

Elm Trees Retirement Living Limited

England & Wales · Charity number 220392

Details

Other names	ABBNEYFIELD SOLENT SOCIETY LIMITED, THE ABBNEYFIELD PORTSMOUTH SOCIETY LIMITED
Status	Registered
Legal form	Charitable company
Company number	00738023
Registered	1963-12-05
Register	View on the Charity Commission register

Contact

Address
Elm Trees Retirement Living
Jane Gillet House
50 St. Edwards Road
Southsea
Hampshire
PO5 3DJ

Phone 02392739322

Email info@elmtreesretirement.org

Website www.elmtreesretirement.org

Activities

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

Activities: PROVIDES SHELTERED ACCOMMODATION FOR THE ACTIVE ELDERLY. SUPPORTED TO LIVE INDEPENDENT LIVES AS MUCH AS POSSIBLE.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Accommodation/housing
- **Who:** Elderly/old People

Geography

- **Area of benefit:** PORTSMOUTH AND DISTRICT.
- Hampshire
- Portsmouth City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£453,465	£1,065,347	-	-
2024-12-31	£526,413	£519,878	£4,042,052	10
2023-12-31	£512,102	£565,772	£4,035,517	10
2022-12-31	£479,146	£502,427	-	-
2021-12-31	£447,549	£498,837	-	-
2020-12-31	£430,296	£516,415	-	-

Trustees

Name	Role	Appointed
Carole Rodwell		2021-12-08
James West		2019-11-13
Jeanann Giles		2017-01-11

Linked charities

- THE JANE GILLITT HOME (220392-1)

Accounts

REGISTERED COMPANY NUMBER: 00738023 (England and Wales)
REGISTERED CHARITY NUMBER: 220392

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
FOR
ELM TREES RETIREMENT LIVING LIMITED**

ELM TREES RETIREMENT LIVING LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2025**

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ELM TREES RETIREMENT LIVING LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2025

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2025. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objectives of the Charity are set out in the Mission Statement. These include the provision and management of properties, amenities and services which support independent living for those aged 55 and over.

The Charity shall have the power to do all things necessary, or expedient, for the fulfilment of its objectives.

The Executive Committee have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and Performance

Elm Trees Retirement Living (ETRL) continued to provide a high standard of service to its residents during the period despite ever increasing living costs.

Wages were increased in line with inflation and rents in line with the cost of living increase.

All staff training is current and maintained up to date. All Policies and Procedures were reviewed and updated as necessary. All Health and Safety issues have been addressed.

The Trustees regularly review the financial situation. Lloyds bank have remained very supportive during the year.

The occupancy levels have continued to fall, going below 70% for the latter part of the year. They were particularly low in Myfanwy House. It would appear that the style of living offered in Myfanwy is not as popular as that of the other houses. This led the Trustees to sponsor an advertising campaign with organisations who have responsibility for people who might be interested in this type of accommodation. The organisations included Hospitals, County Councils, GP Surgeries, Community Centres etc etc. This resulted in only minor increased interest. The situation did not improve throughout the remainder of 2025. A full report is available. This led the Trustees to consider selling Myfanwy House. Portsmouth City Council showed a strong interest, as the type of accommodation on offer closely matched their requirements for adult social care. The Trustees accepted an offer and proceeded to rehouse the residents, staff and equipment in their other properties in December. The bank agreed to cover the additional costs that are likely to be incurred as a result of these changes until the resulting funds of the sale become available. Revised cash flow charts have been prepared for the transition period and accepted by the bank.

ETRL continues to seek suitable persons to become Trustees/Directors.

Oversight by the Regulator for Social Housing has reduced during the year as a result of the improved financial position resulting from the sale of Redbridge in 2024; the subsequent reduction in the size of the loans and the strong financial management taken by the Trustees. Note this report is filed with the Regulator.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The trustees refer to public benefit throughout this report.

ELM TREES RETIREMENT LIVING LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL REVIEW

The Statement of Financial Activities reports net expenditure of £13,156 (2024: net income £6,535) of which £nil (2024: £nil) is restricted net expenditure. At the 31st December 2025 the total unrestricted reserves of the charity stood at £715,795 (2024: £2,307,355), endowment funds stood at £1,734,697 (2024: £1,734,697) and restricted funds of £nil (2024: £nil). Other losses includes an unrealised property loss of £1,578,404.

Future Plans

A Future Strategy/Action Plan has been in place for a number of years which is regularly reviewed by the Trustees. Note: The strategy is not an integral part of the Annual Report but provides confidence that the Trustees are actively managing the Charity going forward.

The Trustees have considerable confidence that the sale of Myfanwy House will occur soon as the negotiations with Portsmouth City Council and their solicitors are very well advanced. The proceeds will be utilised to repay the bank loans leaving approximately £500k of cash to reinvest in the existing properties. Expenditure will decrease as costs associated with Myfanwy House will no longer be incurred.

Elm Trees Future Strategy/Action Plan. Issue 7:

1. To review all financial information, identify cost savings/efficiencies; expenditure increases etc. This includes Cashflow, Executive Summary, Aged Payables (legacy contracts) and is provided for review and action at each Trustee Meeting.
2. Continue efforts to maintain occupancy levels.
3. Produce a budget and cashflow models/plans covering 1 year.
4. Maintain liaison with Lloyds Bank and provide regular updates to the cashflow forecasts.
5. Identify options for improving funding.
6. Review the implications of selling more properties. eg Myfanwy House.

House Valuations

- a. Jane Gillitt House - £1.2M
- b. Abbeywest House - £750k
- c. Myfanwy House - £1.275M

Risk Management Committee

The Executive Committees has conducted its own review of the major risks to which the society is exposed and systems have been established to mitigate those risks. Internal risks are minimized by the implementation of procedures for authorisation of all transactions. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Elms Trees Retirement Living Limited is a company limited by guarantee, having no share capital, governed by its Memorandum and Articles of Association. The company was incorporated on 17 October 1962. It registered as a charity on 5 December 1963 with the Charity commission. It also registered with the Regulator of Social Housing. In the vent of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new committee members

A nomination for election as an ordinary member of the Executive Committee may be put forward:

- a) by the Executive Committee
- b) if accompanied by a signed statement from the nominee that he/she is willing to act as such, by at least two members of the society who are entitled to vote.

The Executive Committee, which can have between three and eighteen member, administers the Charity. The committee have appointed a General Manager the day to operations of the Charity under the supervision of the Executive Committee. The Committee have delegated authority of operational matters to the administration staff.

ELM TREES RETIREMENT LIVING LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

New committee members undergo an orientation period to brief them on the legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making and processes and the recent financial performance of the charity. During the induction period they meet key employees and other committee members. Committee members are encouraged to attend appropriate external training events where these facilitate the undertaking of the role.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00738023 (England and Wales)

Registered Charity number

220392

Registered office

ELM Jane Gillet House
50 St. Edwards Road
Southsea
Portsmouth
Hampshire
PO5 3DJ

Trustees

C Rodwell
J West
Mrs J Giles
E Burns (resigned 8.7.2025)

Auditors

MC Audit Limited
Statutory Auditors
Lake House
2 Port Way
Port Solent
Portsmouth
Hampshire
PO6 4TY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Elm Trees Retirement Living Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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 business.

ELM TREES RETIREMENT LIVING LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2025**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

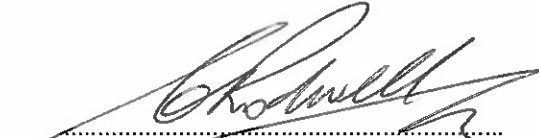
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, MC Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 15th May 2026 and signed on its behalf by:


.....
C Rodwell - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ELM TREES RETIREMENT LIVING LIMITED

Opinion

We have audited the financial statements of Elm Trees Retirement Living Limited (the 'charitable company') for the year ended 31 December 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (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 December 2025 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.

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 Auditors' 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

We draw attention to note 24 of the financial statements, which indicates that the charity incurred a deficit of £1,591,560 during the year ended 31 December 2025, and at that date, the charity's current liabilities exceeded its current assets by £138,693. As stated in note 24 and the future plans section of the trustees report, the situation, along with other matters set fourth in note 24 indicate that uncertainty exists that may cast doubt on the charity's ability to continue as a going concern if the sale of Myfanwy House does not complete.

Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded the Executive Committees' use of the going concern basis of accounting in the preparation of the financial statements as appropriate.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 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 Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ELM TREES RETIREMENT LIVING LIMITED

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 Trustees.

We have nothing to report in respect of the following matters where 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company 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 trustees 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 trustees are 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ELM TREES RETIREMENT LIVING LIMITED

Our 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 a Report of the Independent Auditors 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 above, 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:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were incomer recognition in respect of cut off issues concerning ticket sales and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

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 Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ELM TREES RETIREMENT LIVING 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. 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 auditors' 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.



P Underwood (Senior Statutory Auditor)
for and on behalf of MC Audit Limited
Statutory Auditors
Lake House
2 Port Way
Port Solent
Portsmouth
Hampshire
PO6 4TY

Date: 19 May 2026

ELM TREES RETIREMENT LIVING LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Notes	Unrestricted funds £	Endowment funds £	2025 Total funds £	2024 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	500	-	500	-
Charitable activities	5				
Sheltered accomodation for the active elderly		452,777	-	452,777	526,173
Investment income	4	188	-	188	240
Total		<u>453,465</u>	<u>-</u>	<u>453,465</u>	<u>526,413</u>
EXPENDITURE ON					
Raising funds	6	-	-	-	151
Charitable activities	7				
Sheltered accomodation for the active elderly		466,621	-	466,621	519,727
Total		<u>466,621</u>	<u>-</u>	<u>466,621</u>	<u>519,878</u>
NET INCOME/(EXPENDITURE)		(13,156)	-	(13,156)	6,535
Other recognised gains/(losses)					
Gains/(losses) on revaluation of fixed assets		(1,578,404)	-	(1,578,404)	-
Net movement in funds		<u>(1,591,560)</u>	<u>-</u>	<u>(1,591,560)</u>	<u>6,535</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		2,307,355	1,734,697	4,042,052	4,035,517
TOTAL FUNDS CARRIED FORWARD		<u><u>715,795</u></u>	<u><u>1,734,697</u></u>	<u><u>2,450,492</u></u>	<u><u>4,042,052</u></u>

The notes form part of these financial statements

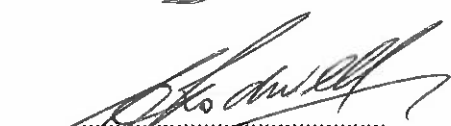
ELM TREES RETIREMENT LIVING LIMITED

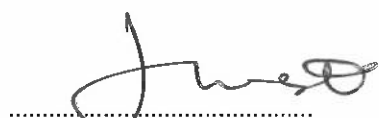
BALANCE SHEET 31 DECEMBER 2025

	Notes	2025 £	2024 £
FIXED ASSETS			
Tangible assets	13	3,232,183	4,813,584
CURRENT ASSETS			
Debtors	14	980	5,917
Cash at bank		5,550	37,799
		<u>6,530</u>	<u>43,716</u>
CREDITORS			
Amounts falling due within one year	15	(145,223)	(131,724)
NET CURRENT ASSETS		<u>(138,693)</u>	<u>(88,008)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,093,490	4,725,576
CREDITORS			
Amounts falling due after more than one year	16	(642,998)	(683,524)
NET ASSETS		<u>2,450,492</u>	<u>4,042,052</u>
FUNDS	20		
Unrestricted funds		715,795	2,307,355
Endowment funds		<u>1,734,697</u>	<u>1,734,697</u>
TOTAL FUNDS		<u>2,450,492</u>	<u>4,042,052</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 15 May 2026 and were signed on its behalf by:


C Rodwell - Trustee


J West - Trustee

The notes form part of these financial statements

ELM TREES RETIREMENT LIVING LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025**

Notes	2025 £	2024 £
Cash flows from operating activities		
Cash generated from operations 1	35,198	74,583
Interest paid	(27,276)	(80,664)
Net cash provided by/(used in) operating activities	7,922	(6,081)
Cash flows from investing activities		
Sale of tangible fixed assets	-	711,000
Interest received	188	240
Net cash provided by investing activities	188	711,240
Cash flows from financing activities		
Loan repayments in year	(40,359)	(682,812)
Net cash used in financing activities	(40,359)	(682,812)
Change in cash and cash equivalents in the reporting period	(32,249)	22,347
Cash and cash equivalents at the beginning of the reporting period	37,799	15,452
Cash and cash equivalents at the end of the reporting period	5,550	37,799

The notes form part of these financial statements

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025**

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £	2024 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(13,156)	6,535
Adjustments for:		
Depreciation charges	2,996	2,998
Loss on disposal of fixed assets	-	151
Interest received	(188)	(240)
Interest paid	27,276	80,664
Decrease/(increase) in debtors	4,937	(4,442)
Increase/(decrease) in creditors	13,333	(11,083)
Net cash provided by operations	<u>35,198</u>	<u>74,583</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.25 £	Cash flow £	At 31.12.25 £
Net cash			
Cash at bank	37,799	(32,249)	5,550
	<u>37,799</u>	<u>(32,249)</u>	<u>5,550</u>
Debt			
Debts falling due within 1 year	(83,328)	(166)	(83,494)
Debts falling due after 1 year	(683,524)	40,526	(642,998)
	<u>(766,852)</u>	<u>40,360</u>	<u>(726,492)</u>
Total	<u>(729,053)</u>	<u>8,111</u>	<u>(720,942)</u>

The notes form part of these financial statements

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. ACCOUNTING POLICIES

Charity information

Elm Trees Retirement Living Limited is a company limited by guarantee, registered in England and Wales. It is also a registered Charity and registered with the Regulator of Social Housing. The Society's registration numbers and registered office can be found in the Legal and Administration section of these financial statements.

