

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

ABBNEYFIELD SOUTH DOWNS LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 MARCH 2023**

ABBNEYFIELD 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

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| 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) Mr J Timbs FCMl |
| Note: all Board members are also trustees of the charity | 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 |

ABBNEYFIELD 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.

ABBEYFIELD SOUTH DOWNS LIMITED

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

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.

ABBNEYFIELD SOUTH DOWNS LIMITED

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

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.

ABBNEYFIELD SOUTH DOWNS LIMITED

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

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.

ABBNEYFIELD SOUTH DOWNS LIMITED

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

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. |

ABBNEYFIELD SOUTH DOWNS LIMITED

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

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| | <p>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.</p> <p>Occupancy levels have been adopted as the primary KPI and as such are regularly reported to management and the Board.</p> <p>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.</p> |
| <p>Reputation</p> <p>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.</p> | <p>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.</p> <p>The Board has adopted a clear policy and process to safeguard all residents and staff.</p> <p>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.</p> <p>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.</p> |

ABBNEYFIELD SOUTH DOWNS LIMITED

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

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| <p>People</p> <p>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.</p> <p>The Board and management team must have an appropriate mix of skills to oversee existing operations and future plans.</p> | <p>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.</p> <p>The Charity is committed to being both a Living Wage and equal opportunities employer.</p> <p>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.</p> |
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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.

ABBNEYFIELD SOUTH DOWNS LIMITED

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

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.

ABBNEYFIELD SOUTH DOWNS LIMITED

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

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).

ABBEYFIELD SOUTH DOWNS LIMITED

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.

ABBNEYFIELD 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.

ABBEYFIELD SOUTH DOWNS LIMITED

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.

ABBEYFIELD SOUTH DOWNS LIMITED

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

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 might 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.

ABBEYFIELD SOUTH DOWNS LIMITED

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.

ABBNEYFIELD SOUTH DOWNS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBNEYFIELD 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.



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

Date: 28 September 2023

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

ABBNEYFIELD 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

ABBNEYFIELD SOUTH DOWNS LIMITED

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

| | <i>Income and expenditure reserve</i> | <i>Endowment reserve</i> | <i>Total</i> |
|--|---|------------------------------|--------------|
| | <i>£</i> | <i>£</i> | <i>£</i> |
| 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 |

ABBEEFIELD SOUTH DOWNS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

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

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

ABBNEYFIELD 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 provisions | 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 |

ABBNEYFIELD SOUTH DOWNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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.

ABBEYFIELD SOUTH DOWNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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.

ABBNEYFIELD SOUTH DOWNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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.

ABBNEYFIELD SOUTH DOWNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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) |

ABBNEYFIELD SOUTH DOWNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

| | | | |
|----------|---|-------------|-------------|
| 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).

ABBNEYFIELD SOUTH DOWNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 |
| | <u>1</u> | <u>2</u> |

6 Taxation

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

7 Tangible fixed assets

| | <i>Housing Properties</i> | <i>Housing Properties under development</i> | <i>Fixtures, fittings and equipment</i> | <i>Total</i> |
|-----------------------|-------------------------------|---|---|-------------------|
| | £ | £ | £ | £ |
| 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 | <u>16,880,546</u> | <u>-</u> | <u>406,558</u> | <u>17,287,104</u> |
| 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 | <u>885,556</u> | <u>-</u> | <u>239,356</u> | <u>1,124,912</u> |
| Net book value | | | | |
| At 31 March 2023 | <u>15,994,990</u> | <u>-</u> | <u>167,202</u> | <u>16,162,192</u> |
| At 31 March 2022 | <u>2,490,680</u> | <u>14,544,631</u> | <u>166,849</u> | <u>17,202,160</u> |

ABBAYFIELD SOUTH DOWNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 | - |
| | <u>14,368</u> | <u>13,467</u> |

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 |
| | <u>562,420</u> | <u>773,238</u> |

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 | <u>5,356,492</u> | <u>5,243,373</u> |

ABBNEYFIELD SOUTH DOWNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 |

ABBNEYFIELD SOUTH DOWNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

| <i>Current year</i> | <i>Balance at 1 April 2022</i> | <i>Income</i> | <i>Expenditure</i> | <i>Transfers</i> | <i>Balance at 31 March 2023</i> |
|----------------------------|------------------------------------|---------------|--------------------|------------------|-------------------------------------|
| | £ | £ | £ | £ | £ |
| Permanent endowment | | | | | |
| Angus Lodge endowment fund | 240,121 | - | - | (3,384) | 236,737 |
| <i>Prior year</i> | <i>Balance at 1 April 2021</i> | <i>Income</i> | <i>Expenditure</i> | <i>Transfers</i> | <i>Balance at 31 March 2022</i> |
| | £ | £ | £ | £ | £ |
| 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.

ABBNEYFIELD 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 |
| | | <u>1,546,330</u> | | <u>862,707</u> |
| 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 | |
| | | <u>(818,894)</u> | | <u>(693,059)</u> |
| 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 | |
| | | <u>(241,886)</u> | | <u>(225,011)</u> |
| Repairs and maintenance | | | | |
| Routine maintenance | 123,390 | | 90,076 | |
| Depreciation of housing properties | 265,489 | | 56,289 | |
| | | <u>(388,879)</u> | | <u>(146,365)</u> |
| 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 | | - | |
| | | <u>(147,011)</u> | | <u>135,033</u> |
| Deficit for the year | | <u>(50,340)</u> | | <u>(66,695)</u> |