodge endowment fund	243,505	-	-	(3,384)	240,121

Prior year	*Balance at 1 April 2020*	*Income*	*Expenditure*	*Transfers*	*Balance at 31 March 2021*
	£	£	£	£	£
Permanent endowment					
Angus Lodge endowment fund	246,889	-	-	(3,384)	243,505

The permanent endowment fund represents the funds of Angus Lodge Trust, a linked charity of the Abbeyfield South Downs Limited, that were applied in purchasing 28.2% of the freehold land and buildings at 3, 5 and 7 Cadogan Gardens Tunbridge Wells (Abbeyfield House). A transfer is made to income and expenditure reserve, in respect of depreciation on the property.

ABBEYFIELD SOUTH DOWNS LIMITED

DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	*2022* £	*2021* £	*2021* £
Turnover				
Social housing lettings		837,020		926,757
General needs rent		23,036		23,568
Amortised government grants		400		400
Coronavirus Job Retention Scheme grants		1,719		11,178
Sundry		532		7,200
		862,707		969,103
Administrative expenses - management				
House staff costs	363,204		316,887	
Staff training	2,373		2,609	
Food and other household costs	94,731		102,015	
Water rates	10,181		11,901	
Council tax	13,429		12,749	
Electricity	25,162		24,436	
Gas	44,670		20,292	
Insurance	24,407		9,605	
Cleaning	7,924		5,084	
Advertising	25,336		14,914	
Lifeline	26,614		15,777	
Telephone	18,768		15,334	
Television licence	822		993	
Depreciation of fixtures and fittings	35,438		33,654	
		(693,059)		(586,250)
Administrative expenses - other				
Administrative staff costs	153,152		138,190	
Printing, postage and stationery	23,803		8,955	
Travelling expenses	4,041		1,639	
Legal and professional fees	4,574		4,074	
Auditors' non-audit fees	5,486		7,030	
Audit fees	7,800		7,800	
Affiliation fees	16,162		17,804	
Bank charges and interest paid	157		100	
Bad debts	2,178		-	
Sundry expenses	7,658		13,617	
		(225,011)		(199,209)
Repairs and maintenance				
Routine maintenance	90,076		70,854	
Depreciation of housing properties	56,289		56,289	
		(146,365)		(127,143)
Interest receivable	73		773	
Gain on disposal of property	133,810		-	
Other income	1,150		-	
		135,033		773
(Deficit) / surplus for the year		(66,695)		57,274