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019), the Statement of Recommended Practice: Accounting by Registered Social Landlords 2010 and with the Accounting Requirements for Registered Social Landlords General Determination 2015.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under historical cost convention, modified to include the revaluation of freehold properties.

The principle accounting policies adopted are set out below.

Income

Income from charitable activities represents rental income and is recognised on a receivable basis.

Voluntary income including donations and legacies that are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income is recognised on a receivable basis.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on charitable activities includes the cost of running the charity's properties and their associated support costs.

Other expenditure represents those items falling in the above category.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance and governance costs.

Tangible fixed assets

The charity's freehold property is revalued in line with the requirements of FRS102.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2025

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Freehold property	No depreciation
Fixtures and fittings	10% on cost depending on the assets expected life

Individual fixed assets costing £500 or more are capitalised at cost.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Freehold property - the charity has a policy of upgrading its properties to a standard that would increase the properties residual value, so that a depreciation charge is inappropriate.

Social Housing Grants - where developments have been financed wholly by housing association grants, the cost of these developments has been reduced by the grant received. Whilst SHG has been treated as a grant it is repayable under certain circumstances, primarily following the sale of a property.

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Cash and cash equivalents

Cash and cash equivalents includes cash and short term liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar accounts.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The Permanent Endowment Fund is restricted and represents the property known as Jane Gillitt in Southsea which is occupied by the charity. The charity is entitled to the income but the property is owned by The Jane Gillitt Home Trust, a uniting direction dated 23 March 2005 is in place.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2025

1. ACCOUNTING POLICIES - continued

Financial instruments

Financial instruments are recognised in the charity's balance sheet when the charity becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a new basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, the Executive Committee are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, where the revision affects only that period, or in the period of the revision and future periods, where the revision affects both current and future periods.

3. DONATIONS AND LEGACIES

	2025	2024
	£	£
Donations	500	-
	<u> </u>	<u> </u>

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025**

4. INVESTMENT INCOME

	2025 £	2024 £
Deposit account interest	188	240

All investment income is derived from assets held in the United Kingdom.

5. INCOME FROM CHARITABLE ACTIVITIES

	2025 £	2024 £
Charitable rental income	452,777	526,173

6. RAISING FUNDS

Other trading activities

	2025 £	2024 £
Loss on sale of assets	-	151

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Sheltered accommodation for the active elderly	432,868	33,753	466,621

8. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Sheltered accommodation for the active elderly	27,601	6,152	33,753

Support costs, included in the above, are as follows:

Finance

	2025 Sheltered accommodation for the active elderly £	2024 Total activities £
Bank charges	325	737
Bank loan interest	27,276	80,664
	27,601	81,401

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025**

8. SUPPORT COSTS - continued
Governance costs

	2025 Sheltered accommodation for the active elderly £	2024 Total activities £
Auditors remuneration	3,784	4,426
Auditors' remuneration for non audit work	1,500	1,450
Legal fees	868	10,555
	<u>6,152</u>	<u>16,431</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2025 £	2024 £
Auditors remuneration	3,784	4,426
Auditors' remuneration for non audit work	1,500	1,450
Depreciation - owned assets	2,997	2,998
Deficit on disposal of fixed assets	-	151
	<u> </u>	<u> </u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2025 nor for the year ended 31 December 2024.

Trustees' expenses

Expenses were reimbursed to a committee member of £402 for mileage. (2024: £399).

11. STAFF COSTS

	2025 £	2024 £
Wages and salaries	199,110	190,461
Social security costs	14,640	10,691
Other pension costs	2,280	3,796
	<u>216,030</u>	<u>204,948</u>

The average monthly number of employees during the year was as follows:

	2025	2024
Staff	<u>10</u>	<u>10</u>

The total remuneration and benefits of the key management personnel of the charity, which consists of the trustees and the Group Manager was £64,171 (2024: £63,828).

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Endowment funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Sheltered accommodation for the active elderly	526,173	-	526,173
Investment income	240	-	240
Total	526,413	-	526,413
EXPENDITURE ON			
Raising funds	151	-	151
Charitable activities			
Sheltered accommodation for the active elderly	519,727	-	519,727
Total	519,878	-	519,878
NET INCOME	6,535	-	6,535
RECONCILIATION OF FUNDS			
Total funds brought forward	2,300,820	1,734,697	4,035,517
TOTAL FUNDS CARRIED FORWARD	2,307,355	1,734,697	4,042,052

13. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Totals £
COST OR VALUATION			
At 1 January 2025	4,803,404	57,337	4,860,741
Revaluations	21,640	-	21,640
Impairments	(1,600,044)	-	(1,600,044)
At 31 December 2025	3,225,000	57,337	3,282,337
DEPRECIATION			
At 1 January 2025	-	47,157	47,157
Charge for year	-	2,997	2,997
At 31 December 2025	-	50,154	50,154
NET BOOK VALUE			
At 31 December 2025	3,225,000	7,183	3,232,183
At 31 December 2024	4,803,404	10,180	4,813,584

Cost or valuation at 31 December 2025 is represented by:

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025**

13. TANGIBLE FIXED ASSETS - continued

	Freehold property
Valuation in 2018	5,612,317
Valuation and impairment in 2023	(97,913)
Disposals in 2024	(711,000)
Valuation and impairment in 2025	1,578,404
	<u>3,225,000</u>

The Jane Gillet House and Abbey West House properties were revalued during January 2025 by independent valuers Fox and Sons on a market value basis. The Executive Committee have carried out a review of this earlier valuation and have now updated the valuations within these financial statements to reflect what they believe to be are current market values of the properties within their portfolio.

The Myfanwy House has been revalued to the offered sales price shortly after year end. The sales price of the property is deemed to be the most reliable fair value at year end.

The historical cost of the properties if they were not revalued is £295,015.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade debtors	980	5,362
Prepayments	-	555
	<u>980</u>	<u>5,917</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Bank loans and overdrafts (see note 17)	83,494	83,328
Trade creditors	1,100	7,497
Social security and other taxes	4,175	5,020
Other creditors	19,800	-
Accruals and deferred income	36,654	35,879
	<u>145,223</u>	<u>131,724</u>

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025**

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2025 £	2024 £
Bank loans (see note 17)	642,998	683,524

17. LOANS

An analysis of the maturity of loans is given below:

	2025 £	2024 £
Amounts falling due within one year:		
Bank loans	83,333	83,328
Amounts falling due between one and two years:		
Bank loans - 1-2 years	83,333	83,307
Amounts falling due between two and five years:		
Bank loans - 2-5 years	250,000	249,984
Amounts falling due after five years:		
Repayable by instalments:		
Bank loans more than 5 years by instalments	309,825	350,233

The balances above represent two separate loans all of which are repayable by monthly instalments and which are charged at a fixed and variable rate of interest.

Secured debts

The bank loans are secured against the Charity's three properties (2024: Three properties).

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2025 £	2024 £
Within one year	4,402	4,402
Between one and five years	2,934	7,336
	7,336	11,738

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Endowment funds £	2025 Total funds £	2024 Total funds £
Fixed assets	1,497,486	1,734,697	3,232,183	4,813,584
Current assets	6,530	-	6,530	43,716
Current liabilities	(145,223)	-	(145,223)	(131,724)
Long term liabilities	(642,998)	-	(642,998)	(683,524)
	<u>715,795</u>	<u>1,734,697</u>	<u>2,450,492</u>	<u>4,042,052</u>

20. MOVEMENT IN FUNDS

	At 1.1.25 £	Net movement in funds £	At 31.12.25 £
Unrestricted funds			
General fund	1,164,620	(1,591,560)	(426,940)
Revaluation reserve	1,142,735	-	1,142,735
	<u>2,307,355</u>	<u>(1,591,560)</u>	<u>715,795</u>
Endowment funds			
Property equity fund	124,217	-	124,217
Revaluation reserve	1,610,480	-	1,610,480
	<u>1,734,697</u>	<u>-</u>	<u>1,734,697</u>
TOTAL FUNDS	<u>4,042,052</u>	<u>(1,591,560)</u>	<u>2,450,492</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	453,465	(466,621)	(1,578,404)	(1,591,560)
	<u>453,465</u>	<u>(466,621)</u>	<u>(1,578,404)</u>	<u>(1,591,560)</u>
TOTAL FUNDS	<u>453,465</u>	<u>(466,621)</u>	<u>(1,578,404)</u>	<u>(1,591,560)</u>

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2025

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.24 £	Net movement in funds £	At 31.12.24 £
Unrestricted funds			
General fund	1,158,085	6,535	1,164,620
Revaluation reserve	1,142,735	-	1,142,735
	<u>2,300,820</u>	<u>6,535</u>	<u>2,307,355</u>
Endowment funds			
Property equity fund	124,217	-	124,217
Revaluation reserve	1,610,480	-	1,610,480
	<u>1,734,697</u>	<u>-</u>	<u>1,734,697</u>
TOTAL FUNDS	<u>4,035,517</u>	<u>6,535</u>	<u>4,042,052</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	526,413	(519,878)	6,535
	<u>526,413</u>	<u>(519,878)</u>	<u>6,535</u>
TOTAL FUNDS	<u>526,413</u>	<u>(519,878)</u>	<u>6,535</u>

Revaluation reserve

The revaluation reserve is required by the Companies Act 2006 and represents the amount by which the Charity's properties exceed their historical cost.

21. CAPITAL COMMITMENTS

At 31 December 2025 the charity had no capital commitments (2024: Nil).

22. RELATED PARTY TRANSACTIONS

During the year, Carole Rodwell, one of the trustees lent the charity £19,800 (2024: £Nil).

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025**

23. ULTIMATE CONTROLLING PARTY

The charitable company is not under the control of another entity or any one individual.

24. GOING CONCERN

As discussed within the future plans section of the Report of the Trustees, the Trustees have been assessing the future financial viability of the Charity given the deficit in the year of £1,592k (2024: of surplus of £6,5k) and net working capital deficit of £138,693 (2024: £88,008) at 31 December 2025.

The negative net assets position suggest that the charity can not meet their working capital requirements. However, the management team have produced budgets that support the that the charity can meet their working capital requirements. This indicates the charity can continue to operate for a further 12 months from the approval of these accounts and therefore the accounts have been prepared on a going concern basis.

The going concern is further strengthened by the pending sale of the Myfanwy House. The proceeds will be used to settle outstanding loan obligations with the bank which will improve the net current asset position and cash flow. The cost of utilities associated with the Myfanwy House will no longer be incurred, further improving the profitability of the charity's operations.

Accounts

REGISTERED COMPANY NUMBER: 00738023 (England and Wales)
REGISTERED CHARITY NUMBER: 220392

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
FOR
ELM TREES RETIREMENT LIVING LIMITED**

ELM TREES RETIREMENT LIVING LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2024**

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ELM TREES RETIREMENT LIVING LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objectives of the Charity are set out in the Mission Statement. These include the provision and management of properties, amenities and services which support independent living for those aged 55 and over.

The Charity shall have the power to do all things necessary, or expedient, for the fulfilment of its objectives.

The Executive Committee have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and Performance

Elm Trees Retirement Living (ETRL) continued to provide a high standard of service to its residents during the period despite ever increasing living costs.

Wages were increased in line with inflation and rents in line with the cost of living increase.

All staff training is current and maintained up to date. All Policies and Procedures were reviewed and updated as necessary. All Health and Safety issues have been addressed.

The Trustees regularly review the financial situation. Lloyds bank remained very supportive during the year, continuing with the loan 'holidays'.

After many months of uncertainty, the sale of the Redbridge property was completed in September. A complication was uncovered during the process, in that a grant from Homes England was found to be extant on the property which was not registered in any of the extant Elm Trees records. An agreement was reached with the buyer, Portsmouth City Council, to take on the grant (with the consent of Homes England) since PCC is a Registered Provider of Social Housing.

After considerable discussion, including with Lloyds bank, it was agreed on how to use the proceeds of the sale to reduce the fixed and variable rate loans which have existed for many years. The overdraft facility is no longer required; a small contingency fund has been established. Initial indications are that the changes were well chosen and ETRL is now in a much better financial position. It also has an improved overall position, with regards to being a Going Concern.

The occupancy levels had improved to approximately 90% in the previous year. This healthy position continued into 2024 but had fallen to 77% by the end of the year due to natural wastage. Renewed advertising efforts have been made successfully and an upturn in recruitment is anticipated.

ETRL continues to seek suitable persons to become Trustees/Directors.

Oversight by the Regulator for Social Housing has continued but is reducing as a result of the improved financial position; this report is filed with them.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The trustees refer to public benefit throughout this report.

ELM TREES RETIREMENT LIVING LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL REVIEW

The Statement of Financial Activities reports net income of £29,138 (2023: net expenditure £53,670) of which £nil (2023: £nil) is restricted net expenditure. At the 31st December 2024 the total unrestricted reserves of the charity stood at £2,329,958 (2023: £2,300,820), endowment funds stood at £1,734,697 (2023: £1,734,697) and restricted funds of £nil (2023: £nil).

Future Plans

A Future Strategy/Action Plan has been in place for a number of years which is regularly reviewed by the Trustees, it is currently at Issue 7. Note: The strategy is not an integral part of the Annual Report but provides confidence that the Trustees are actively managing the Charity going forward.

Elm Trees Future Strategy/Action Plan. Issue 7:

1. To review all financial information, identify cost savings/efficiencies; expenditure increases etc.
2. Continue efforts to maintain occupancy levels.
3. Produce a budget and cashflow models plans for future action.
4. Maintain liaison with Lloyds and provide regular updates to the cashflow forecasts.
5. Identify options for improving funding.
6. Consider the implications of selling more properties.

Risk Management Committee

The Executive Committees has conducted its own review of the major risks to which the society is exposed and systems have been established to mitigate those risks. Internal risks are minimized by the implementation of procedures for authorisation of all transactions. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Elms Trees Retirement Living Limited is a company limited by guarantee, having no share capital, governed by its Memorandum and Articles of Association. The company was incorporated on 17 October 1962. It registered as a charity on 5 December 1963 with the Charity commission. It also registered with the Regulator of Social Housing. In the vent of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new committee members

A nomination for election as an ordinary member of the Executive Committee may be put forward:

- a) by the Executive Committee
- b) if accompanied by a signed statement from the nominee that he/she is willing to act as such, by at least two members of the society who are entitled to vote.

The Executive Committee, which can have between three and eighteen members, administers the Charity. The committee have appointed a General Manager the day to operations of the Charity under the supervision of the Executive Committee. The Committee have delegated authority of operational matters to the administration staff.

Induction and training of new trustees

New committee members undergo an orientation period to brief them on the legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making and processes and the recent financial performance of the charity. During the induction period they meet key employees and other committee members. Committee members are encouraged to attend appropriate external training events where these facilitate the undertaking of the role.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00738023 (England and Wales)

Registered Charity number

220392

ELM TREES RETIREMENT LIVING LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

Registered office

ELM Jane Gillet House
50 St. Edwards Road
Southsea
Portsmouth
Hampshire
PO5 3DJ

Trustees

C Rodwell
Mrs S E Love (resigned 12.4.2024)
J West
Mrs J Giles
E Burns

Chief Executive

Auditors

MC Audit Limited
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Elm Trees Retirement Living Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and 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 business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, MC Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ELM TREES RETIREMENT LIVING LIMITED

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2024

Approved by order of the board of trustees on 16 May 2025 and signed on its behalf by:


C Rodwell - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ELM TREES RETIREMENT LIVING LIMITED

Opinion

We have audited the financial statements of Elm Trees Retirement Living Limited (the 'charitable company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (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 December 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.

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 Auditors' 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 charitable company'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 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 Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ELM TREES RETIREMENT LIVING LIMITED

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 Trustees.

We have nothing to report in respect of the following matters where 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company 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 trustees 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 trustees are 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ELM TREES RETIREMENT LIVING LIMITED

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk.

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 Report of the Independent Auditors.

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. 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 auditors' 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.



P Underwood (Senior Statutory Auditor)
for and on behalf of MC Audit Limited
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 22 May 2025

ELM TREES RETIREMENT LIVING LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	Unrestricted funds £	Endowment funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	-	-	-	50
Charitable activities	5				
Sheltered accommodation for the active elderly		526,173	-	526,173	511,998
Investment income	4	240	-	240	54
Total		<u>526,413</u>	<u>-</u>	<u>526,413</u>	<u>512,102</u>
EXPENDITURE ON					
Raising funds	6	151	-	151	71,016
Charitable activities	7				
Sheltered accommodation for the active elderly		519,727	-	519,727	494,756
Total		<u>519,878</u>	<u>-</u>	<u>519,878</u>	<u>565,772</u>
NET INCOME/(EXPENDITURE)		6,535	-	6,535	(53,670)
RECONCILIATION OF FUNDS					
Total funds brought forward		2,300,820	1,734,697	4,035,517	4,089,187
TOTAL FUNDS CARRIED FORWARD		<u><u>2,307,355</u></u>	<u><u>1,734,697</u></u>	<u><u>4,042,052</u></u>	<u><u>4,035,517</u></u>

The notes form part of these financial statements

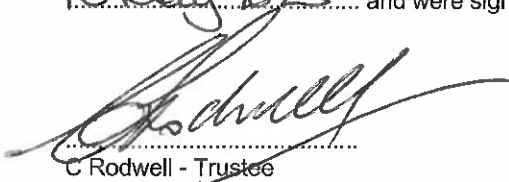
ELM TREES RETIREMENT LIVING LIMITED

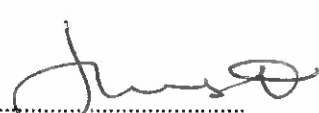
BALANCE SHEET 31 DECEMBER 2024

	Notes	2024 £	2023 £
FIXED ASSETS			
Tangible assets	13	4,813,584	5,527,732
CURRENT ASSETS			
Debtors	14	5,917	1,475
Cash at bank		37,799	21,437
		<u>43,716</u>	<u>22,912</u>
CREDITORS			
Amounts falling due within one year	15	(131,724)	(225,176)
NET CURRENT ASSETS		<u>(88,008)</u>	<u>(202,264)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,725,576	5,325,468
CREDITORS			
Amounts falling due after more than one year	16	(683,524)	(1,289,951)
NET ASSETS		<u>4,042,052</u>	<u>4,035,517</u>
FUNDS	20		
Unrestricted funds		2,307,355	2,300,820
Endowment funds		1,734,697	1,734,697
TOTAL FUNDS		<u>4,042,052</u>	<u>4,035,517</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 16 May 2025 and were signed on its behalf by:


C Rodwell - Trustee


J West - Trustee

The notes form part of these financial statements

ELM TREES RETIREMENT LIVING LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	74,583	121,326
Interest paid		(80,664)	(88,497)
Net cash (used in)/provided by operating activities		<u>(6,081)</u>	<u>32,829</u>
Cash flows from investing activities			
Sale of tangible fixed assets		711,000	-
Interest received		240	54
Net cash provided by investing activities		<u>711,240</u>	<u>54</u>
Cash flows from financing activities			
Loan repayments in year		(682,812)	-
Net cash (used in)/provided by financing activities		<u>(682,812)</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		<u>22,347</u>	<u>32,883</u>
Cash and cash equivalents at the beginning of the reporting period	2	<u>15,452</u>	<u>(17,431)</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>37,799</u></u>	<u><u>15,452</u></u>

The notes form part of these financial statements

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	6,535	(53,670)
Adjustments for:		
Depreciation charges	2,998	3,905
Loss on disposal of fixed assets	151	-
Interest received	(240)	(54)
Interest paid	80,664	88,497
Devaluation of property	-	26,897
Impairment of property	-	71,016
Increase in debtors	(4,442)	(44)
Decrease in creditors	(11,083)	(15,221)
Net cash provided by operations	<u>74,583</u>	<u>121,326</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024 £	2023 £
Notice deposits (less than 3 months)	37,799	21,437
Overdrafts included in bank loans and overdrafts falling due within one year	-	(5,985)
Total cash and cash equivalents	<u>37,799</u>	<u>15,452</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.24 £	Cash flow £	At 31.12.24 £
Net cash			
Cash at bank	21,437	16,362	37,799
Bank overdraft	(5,985)	5,985	-
	<u>15,452</u>	<u>22,347</u>	<u>37,799</u>
Debt			
Debts falling due within 1 year	(225,176)	141,848	(83,328)
Debts falling due after 1 year	(1,289,951)	606,427	(683,524)
	<u>(1,515,127)</u>	<u>748,275</u>	<u>(766,852)</u>
Total	<u>(1,499,675)</u>	<u>770,622</u>	<u>(729,053)</u>

The notes form part of these financial statements

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. ACCOUNTING POLICIES

Charity information

Elm Trees Retirement Living Limited is a company limited by guarantee, registered in England and Wales. It is also a registered Charity and registered with the Regulator of Social Housing. The Society's registration numbers and registered office can be found in the Legal and Administration section of these financial statements.

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019), the Statement of Recommended Practice: Accounting by Registered Social Landlords 2010 and with the Accounting Requirements for Registered Social Landlords General Determination 2015.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under historical cost convention, modified to include the revaluation of freehold properties.

The principle accounting policies adopted are set out below.

Income

Income from charitable activities represents rental income and is recognised on a receivable basis.

Voluntary income including donations and legacies that are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income is recognised on a receivable basis.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on charitable activities includes the cost of running the charity's properties and their associated support costs.

Other expenditure represents those items falling in the above category.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance and governance costs.

Tangible fixed assets

The charity's freehold property is revalued in line with the requirements of FRS102.

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2024

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	No depreciation
Fixtures and fittings	10-33% on cost depending on the assets expected life

Individual fixed assets costing £500 or more are capitalised at cost.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Freehold property - the charity has a policy of upgrading its properties to a standard that would increase the properties residual value, so that a depreciation charge is inappropriate.

Social Housing Grants - where developments have been financed wholly by housing association grants, the cost of these developments has been reduced by the grant received. Whilst SHG has been treated as a grant it is repayable under certain circumstances, primarily following the sale of a property.

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Cash and cash equivalents

Cash and cash equivalents includes cash and short term liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar accounts.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The Permanent Endowment Fund is restricted and represents the property known as Jane Gillitt in Southsea which is occupied by the charity. The charity is entitled to the income but the property is owned by The Jane Gillitt Home Trust, a uniting direction dated 23 March 2005 is in place.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

1. ACCOUNTING POLICIES - continued

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a new basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, the Executive Committee are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, where the revision affects only that period, or in the period of the revision and future periods, where the revision affects both current and future periods.

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

3. DONATIONS AND LEGACIES

	2024 £	2023 £
Donations	-	50
	<u>-</u>	<u>50</u>

4. INVESTMENT INCOME

	2024 £	2023 £
Deposit account interest	240	54
	<u>240</u>	<u>54</u>

All investment income is derived from assets held in the United Kingdom.

5. INCOME FROM CHARITABLE ACTIVITIES

	2024 £	2023 £
Charitable rental income	526,173	511,998
	<u>526,173</u>	<u>511,998</u>

6. RAISING FUNDS

Other trading activities

	2024 £	2023 £
Loss on sale of assets	151	-
Impairment losses	-	71,016
	<u>151</u>	<u>71,016</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Sheltered accommodation for the active elderly	421,895	97,832	519,727
	<u>421,895</u>	<u>97,832</u>	<u>519,727</u>

8. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Sheltered accommodation for the active elderly	81,401	16,431	97,832
	<u>81,401</u>	<u>16,431</u>	<u>97,832</u>

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

8. SUPPORT COSTS - continued

Support costs, included in the above, are as follows:

Finance

	2024 Sheltered accommodation for the active elderly £	2023 Total activities £
Bank charges	737	1,129
Bank loan interest	80,664	88,497
	<u>81,401</u>	<u>89,626</u>

Governance costs

	2024 Sheltered accommodation for the active elderly £	2023 Total activities £
Auditors remuneration	5,876	6,240
Legal fees	10,555	683
	<u>16,431</u>	<u>6,923</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2024 £	2023 £
Auditors remuneration	5,876	6,240
Depreciation - owned assets	2,998	3,905
Deficit on disposal of fixed assets	151	-
	<u>8,925</u>	<u>10,145</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2024 nor for the year ended 31 December 2023.

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

10. TRUSTEES' REMUNERATION AND BENEFITS - continued

Trustees' expenses

Expenses were reimbursed to a committee member of £399 for mileage. (2023: £1,031).

11. STAFF COSTS

	2024 £	2023 £
Wages and salaries	190,461	185,804
Social security costs	10,691	8,482
Other pension costs	3,796	3,091
	<u>204,948</u>	<u>197,377</u>

The average monthly number of employees during the year was as follows:

	2024	2023
Staff	<u>10</u>	<u>12</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024	2023
£60,001 - £70,000	<u>1</u>	<u>-</u>

The total remuneration and benefits of the key management personnel of the charity, which consists of the trustees and the Group Manager was £63,828 (2023: £55,514).

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Endowment funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	50	-	50
Charitable activities			
Sheltered accomodation for the active elderly	511,998	-	511,998
Investment income	54	-	54
Total	<u>512,102</u>	<u>-</u>	<u>512,102</u>
EXPENDITURE ON			
Raising funds	71,016	-	71,016
Charitable activities			
Sheltered accomodation for the active elderly	494,756	-	494,756
Total	<u>565,772</u>	<u>-</u>	<u>565,772</u>
NET INCOME/(EXPENDITURE)	(53,670)	-	(53,670)

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Endowment funds £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	2,354,490	1,734,697	4,089,187
TOTAL FUNDS CARRIED FORWARD	<u>2,300,820</u>	<u>1,734,697</u>	<u>4,035,517</u>

13. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Totals £
COST OR VALUATION			
At 1 January 2024	5,514,404	116,124	5,630,528
Disposals	(711,000)	(58,787)	(769,787)
At 31 December 2024	<u>4,803,404</u>	<u>57,337</u>	<u>4,860,741</u>
DEPRECIATION			
At 1 January 2024	-	102,796	102,796
Charge for year	-	2,998	2,998
Eliminated on disposal	-	(58,637)	(58,637)
At 31 December 2024	<u>-</u>	<u>47,157</u>	<u>47,157</u>
NET BOOK VALUE			
At 31 December 2024	<u>4,803,404</u>	<u>10,180</u>	<u>4,813,584</u>
At 31 December 2023	<u>5,514,404</u>	<u>13,328</u>	<u>5,527,732</u>

Cost or valuation at 31 December 2024 is represented by:

	Freehold property
Valuation in 2018	5,612,317
Valuation and impairment in 2023	(97,913)
Disposals in 2024	(711,000)
	<u>4,803,404</u>

The properties were revalued during January 2018 by independent valuers Sallies on a market value basis. The Executive Committee have carried out a review of this earlier valuation and have now updated the valuations within these financial statements to reflect what they believe to be are current market values of the properties within their portfolio. The historical cost of the properties if they were not revalued is £295,015.

In the 2024 year, the Redbridge Property was sold for proceeds of £711,000.

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade debtors	5,362	1,475
Prepayments	555	-
	<u>5,917</u>	<u>1,475</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Bank loans and overdrafts (see note 17)	83,328	165,697
Trade creditors	7,497	5,763
Social security and other taxes	5,020	4,804
Other creditors	-	18,464
Accruals and deferred income	35,879	30,448
	<u>131,724</u>	<u>225,176</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£	£
Bank loans (see note 17)	<u>683,524</u>	<u>1,289,951</u>

17. LOANS

An analysis of the maturity of loans is given below:

	2024	2023
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	-	5,985
Bank loans	83,328	159,712
	<u>83,328</u>	<u>165,697</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>83,307</u>	<u>83,329</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>249,984</u>	<u>249,984</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	350,233	956,638

The balances above represent two separate loans all of which are repayable by monthly instalments and which are charged at a fixed and variable rate of interest.

Secured debts

The bank loans are secured against the Charity's three properties (2023: Four properties).

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2024	2023
	£	£
Within one year	4,402	3,856
Between one and five years	7,336	-
	<u>11,738</u>	<u>3,856</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Endowment funds £	2024 Total funds £	2023 Total funds £
Fixed assets	3,078,887	1,734,697	4,813,584	5,527,732
Current assets	43,716	-	43,716	22,912
Current liabilities	(131,724)	-	(131,724)	(225,176)
Long term liabilities	(683,524)	-	(683,524)	(1,289,951)
	<u>2,307,355</u>	<u>1,734,697</u>	<u>4,042,052</u>	<u>4,035,517</u>

20. MOVEMENT IN FUNDS

	At 1.1.24 £	Net movement in funds £	At 31.12.24 £
Unrestricted funds			
General fund	1,158,085	6,535	1,164,620
Revaluation reserve	1,142,735	-	1,142,735
	<u>2,300,820</u>	<u>6,535</u>	<u>2,307,355</u>
Endowment funds			
Property equity fund	124,217	-	124,217
Revaluation reserve	1,610,480	-	1,610,480
	<u>1,734,697</u>	<u>-</u>	<u>1,734,697</u>
TOTAL FUNDS	<u>4,035,517</u>	<u>6,535</u>	<u>4,042,052</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	526,413	(519,878)	6,535
	<u>526,413</u>	<u>(519,878)</u>	<u>6,535</u>
TOTAL FUNDS	<u>526,413</u>	<u>(519,878)</u>	<u>6,535</u>

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.23 £	Net movement in funds £	At 31.12.23 £
Unrestricted funds			
General fund	1,211,755	(53,670)	1,158,085
Revaluation reserve	1,142,735	-	1,142,735
	<u>2,354,490</u>	<u>(53,670)</u>	<u>2,300,820</u>
Endowment funds			
Property equity fund	124,217	-	124,217
Revaluation reserve	1,610,480	-	1,610,480
	<u>1,734,697</u>	<u>-</u>	<u>1,734,697</u>
TOTAL FUNDS	<u><u>4,089,187</u></u>	<u><u>(53,670)</u></u>	<u><u>4,035,517</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	512,102	(565,772)	(53,670)
	<u>512,102</u>	<u>(565,772)</u>	<u>(53,670)</u>
TOTAL FUNDS	<u><u>512,102</u></u>	<u><u>(565,772)</u></u>	<u><u>(53,670)</u></u>

Revaluation reserve

The revaluation reserve is required by the Companies Act 2006 and represents the amount by which the Charity's properties exceed their historical cost.

21. CAPITAL COMMITMENTS

At 31 December 2024 the charity had no capital commitments (2023: Nil).

22. RELATED PARTY TRANSACTIONS

During the year, Carole Rodwell, one of the trustees lent the charity £Nil (2023: £10,000) to pay a outstanding HMRC liability. As at 31 December 2024 the full loan amount of £16,000 has now been repaid.

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

23. ULTIMATE CONTROLLING PARTY

The charitable company is not under the control of another entity or any one individual.

24. GOING CONCERN

As discussed within the future plans section of the Report of the Trustees, the Trustees have been assessing the future financial viability of the Charity given the surplus in the year of £6.5k (2023: Deficit of £53,670) and net working capital deficit of £88,008 (2023: £202,264) at 31 December 2024.

The negative net assets position suggest that the charity can not meet their working capital requirements. However, the management team have produced budgets that support the that the charity can meet their working capital requirements. This indicates the charity can continue to operate for a further 12 months from the approval of these accounts and therefore the accounts have been prepared on a going concern basis.

Accounts

REGISTERED COMPANY NUMBER: 00738023 (England and Wales)
REGISTERED CHARITY NUMBER: 220392

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
FOR
ELM TREES RETIREMENT LIVING LIMITED**

ELM TREES RETIREMENT LIVING LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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ELM TREES RETIREMENT LIVING LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objectives of the Charity are set out in the Mission Statement. These include the provision and management of properties, amenities and services which support independent living for those aged 55 and over.

The Charity shall have the power to do all things necessary, or expedient, for the fulfilment of its objectives.

The Executive Committee have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and Performance

Elm Trees continued to provide a high standard of service to its residents during the period despite ever increasing living costs.

The Trustees regularly review the financial situation and were pleased to see an overall improvement over the year.

A significant achievement has been the increase in occupancy levels from a low of 64% in 2022 to the current 90+%. This healthy position is expected to continue or improve further for the foreseeable future.

Having taken the decision to sell Redbridge at the end of 2022 and despite considerable effort on behalf of the Trustees and the Estate Agents, the sale has not yet materialised, undoubtedly because of the current state of the market. Although a number of what-if scenarios have been considered there appears to be little more that can be done until the market starts to recover. A further complication was uncovered during the process, in that a grant from Homes England was found to be extant on the property which was not registered in any of the extant Elm Trees paperwork.

Lloyds bank have remained very supportive over the last year, providing on-going loan 'holidays' and a temporary overdraft facility. Plans are in place to reduce the level of loan support required once Redbridge is sold. The dependency on the overdraft has reduced as the occupancy rate has improved.

The claim on HH Drew resulting from their insolvency during the build of Myfanwy House has now been settled by the Liquidator at which resulted in a payment made in October. This has been assimilated into the finances and used to build up reserves and update pay arrangements.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The trustees refer to public benefit throughout this report.

ELM TREES RETIREMENT LIVING LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL REVIEW

The Statement of Financial Activities reports net expenditure of £53,670 (2022: net expenditure £38,544) of which £nil (2022: £nil) is restricted net expenditure. At the 31st December 2023 the total unrestricted reserves of the charity stood at £2,300,820 (2022: £2,354,490), endowment funds stood at £1,734,697 (2022: £1,734,697) and restricted funds of £nil (2022: £nil).

The Board increased its efforts to identify, review and improve its financial position. This required improved financial reporting and modelling eg in budgeting, cashflow etc. Although improvements were made, it became clear that they were insufficient to guarantee the long term viability of the Charity and that the only way forward was to sell one of its assets.

Lloyds bank were very supportive throughout this difficult period. They agreed to a monthly overdraft (tightly controlled) and to accept a repayment 'holiday' on the two loans (only paying interest) which was reviewed quarterly. They requested a Strategy and Action plan to be produced which has been regularly reviewed and updated. This was also used to form the basis of this Annual Report.

After considering a number of options, a decision to sell Redbridge House was made on 16.9.22. However, this sale has not yet gone through and we are hoping that this will be finalised in 2024.

Future Plans

It is proposed to carry out the following activities in 2024:-

- to continue efforts to improve occupancy levels.
- to work with Lloyds on loan repayment options.
- to identify potential options for reducing loans with the proceeds of the sale of Redbridge House.
- Investigate options for the future of Redbridge
- Identify options for improving funding

Risk Management Committee

The Executive Committees has conducted its own review of the major risks to which the society is exposed and systems have been established to mitigate those risks. Internal risks are minimized by the implementation of procedures for authorisation of all transactions. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Elms Trees Retirement Living Limited is a company limited by guarantee, having no share capital, governed by its Memorandum and Articles of Association. The company was incorporated on 17 October 1962. It registered as a charity on 5 December 1963 with the Charity commission. It also registered with the Regulator of Social Housing. In the vent of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new committee members

A nomination for election as an ordinary member of the Executive Committee may be put forward:

- a) by the Executive Committee
- b) if accompanied by a signed statement from the nominee that he/she is willing to act as such, by at least two members of the society who are entitled to vote.

The Executive Committee, which can have between three and eighteen members, administers the Charity. The committee have appointed a General Manager the day to operations of the Charity under the supervision of the Executive Committee. The Committee have delegated authority of operational matters to the administration staff.

Induction and training of new trustees

New committee members undergo an orientation period to brief them on the legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making and processes and the recent financial performance of the charity. During the induction period they meet key employees and other committee members. Committee members are encouraged to attend appropriate external training events where these facilitate the undertaking of the role.

ELM TREES RETIREMENT LIVING LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
00738023 (England and Wales)

Registered Charity number
220392

Registered office
Jane Gillet House
50 St. Edwards Road
Southsea
Portsmouth
Hampshire
PO5 3DJ

Trustees
A Whyton (resigned 17.7.2023)
C Rodwell
Mrs S E Love (resigned 12.4.2024)
J West
Mrs J Giles
E Burns

Chief Executive

Auditors
Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Elm Trees Retirement Living Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and 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 business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

ELM TREES RETIREMENT LIVING LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

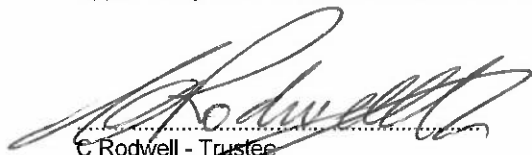
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Morris Crocker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 10 May 2024 and signed on its behalf by:



C Rodwell - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ELM TREES RETIREMENT LIVING LIMITED

Opinion

We have audited the financial statements of Elm Trees Retirement Living Limited (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (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 December 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.

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 Auditors' 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

We draw attention to note 24 in the financial statements, which indicates that the charity incurred a deficit of £53,670 during the year ended 31 December 2023, and at that date, the charity's current liabilities exceeded its current assets by £202,264. As stated in note 24 and the future plans section of the trustees report, the situation, along with other matters set fourth in note 24 indicate that a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded the Executive Committees' use of the going concern basis of accounting in the preparation of the financial statements as appropriate.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 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 Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ELM TREES RETIREMENT LIVING LIMITED**

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 Trustees.

We have nothing to report in respect of the following matters where 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company 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 trustees 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 trustees are 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ELM TREES RETIREMENT LIVING LIMITED**

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk.

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 Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ELM TREES RETIREMENT LIVING 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. 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 auditors' 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.



P Underwood (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date:

24 June 2024

ELM TREES RETIREMENT LIVING LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	Unrestricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	52	-	52	50
Charitable activities	5				
Sheltered accomodation for the active elderly		511,998	-	511,998	484,802
Investment income	4	52	-	52	3
Total		<u>512,102</u>	<u>-</u>	<u>512,102</u>	<u>484,855</u>
EXPENDITURE ON					
Raising funds	6	71,016	-	71,016	-
Charitable activities	7				
Sheltered accomodation for the active elderly		494,756	-	494,756	523,399
Total		<u>565,772</u>	<u>-</u>	<u>565,772</u>	<u>523,399</u>
NET INCOME/(EXPENDITURE)		(53,670)	-	(53,670)	(38,544)
RECONCILIATION OF FUNDS					
Total funds brought forward		2,354,490	1,734,697	4,089,187	4,127,731
TOTAL FUNDS CARRIED FORWARD		<u><u>2,300,820</u></u>	<u><u>1,734,697</u></u>	<u><u>4,035,517</u></u>	<u><u>4,089,187</u></u>

The notes form part of these financial statements

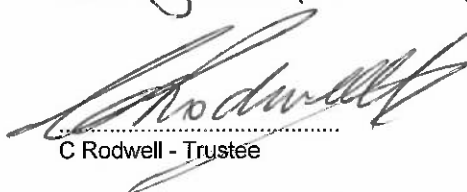
ELM TREES RETIREMENT LIVING LIMITED

**BALANCE SHEET
31 DECEMBER 2023**

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	13	5,527,732	5,629,550
CURRENT ASSETS			
Debtors	14	1,475	1,431
Cash at bank		21,437	2,519
		<u>22,912</u>	<u>3,950</u>
CREDITORS			
Amounts falling due within one year	15	(225,176)	(254,362)
NET CURRENT ASSETS		<u>(202,264)</u>	<u>(250,412)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,325,468	5,379,138
CREDITORS			
Amounts falling due after more than one year	16	(1,289,951)	(1,289,951)
NET ASSETS		<u>4,035,517</u>	<u>4,089,187</u>
FUNDS	20		
Unrestricted funds		2,300,820	2,354,490
Endowment funds		1,734,697	1,734,697
TOTAL FUNDS		<u>4,035,517</u>	<u>4,089,187</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 10 May 2024 and were signed on its behalf by:


C Rodwell - Trustee


J West - Trustee

The notes form part of these financial statements

ELM TREES RETIREMENT LIVING LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	121,328	67,005
Interest paid		(88,497)	(64,414)
Net cash provided by operating activities		<u>32,831</u>	<u>2,591</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(5,484)
Interest received		52	3
Net cash provided by/(used in) investing activities		<u>52</u>	<u>(5,481)</u>
Change in cash and cash equivalents in the reporting period		<u>32,883</u>	<u>(2,890)</u>
Cash and cash equivalents at the beginning of the reporting period	2	<u>(17,431)</u>	<u>(14,541)</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>15,452</u></u>	<u><u>(17,431)</u></u>

The notes form part of these financial statements

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(53,670)	(38,544)
Adjustments for:		
Depreciation charges	3,905	3,939
Interest received	(52)	(3)
Interest paid	88,497	64,414
Devaluation of property	26,897	-
Impairment of property	71,016	-
Decrease in stocks	-	753
(Increase)/decrease in debtors	(44)	3,258
(Decrease)/increase in creditors	(15,221)	33,188
Net cash provided by operations	<u>121,328</u>	<u>67,005</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Notice deposits (less than 3 months)	21,437	2,519
Overdrafts included in bank loans and overdrafts falling due within one year	(5,985)	(19,950)
Total cash and cash equivalents	<u>15,452</u>	<u>(17,431)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.23 £	Cash flow £	At 31.12.23 £
Net cash			
Cash at bank	2,519	18,918	21,437
Bank overdraft	(19,950)	13,965	(5,985)
	<u>(17,431)</u>	<u>32,883</u>	<u>15,452</u>
Debt			
Debts falling due within 1 year	(254,362)	29,186	(225,176)
Debts falling due after 1 year	(1,289,951)	-	(1,289,951)
	<u>(1,544,313)</u>	<u>29,186</u>	<u>(1,515,127)</u>
Total	<u>(1,561,744)</u>	<u>62,069</u>	<u>(1,499,675)</u>

The notes form part of these financial statements

ELM TREES RETIREMENT LIVING LIMITED

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

1. ACCOUNTING POLICIES

Charity information

Elm Trees Retirement Living Limited is a company limited by guarantee, registered in England and Wales. It is also a registered Charity and registered with the Regulator of Social Housing. The Society's registration numbers and registered office can be found in the Legal and Administration section of these financial statements.

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019), the Statement of Recommended Practice: Accounting by Registered Social Landlords 2010 and with the Accounting Requirements for Registered Social Landlords General Determination 2015.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under historical cost convention, modified to include the revaluation of freehold properties.

The principle accounting policies adopted are set out below.

Income

Income from charitable activities represents rental income and is recognised on a receivable basis.

Voluntary income including donations and legacies that are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income is recognised on a receivable basis.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on charitable activities includes the cost of running the charity's properties and their associated support costs.

Other expenditure represents those items falling in the above category.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance and governance costs.

Tangible fixed assets

The charity's freehold property is revalued in line with the requirements of FRS102.

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	No depreciation
Fixtures and fittings	10-33% on cost depending on the assets expected life

Individual fixed assets costing £500 or more are capitalised at cost.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Freehold property - the charity has a policy of upgrading its properties to a standard that would increase the properties residual value, so that a depreciation charge is inappropriate.

Social Housing Grants - where developments have been financed wholly by housing association grants, the cost of these developments has been reduced by the grant received. Whilst SHG has been treated as a grant it is repayable under certain circumstances, primarily following the sale of a property.

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Cash and cash equivalents

Cash and cash equivalents includes cash and short term liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar accounts.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The Permanent Endowment Fund is restricted and represents the property known as Jane Gillitt in Southsea which is occupied by the charity. The charity is entitled to the income but the property is owned by The Jane Gillitt Home Trust, a uniting direction dated 23 March 2005 is in place.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES - continued

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a new basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, the Executive Committee are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, where the revision affects only that period, or in the period of the revision and future periods, where the revision affects both current and future periods.

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. DONATIONS AND LEGACIES			
		2023	2022
		£	£
Donations		52	50
		<u>52</u>	<u>50</u>
4. INVESTMENT INCOME			
		2023	2022
		£	£
Deposit account interest		52	3
		<u>52</u>	<u>3</u>
All investment income is derived from assets held in the United Kingdom.			
5. INCOME FROM CHARITABLE ACTIVITIES			
		2023	2022
		£	£
Charitable rental income	Activity Sheltered accomodation for the active elderly	511,998	484,802
		<u>511,998</u>	<u>484,802</u>
6. RAISING FUNDS			
Other trading activities			
		2023	2022
		£	£
Impairment losses		71,016	-
		<u>71,016</u>	<u>-</u>
7. CHARITABLE ACTIVITIES COSTS			
	Direct	Support	
	Costs	costs (see	
	£	note 8)	Totals
		£	£
Sheltered accomodation for the active elderly	398,207	96,549	494,756
	<u>398,207</u>	<u>96,549</u>	<u>494,756</u>
8. SUPPORT COSTS			
	Finance	Governance	
	£	costs	Totals
		£	£
Sheltered accomodation for the active elderly	89,626	6,923	96,549
	<u>89,626</u>	<u>6,923</u>	<u>96,549</u>

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

8. SUPPORT COSTS - continued

Support costs, included in the above, are as follows:

Finance

	2023 Sheltered accommodation for the active elderly £	2022 Total activities £
Bank charges	1,129	1,178
Bank loan interest	88,497	64,414
	<u>89,626</u>	<u>65,592</u>

Governance costs

	2023 Sheltered accommodation for the active elderly £	2022 Total activities £
Auditors remuneration	6,240	6,000
Legal fees	683	904
Previous auditors remuneration	-	500
	<u>6,923</u>	<u>7,404</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023 £	2022 £
Auditors remuneration	6,240	6,000
Depreciation - owned assets	3,905	3,939
Previous auditors remuneration	-	500
	<u>10,145</u>	<u>10,439</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor for the year ended 31 December 2022.

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

10. TRUSTEES' REMUNERATION AND BENEFITS - continued

Trustees' expenses

Expenses were reimbursed to a committee member of £1,031 for mileage. (2022: £nil).

11. STAFF COSTS

	2023 £	2022 £
Wages and salaries	185,804	209,774
Social security costs	8,482	14,707
Other pension costs	3,091	3,200
	<u>197,377</u>	<u>227,681</u>

The average monthly number of employees during the year was as follows:

	2023	2022
Staff	<u>12</u>	<u>12</u>

No employees received emoluments in excess of £60,000.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Endowment funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	50	-	50
Charitable activities			
Sheltered accommodation for the active elderly	484,802	-	484,802
Investment income	3	-	3
Total	<u>484,855</u>	<u>-</u>	<u>484,855</u>
EXPENDITURE ON			
Charitable activities			
Sheltered accommodation for the active elderly	523,399	-	523,399
NET INCOME/(EXPENDITURE)	(38,544)	-	(38,544)
RECONCILIATION OF FUNDS			
Total funds brought forward	2,393,034	1,734,697	4,127,731
TOTAL FUNDS CARRIED FORWARD	<u>2,354,490</u>	<u>1,734,697</u>	<u>4,089,187</u>

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Totals £
COST OR VALUATION			
At 1 January 2023	5,612,317	116,124	5,728,441
Revaluations	(26,897)	-	(26,897)
Impairments	(71,016)	-	(71,016)
At 31 December 2023	<u>5,514,404</u>	<u>116,124</u>	<u>5,630,528</u>
DEPRECIATION			
At 1 January 2023	-	98,891	98,891
Charge for year	-	3,905	3,905
At 31 December 2023	<u>-</u>	<u>102,796</u>	<u>102,796</u>
NET BOOK VALUE			
At 31 December 2023	<u>5,514,404</u>	<u>13,328</u>	<u>5,527,732</u>
At 31 December 2022	<u>5,612,317</u>	<u>17,233</u>	<u>5,629,550</u>

Cost or valuation at 31 December 2023 is represented by:

	Freehold property
Valuation in 2018	5,612,317
Valuation and impairment in 2023	(97,913)
	<u>5,514,404</u>

The properties were revalued during January 2018 by independent valuers Sallies on a market value basis. The Executive Committee have carried out a review of this earlier valuation and have now updated the valuations within these financial statements to reflect what they believe to be are current market values of the properties within their portfolio. The historical cost of the properties if they were not revalued is £295,015.

In the 2024 year, the Redbridge Property will be sold for £711,000. Therefore, the carrying value of this property has been impaired to this value in the 2023 financial year.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	<u>1,475</u>	<u>1,431</u>

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 17)	165,697	179,662
Trade creditors	5,763	14,807
Social security and other taxes	4,804	20,081
Other creditors	18,464	6,000
Accruals and deferred income	30,448	33,812
	<u>225,176</u>	<u>254,362</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Bank loans (see note 17)	<u>1,289,951</u>	<u>1,289,951</u>

17. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	5,985	19,950
Bank loans	<u>159,712</u>	<u>159,712</u>
	<u>165,697</u>	<u>179,662</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>83,329</u>	<u>83,329</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>249,984</u>	<u>249,984</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	956,638	956,638

The balances above represent two separate loans all of which are repayable by monthly instalments and which are charged at a fixed and variable rate of interest.

Secured debts

The bank loans are secured against the Charity's four properties.

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023 £	2022 £
Within one year	3,856	3,856
Between one and five years	-	3,123
	<u>3,856</u>	<u>6,979</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
Fixed assets	3,793,035	1,734,697	5,527,732	5,629,550
Current assets	22,912	-	22,912	3,950
Current liabilities	(225,176)	-	(225,176)	(254,362)
Long term liabilities	(1,289,951)	-	(1,289,951)	(1,289,951)
	<u>2,300,820</u>	<u>1,734,697</u>	<u>4,035,517</u>	<u>4,089,187</u>

20. MOVEMENT IN FUNDS

	At 1.1.23 £	Net movement in funds £	At 31.12.23 £
Unrestricted funds			
General fund	1,211,755	(53,670)	1,158,085
Revaluation reserve	1,142,735	-	1,142,735
	<u>2,354,490</u>	<u>(53,670)</u>	<u>2,300,820</u>
Endowment funds			
Property equity fund	124,217	-	124,217
Revaluation reserve	1,610,480	-	1,610,480
	<u>1,734,697</u>	<u>-</u>	<u>1,734,697</u>
TOTAL FUNDS	<u>4,089,187</u>	<u>(53,670)</u>	<u>4,035,517</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	512,102	(565,772)	(53,670)
	<u>512,102</u>	<u>(565,772)</u>	<u>(53,670)</u>
TOTAL FUNDS	<u>512,102</u>	<u>(565,772)</u>	<u>(53,670)</u>

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.22 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General fund	1,250,299	(38,544)	1,211,755
Revaluation reserve	1,142,735	-	1,142,735
	<u>2,393,034</u>	<u>(38,544)</u>	<u>2,354,490</u>
Endowment funds			
Property equity fund	124,217	-	124,217
Revaluation reserve	1,610,480	-	1,610,480
	<u>1,734,697</u>	<u>-</u>	<u>1,734,697</u>
TOTAL FUNDS	<u><u>4,127,731</u></u>	<u><u>(38,544)</u></u>	<u><u>4,089,187</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	484,855	(523,399)	(38,544)
	<u>484,855</u>	<u>(523,399)</u>	<u>(38,544)</u>
TOTAL FUNDS	<u><u>484,855</u></u>	<u><u>(523,399)</u></u>	<u><u>(38,544)</u></u>

Revaluation reserve

The revaluation reserve is required by the Companies Act 2006 and represents the amount by which the Charity's properties exceed their historical cost.

21. CAPITAL COMMITMENTS

At 31 December 2023 the charity had no capital commitments (2022: Nil).

22. RELATED PARTY TRANSACTIONS

During the year, Carole Rodwell, one of the trustees lent the charity £10,000 (2022: £6000) to pay a outstanding HMRC liability. As at 31 December 2023 the full loan amount of £16,000 has not been repaid and is included in other creditors.

The total remuneration and benefits of the key management personnel of the charity, which consists of the trustees and the Group Manager was £55,514 (2022: £53,886).

ELM TREES RETIREMENT LIVING LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

23. ULTIMATE CONTROLLING PARTY

The charitable company is not under the control of another entity or any one individual.

24. GOING CONCERN

As discussed within the future plans section of the Report of the Trustees, the Trustees have been assessing the future financial viability of the Charity given the deficit for the year of £53,670 (2022: deficit of £38,544) and net working capital deficit of £202,264 (2022: £250,412) at 31 December 2023. A Strategic Plan and Action Plan was prepared and submitted to the Charity's Bankers, Lloyds. After considering a number of options, a decision to sell Redbridge House was made on 16 September 2022, with the bank loan balances to be partly repaid after the sale to reduce the net working capital deficit of the Charity.

After year end, it was agreed to sell this property to the Portsmouth City Council for £711,000. This will enable the entity to operate at a surplus with lower interest and operating costs.

We have reviewed budgets which indicate that subject to the property being sold, and after the partial repayment of the bank loans and the cost savings from the sale of the property, it indicates the charity can continue to operate for a further 12 months from the approval of these accounts and therefore the accounts have been prepared on a going concern basis.

Elm Trees Retirement Living Limited

England & Wales - Charity number 220392

Accounts

REGISTERED COMPANY NUMBER: 00738023 (England and Wales)
REGISTERED CHARITY NUMBER: 220392

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
ELM TREES RETIREMENT LIVING LIMITED**

ELM TREES RETIREMENT LIVING LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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ELM TREES RETIREMENT LIVING LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objectives of the Charity are set out in the Mission Statement. These include the provision and management of properties, amenities and services which support independent living for those aged 55 and over.

The Charity shall have the power to do all things necessary, or expedient, for the fulfilment of its objectives.

The Executive Committee have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and Performance

Elm Trees continued to provide a high standard of service to its residents during the period despite the upheaval resulting from Covid in previous periods and the ever increasing living costs. The lack of new residents remained a concern and despite considerable efforts made by the General Manager and team to improve advertising, the occupancy levels never really improved, dropping to 64% at one point.

During the period, it became increasingly clear that significant action was required to maintain the long term viability of the Charity and the decision was made to sell one of its properties. The social and legal implications of this for the staff and residents were given careful consideration by the Board led by the HR Trustee. The staff were notified in December, but it was agreed to hold off from informing the residents until the New Year. However, plans were put in place.

A decision was made to change Accountants to Morris Crocker to take advantage of their experience of supporting charities.

The situation with regard to the claim made as a result of the liquidation of Herbert H Drew, was largely unchanged during the year. Elm Trees continues to press for resolution via the Liquidator.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The trustees refer to public benefit throughout this report.

ELM TREES RETIREMENT LIVING LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL REVIEW

The Statement of Financial Activities reports net expenditure of £38,544 (2021: £51,285) of which £nil (2021: £nil) is restricted net expenditure. At the 31st December 2022 the total unrestricted reserves of the charity stood at £2,354,490 (2021: £2,393,034), endowment funds stood at £1,734,697 (2021: £1,734,697) and restricted funds of £nil (2021: £nil).

The Board increased its efforts to identify, review and improve its financial position, an activity strongly supported by the addition of a professional accountant as a new Trustee. This required improved financial reporting and modelling eg in budgeting, cashflow etc. Although improvements were made, it became clear that they were insufficient to guarantee the long term viability of the Charity and that the only way forward was to sell one of its assets.

Lloyds bank were very supportive throughout this difficult period. They agreed to a monthly overdraft (tightly controlled) and to accept a repayment 'holiday' on the two loans (only paying interest) which was reviewed quarterly. They requested a Strategy and Action plan to be produced which has been regularly reviewed and updated. This was also used to form the basis of this Annual Report.

After considering a number of options, a decision to sell Redbridge House was made on 16.9.22.

Future Plans

It is proposed to carry out the following activities in 2023:-

- to relocate the residents and staff, who wish to stay with Elm Trees, to other properties.
- to vacate Redbridge by February 2023, then to sell the property by auction as was done with a previous property, Fordham.
- to work with Lloyds on loan repayment options.
- to continue the financial review activities, supported by Morris Crocker, to determine the best options post the sale of Redbridge.

Risk Management

The Executive Committees has conducted its own review of the major risks to which the society is exposed and systems have been established to mitigate those risks. Internal risks are minimized by the implementation of procedures for authorisation of all transactions. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Elms Trees Retirement Living Limited is a company limited by guarantee, having no share capital, governed by its Memorandum and Articles of Association. The company was incorporated on 17 October 1962. It registered as a charity on 5 December 1963 with the Charity commission. It also registered with the Regulator of Social Housing. In the vent of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new committee members

A nomination for election as an ordinary member of the Executive Committee may be put forward:

- a) by the Executive Committee
- b) if accompanied by a signed statement from the nominee that he/she is willing to act as such, by at least two members of the society who are entitled to vote.

The Executive Committee, which can have between three and eighteen member, administers the Charity. The committee have appointed a General Manager the day to operations of the Charity under the supervision of the Executive Committee. The Committee have delegated authority of operational matters to the administration staff.

Induction and training of new trustees

New committee members undergo an orientation period to brief them on the legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making and processes and the recent financial performance of the charity. During the induction period they meet key employees and other committee members. Committee members are encouraged to attend appropriate external training events where these facilitate the undertaking of the role.

ELM TREES RETIREMENT LIVING LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
00738023 (England and Wales)

Registered Charity number
220392

Registered office
Jane Gillet House
50 St. Edwards Road
Southsea
Portsmouth
Hampshire
PO5 3DJ

Trustees
A Whyton (appointed 22.4.2022)
C Rodwell
Mrs S E Love
J West
Mrs J Giles
E Burns

Auditors
Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Elm Trees Retirement Living Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and 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 business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

ELM TREES RETIREMENT LIVING LIMITED

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Morris Crocker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 26.5.2023..... and signed on its behalf by:



C Rodwell - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ELM TREES RETIREMENT LIVING LIMITED

Opinion

We have audited the financial statements of Elm Trees Retirement Living Limited (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet 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 (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 December 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.

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 Auditors' 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

We draw attention to note 24 in the financial statements, which indicates that the charity incurred a deficit of £38,544 during the year ended 31 December 2022, and at that date, the charity's current liabilities exceeded its current assets by £250,412. As stated in note 24 and the future plans section of the trustees report, the situation, along with other matters set fourth in note 24 indicate that a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded the Executive Committees' use of the going concern basis of accounting in the preparation of the financial statements as appropriate.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 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 Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ELM TREES RETIREMENT LIVING LIMITED**

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 Trustees.

We have nothing to report in respect of the following matters where 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company 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 trustees 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 trustees are 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ELM TREES RETIREMENT LIVING LIMITED

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures inline with our responsibilities, outlined above, 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:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss managements assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues concerning income recognition and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and testing systems and controls. The systems and controls which have been designed to act as a preventative measure against fraud and error were operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk.

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 Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ELM TREES RETIREMENT LIVING 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. 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 auditors' 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.



P Underwood (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date:

26 May 2023

ELM TREES RETIREMENT LIVING LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds £	Endowment funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	50	-	50	-
Charitable activities	5				
Sheltered accomodation for the active elderly		484,802	-	484,802	447,549
Investment income	4	3	-	3	3
Total		<u>484,855</u>	<u>-</u>	<u>484,855</u>	<u>447,552</u>
EXPENDITURE ON					
Charitable activities	6				
Sheltered accomodation for the active elderly		<u>523,399</u>	<u>-</u>	<u>523,399</u>	<u>498,837</u>
NET INCOME/(EXPENDITURE)		(38,544)	-	(38,544)	(51,285)
Other recognised gains/(losses)					
Gains on revaluation of fixed assets		<u>-</u>	<u>-</u>	<u>-</u>	<u>766,397</u>
Net movement in funds		<u>(38,544)</u>	<u>-</u>	<u>(38,544)</u>	<u>715,112</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>2,393,034</u>	<u>1,734,697</u>	<u>4,127,731</u>	<u>3,412,619</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>2,354,490</u></u>	<u><u>1,734,697</u></u>	<u><u>4,089,187</u></u>	<u><u>4,127,731</u></u>

The notes form part of these financial statements

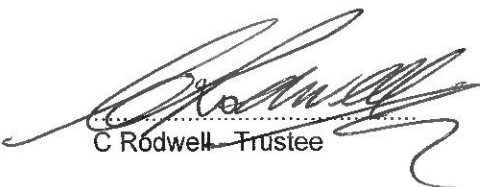
ELM TREES RETIREMENT LIVING LIMITED

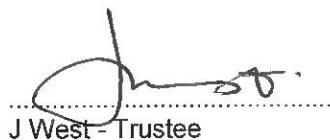
BALANCE SHEET
31 DECEMBER 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	12	5,629,550	5,628,005
CURRENT ASSETS			
Stocks	13	-	753
Debtors	14	1,431	4,689
Cash at bank		2,519	6,486
		<u>3,950</u>	<u>11,928</u>
CREDITORS			
Amounts falling due within one year	15	(254,362)	(139,012)
NET CURRENT ASSETS		<u>(250,412)</u>	<u>(127,084)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,379,138	5,500,921
CREDITORS			
Amounts falling due after more than one year	16	(1,289,951)	(1,373,190)
NET ASSETS		<u>4,089,187</u>	<u>4,127,731</u>
FUNDS	20		
Unrestricted funds		2,354,490	2,393,034
Endowment funds		1,734,697	1,734,697
TOTAL FUNDS		<u>4,089,187</u>	<u>4,127,731</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 26.05.2023 and were signed on its behalf by:


C Rodwell - Trustee


J West - Trustee

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES

Charity information

Elm Trees Retirement Living Limited is a company limited by guarantee, registered in England and Wales. It is also a registered Charity and registered with the Regulator of Social Housing. The Society's registration numbers and registered office can be found in the Legal and Administration section of these financial statements.

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019), the Statement of Recommended Practice: Accounting by Registered Social Landlords 2010 and with the Accounting Requirements for Registered Social Landlords General Determination 2015.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under historical cost convention, modified to include the revaluation of freehold properties.

The principle accounting policies adopted are set out below.

Income

Income from charitable activities represents rental income and is recognised on a receivable basis.

Voluntary income including donations and legacies that are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income is recognised on a receivable basis.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on charitable activities includes the cost of running the charity's properties and their associated support costs.

Other expenditure represents those items falling in the above category.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance and governance costs.

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

The charity's freehold property is revalued annually in line with the requirements of FRS102.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	No depreciation
Fixtures and fittings	10-33% on cost depending on the assets expected life

Individual fixed assets costing £500 or more are capitalised at cost.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Freehold property - the charity has a policy of upgrading its properties to a standard that would increase the properties residual value, so that a depreciation charge is inappropriate.

Social Housing Grants - where developments have been financed wholly by housing association grants, the cost of these developments has been reduced by the grant received. Whilst SHG has been treated as a grant it is repayable under certain circumstances, primarily following the sale of a property.

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cash and cash equivalents

Cash and cash equivalents includes cash and short term liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar accounts.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The Permanent Endowment Fund is restricted and represents the property known as Jane Gillitt in Southsea which is occupied by the charity. The charity is entitled to the income but the property is owned by The Jane Gillitt Home Trust, a uniting direction dated 23 March 2005 is in place.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a new basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, the Executive Committee are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, where the revision affects only that period, or in the period of the revision and future periods, where the revision affects both current and future periods.

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

3. DONATIONS AND LEGACIES

	2022 £	2021 £
Donations	50	-

4. INVESTMENT INCOME

	2022 £	2021 £
Deposit account interest	3	3

All investment income is derived from assets held in the United Kingdom.

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022 £	2021 £
Charitable rental income	Sheltered accomodation for the active elderly	484,802	447,549

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 7) £	Totals £
Sheltered accomodation for the active elderly	450,403	72,996	523,399

7. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Sheltered accomodation for the active elderly	65,592	7,404	72,996

Support costs, included in the above, are as follows:

Finance

	2022 Sheltered accommodation for the active elderly £	2021 Total activities £
Bank charges	1,178	1,040
Bank loan interest	64,414	51,009
	65,592	52,049

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. SUPPORT COSTS - continued
Governance costs

	2022 Sheltered accommodation for the active elderly £	2021 Total activities £
Auditors remuneration	6,000	-
Legal fees	904	5,542
Previous auditors remuneration	500	6,760
	<u>7,404</u>	<u>12,302</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022 £	2021 £
Auditors remuneration	6,000	-
Depreciation - owned assets	3,939	4,537
Previous auditors remuneration	500	6,760
	<u> </u>	<u> </u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

Expenses were reimbursed to a committee member of £nil for mileage. (2021: £149).

10. STAFF COSTS

	2022 £	2021 £
Wages and salaries	209,774	204,174
Social security costs	14,707	12,007
Other pension costs	3,200	3,329
	<u>227,681</u>	<u>219,510</u>

Included in staff costs are redundancy costs totalling £5,436 which were paid post year end and included in accruals as at 31 December 2022. The employees which these redundancy costs relate to were notified pre year end.

The average monthly number of employees during the year was as follows:

	2022	2021
Staff	<u>12</u>	<u>12</u>

No employees received emoluments in excess of £60,000.

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Endowment funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Sheltered accomodation for the active elderly	447,549	-	447,549
Investment income	3	-	3
Total	447,552	-	447,552
EXPENDITURE ON			
Charitable activities			
Sheltered accomodation for the active elderly	498,837	-	498,837
NET INCOME/(EXPENDITURE)	(51,285)	-	(51,285)
Other recognised gains/(losses)			
Gains on revaluation of fixed assets	41,397	725,000	766,397
Net movement in funds	(9,888)	725,000	715,112
RECONCILIATION OF FUNDS			
Total funds brought forward	2,402,922	1,009,697	3,412,619
TOTAL FUNDS CARRIED FORWARD	2,393,034	1,734,697	4,127,731

12. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Totals £
COST			
At 1 January 2022	5,606,833	123,830	5,730,663
Additions	5,484	-	5,484
Disposals	-	(7,706)	(7,706)
At 31 December 2022	5,612,317	116,124	5,728,441
DEPRECIATION			
At 1 January 2022	-	102,658	102,658
Charge for year	-	3,939	3,939
Eliminated on disposal	-	(7,706)	(7,706)
At 31 December 2022	-	98,891	98,891
NET BOOK VALUE			
At 31 December 2022	5,612,317	17,233	5,629,550
At 31 December 2021	5,606,833	21,172	5,628,005

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. TANGIBLE FIXED ASSETS - continued

The properties were revalued during January 2018 by independent valuers Sallies on a market value basis. The Executive Committee have carried out a review of this earlier valuation and have now updated the valuations within these financial statements to reflect what they believe to be are current market values of the properties within their portfolio. The historical cost of the properties if they were not revalued is £295,015.

13. STOCKS

	2022	2021
	£	£
Finished goods	-	753
	<u> </u>	<u> </u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	1,431	3,342
Prepayments	-	1,347
	<u> </u>	<u> </u>
	<u>1,431</u>	<u>4,689</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 17)	179,662	104,355
Trade creditors	14,807	15,284
Social security and other taxes	20,081	6,858
Other creditors	6,000	-
Accruals and deferred income	33,812	12,515
	<u> </u>	<u> </u>
	<u>254,362</u>	<u>139,012</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Bank loans (see note 17)	1,289,951	1,373,190
	<u> </u>	<u> </u>

17. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	19,950	21,027
Bank loans	159,712	83,328
	<u> </u>	<u> </u>
	<u>179,662</u>	<u>104,355</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	83,329	83,231
	<u> </u>	<u> </u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	249,984	333,321
	<u> </u>	<u> </u>

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. LOANS - continued

	2022 £	2021 £
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	956,638	956,638

The balances above represent two separate loans all of which are repayable by monthly instalments and which are charged at a fixed and variable rate of interest.

Secured debts

The bank loans are secured against the Charity's four properties.

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022 £	2021 £
Within one year	3,856	3,856
Between one and five years	3,856	6,748
	<u>7,712</u>	<u>10,604</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Endowment funds £	2022 Total funds £	2021 Total funds £
Fixed assets	3,894,853	1,734,697	5,629,550	5,628,005
Current assets	3,950	-	3,950	11,928
Current liabilities	(254,362)	-	(254,362)	(139,012)
Long term liabilities	(1,289,951)	-	(1,289,951)	(1,373,190)
	<u>2,354,490</u>	<u>1,734,697</u>	<u>4,089,187</u>	<u>4,127,731</u>

20. MOVEMENT IN FUNDS

	At 1.1.22 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General fund	1,250,299	(38,544)	1,211,755
Revaluation reserve	1,142,735	-	1,142,735
	<u>2,393,034</u>	<u>(38,544)</u>	<u>2,354,490</u>
Endowment funds			
Property equity fund	124,217	-	124,217
Revaluation reserve	1,610,480	-	1,610,480
	<u>1,734,697</u>	<u>-</u>	<u>1,734,697</u>
TOTAL FUNDS	<u>4,127,731</u>	<u>(38,544)</u>	<u>4,089,187</u>

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

20. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	484,855	(523,399)	(38,544)
TOTAL FUNDS	<u>484,855</u>	<u>(523,399)</u>	<u>(38,544)</u>

Comparatives for movement in funds

	At 1.1.21 £	Net movement in funds £	At 31.12.21 £
Unrestricted funds			
General fund	1,301,584	(51,285)	1,250,299
Revaluation reserve	1,101,338	41,397	1,142,735
	<u>2,402,922</u>	<u>(9,888)</u>	<u>2,393,034</u>
Endowment funds			
Property equity fund	124,217	-	124,217
Revaluation reserve	885,480	725,000	1,610,480
	<u>1,009,697</u>	<u>725,000</u>	<u>1,734,697</u>
TOTAL FUNDS	<u>3,412,619</u>	<u>715,112</u>	<u>4,127,731</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	447,552	(498,837)	-	(51,285)
Revaluation reserve	-	-	41,397	41,397
	<u>447,552</u>	<u>(498,837)</u>	<u>41,397</u>	<u>(9,888)</u>
Endowment funds				
Revaluation reserve	-	-	725,000	725,000
TOTAL FUNDS	<u>447,552</u>	<u>(498,837)</u>	<u>766,397</u>	<u>715,112</u>

Revaluation reserve

The revaluation reserve is required by the Companies Act 2006 and represents the amount by which the Charity's properties exceed their historical cost.

ELM TREES RETIREMENT LIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. CAPITAL COMMITMENTS

At 31 December 2022 the charity had no capital commitments (2021: Nil).

22. RELATED PARTY TRANSACTIONS

During the year, Carole Rodwell, one of the trustees lent the charity £6,000 to pay a supplier. As at 31 December 2022 this loan had not been repaid and is included in other creditors.

There were no related party transactions requiring disclosure in the year to 31 December 2021.

The total remuneration and benefits of the key management personnel of the charity, which consists of the trustees and the Group Manager was £53,886 (2021: £59,713).

23. ULTIMATE CONTROLLING PARTY

The charitable company is not under the control of another entity or any one individual.

24. GOING CONCERN

As discussed within the future plans section of the Report of the Trustees, the Trustees have been assessing the future financial viability of the Charity given the deficit for the year of £38,544 (2021: £51,285) and the net working capital deficit of £250,412 (2021: £127,084) at 31 December 2022. A Strategic Plan and Action Plan was prepared and submitted to the Charity's Bankers, Lloyds. After considering a number of options, a decision to sell Redbridge House was made on 16 September 2022, with the bank loan balances to be partly repaid after the sale to reduce the net working capital deficit of the Charity.

We have reviewed budgets which indicate that subject to the property being sold, and after the partial repayment of the bank loans and the cost savings from the sale of the property, it indicates the charity can continue to operate for a further 12 months from the approval of these accounts and therefore the accounts have been prepared on a going concern basis.

Accounts

Charity registration number 220392

Company registration number 00738023 (England and Wales)

ELM TREES RETIREMENT LIVING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

ELM TREES RETIREMENT LIVING LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Executive Committee	Mrs C Rodwell	(Appointed 17 November 2021)
	Mr J West	
	Ms E Burns	
	Mrs S Love	(Appointed 22 April 2022)
	Mrs J Giles	
	Mr A Whyton	
Charity number	220392	
Company number	00738023	
Regulator of Social Housing Number	HO374	
Registered office	50 St Edwards Road Southsea Hampshire PO5 3DJ	
Auditor	Leonard Gold Chartered Accountants 24 Landport Terrace Portsmouth Hampshire England PO1 2RG	

ELM TREES RETIREMENT LIVING LIMITED

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ELM TREES RETIREMENT LIVING LIMITED

EXECUTIVE COMMITTEE REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Executive Committee of Elm Trees Retirement Living Limited present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note one to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The objectives of the Charity are set out in the Mission Statement. These include the provision and management of properties, amenities and services which support independent living for those aged 55 and over.

The Charity shall have the power to do all the things necessary, or expedient, for the fulfilment of its objectives.

The Executive Committee have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

In November 2021, Ms C Rodwell was elected onto the Committee, and subsequently elected as Chairperson. She has considerable relevant experience, having previously been a Committee Member of the charity and is also currently a Chairperson of another similar charity. Ms Rodwell has brought a renewed professionalism and energy to the Committee.

Investment Performance

Under the Memorandum and Articles of Association, the Charity has the power to make any investments that the Executive Committee sees fit.

Financial review

The Board continues to review the management and operation of the Charity and its properties and have implemented changes where necessary for the residents we are responsible for.

Covid-19 restrictions were placed on all the houses as of 23 March 2020 and priority was given to the welfare of residents and reduced effort was placed on strategic issues such as future planning. Covid arrangements have continued in line with the Government guidelines.

The recruitment of new residents has continued, however, there was, understandably, a noticeable reduction in the number of applications as a result of the Covid 19 concerns. The Executive Committee with the energetic support of the General Manager have introduced revised advertising methods which are now showing an improvement in the situation and a number of new residents have signed up to move in since January 2022.

Financially, the result of the reduction in resident numbers and the cost of Covid related PPE has been difficult. However, a rigorous review of expenditure has started to show improvements.

In November 2018, a replacement contractor was appointed to construct Myfanwy House, after Herbert H Drew, the original contractor was placed into administration. The inclement weather in the Autumn of 2019, delayed completion of the work until early 2020, when the site had to be closed down in early March due to Covid restrictions. The new house was completed and handed over to the Charity in August 2020 and residents moved into their new home in September. The Charity submitted a claim to the liquidators for the additional costs incurred, together with loss of rent caused by their failure, and delays to the contract. The claim against the liquidators continues. A previous Committee member who had been handling these arrangements has now retired and Mr J West has taken over the interface role and believes the Charity now have a more realistic view of the situation. The Committee still await the liquidators' report which was due May/June 2021. There has been some progress with regard to another Drew Holdings' developments which it is hoped will move forward to sales allowing them to pay off at least some part of our claim.

The Charity continues to review the properties in its ownership, and the liability to both attract new residents, and to remain viable.

The Committee wish to place on record their thanks to all our staff for the magnificent work over and above their normal duties to operate our Houses during the Covid-19 outbreak, and maintaining our high standards of care for our residents.

EXECUTIVE COMMITTEE REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Future Plans

The Executive Committee are committed to the longevity of the Charity. Accordingly, they have recently adopted a Strategic Plan and an Action Plan to enable the Charity to regain financial accountability for the Charity's future viability and continue to provide supported sheltered housing to as many elderly persons as needed within our local community.

To achieve this aim, a plan to sell one of our properties has been taken to allow us to reduce overhead expenditure, repay one of our bank loans early, and reduce some labour and maintenance costs to one property.

Practical cost-cutting exercises have been undertaken across all our properties, which have proven effective.

We have received considerable help with our plans from our bankers, Lloyds. Agreed payment holidays to our loans have given us time to adjust and review our financial situation. We anticipate that this support from Lloyds will continue whilst we dispose of one property, after that for three months, or until we become more cash fluid. We appreciate this support.

We feel that the plans outlined in our Strategic Plan will be effective. The very nature of our business activity relies on attracting residents. Whilst we continue to advertise and seek to increase our occupancy rate, our only income stream, we do see post the Covid-19 pandemic an increase in enquiries from local people to become residents.

The Executive Committee have considered all options to them, we have received professional help and advice from Accountants and business consultants and are confident that our actions will bring Elm Trees Retirement Living Limited back into profitability in the foreseeable future.

Risk Management

The Executive Committee has conducted its own review of the major risks to which the society is exposed and systems have been established to mitigate those risks. Internal risks are minimized by the implementation of procedures for authorisation of all transactions. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

Structure, governance and management

Elm Trees Retirement Living Limited is a company limited by guarantee, having no share capital, governed by its Memorandum and Articles of Association. The company was incorporated on 17 October 1962. It registered as a charity on 5 December 1963 with the Charity Commission. It is also registered with the Regulator of Social Housing. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

The Executive Committee, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs C Rodwell	(Appointed 17 November 2021)
Mr J West	
Ms E Burns	
Mrs S Love	
Mr J Giles	
Mr A Whyton	(Appointed 22 April 2022)
Mr T Biddle	(Resigned 14 January 2022)

Recruitment and appointment of new committee members

A nomination for election as an ordinary member of the Executive Committee may be put forward

- a) by the Executive Committee
- b) if accompanied by a signed statement from the nominee that he/she is willing to act as such, by at least two members of the Society who are entitled to vote.

The Executive Committee, which can have between three and eighteen members, administers the Charity. The Committee have appointed a General manager to manage the day to day operations of the Charity under the supervision of the Executive Committee. The Committee have delegated authority of operational matters to the administration staff.

ELM TREES RETIREMENT LIVING LIMITED

EXECUTIVE COMMITTEE REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Induction and training of new committee members

New committee members undergo an orientation period to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making and processes and the recent financial performance of the charity. During the induction period they meet key employees and other committee members. Committee members are encouraged to attend appropriate external training events where these facilitate the undertaking of the role.

Public Benefit

The Executive Committee regularly monitor and review the success of the organisation in meeting its key objectives. The Executive Committee have considered the Charity Commission's guidance on public benefit and are satisfied that the charity's aims, and its activities carried out in pursuit of those aims, are for the public benefit. A proportion of our residents receive state funding to assist with their fees.

The Executive Committee believe that they have complied with the duty in section 17(5) of the 2011 Charities Act to have due regard to guidance published by the Charity Commission.

Statement of Executive Committee responsibilities

The Executive Committee, who are also the directors of Elm Trees Retirement Living Limited for the purpose of company law, are responsible for preparing the Executive Committee Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Executive Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Executive Committee are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Executive Committee are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that Leonard Gold Chartered Accountants be reappointed as auditor of the company will be put at a General Meeting.

Statement as to Disclosure to our Auditors

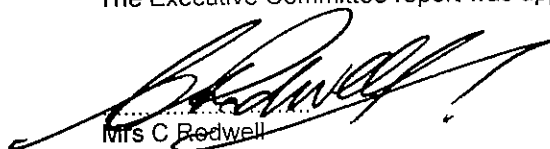
So far as the Executive Committee are aware:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware; and
- the committee members, having made enquiries of fellow committee members and the auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a committee member in order to make themselves aware of any audit information and to establish that the auditor are aware of that information.

ELM TREES RETIREMENT LIVING LIMITED

EXECUTIVE COMMITTEE REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

The Executive Committee report was approved by the Board of Executive Committee.



Mrs C Redwell
Committee Member

Date: 16 September 2022

ELM TREES RETIREMENT LIVING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE EXECUTIVE COMMITTEE OF ELM TREES RETIREMENT LIVING LIMITED

Opinion

We have audited the financial statements of Elm Trees Retirement Living Limited (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet 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 charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, 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, schedule 1 to the Housing Act 2004 and the Accounting Requirements for Registered Social Landlords General Determination 2015 and the Charities Statement of Recommended Practice (FRS102).

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 charity 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.

Material uncertainty related to going concern

We draw attention to Note 22 in the financial statements, which indicates that the charity incurred a net deficit of £51,285 during the year ended 31 December 2021, and as that date, the charity's current liabilities exceeded its current assets by £124,674. As stated in Note 22 and the Future Plans section of the Executive Committee Report, this situation, along with other matters set forth in Note 22 indicate that a material uncertainty exists that may cast significant doubt on the Charity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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

Our responsibilities and the responsibilities of the Executive Committee 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 executive committee are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

Opinion 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 executive committees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included with the executive committees' report has been prepared in accordance with applicable legal requirements.

ELM TREES RETIREMENT LIVING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE EXECUTIVE COMMITTEE OF ELM TREES RETIREMENT LIVING LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the executive committees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Executive Committee report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Executive Committee

As explained more fully in the statement of executive committees' responsibilities, the executive committee members, who are also the directors of the charity for the purpose 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 executive committee 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 executive committee are responsible for assessing the charity'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 Executive Committee either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, 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.

Identifying potential risks related to irregularities

- We obtained an understanding of the laws and regulations that are applicable to the charitable company and determined those which could reasonably be expected:
 - To have a direct effect on the determination of material amounts and disclosures in the financial statements. We determined that the most significant were the Companies Act 2006 and the Charities Statement of Recommended Practice (FRS102); and
 - To not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or avoid a material penalty.
- We determined that the most significant were health and safety, and employment law.
- We enquired to management as to their own assessment of risks in relation to fraud and irregularities and the internal controls they may have in place to mitigate the risks of fraud or non-compliance with laws and regulations;
- We evaluated management's incentives and opportunity for fraudulent manipulation of the financial statements (including the risk of override of controls). Also, evaluated if there is an increased risk of fraud arising due to the potential impact of Covid-19 on the activities of the charitable company and the reporting thereon.

ELM TREES RETIREMENT LIVING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE EXECUTIVE COMMITTEE OF ELM TREES RETIREMENT LIVING LIMITED

Audit approach to risks identified

- We reviewed how the company is complying with laws and regulations by making enquiries to management and senior employees. This was corroborated by review of correspondence received from regulatory bodies;
- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with the Companies Act 2006 and accounting standards;
- We enquired to management concerning any actual or potential litigation and claims;
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud or non compliance;
- We enquired whether management had any knowledge of any actual, suspected, or alleged fraud;
- We tested the appropriateness of journal entries and other adjustments to assess whether the judgements made in making accounting estimates are indicative of a potential bias. This included assessing the business rational of any significant transactions that are unusual or outside the normal course of business;
- We communicated the risks identified and the audit approach to be taken, to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. There are inherent limitations in the audit procedures described above.

The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as these may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Leonard Gold

Julie Watts (Senior Statutory Auditor)
for and on behalf of Leonard Gold Chartered Accountants

16 September 2022

Chartered Accountants

24 Landport Terrace
Portsmouth
Hampshire
England
PO1 2RG

ELM TREES RETIREMENT LIVING LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

Current financial year

	Notes	Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Total 2020 £
<u>Income and endowments from:</u>					
Donations and legacies	3	-	-	-	20,208
Charitable activities	4	447,549	-	447,549	402,321
Investments	5	3	-	3	27
Other income	6	-	-	-	8,740
Total income		<u>447,552</u>	<u>-</u>	<u>447,552</u>	<u>431,296</u>
<u>Expenditure on:</u>					
Charitable activities	7	<u>498,837</u>	<u>-</u>	<u>498,837</u>	<u>516,415</u>
Net outgoing resources		(51,285)	-	(51,285)	(85,119)
<u>Other recognised gains and losses</u>					
Revaluation of tangible fixed assets		<u>41,397</u>	<u>725,000</u>	<u>766,397</u>	<u>-</u>
Net movement in funds		(9,888)	725,000	715,112	(85,119)
Fund balances at 1 January 2021		<u>2,402,922</u>	<u>1,009,697</u>	<u>3,412,619</u>	<u>3,497,738</u>
Fund balances at 31 December 2021		<u><u>2,393,034</u></u>	<u><u>1,734,697</u></u>	<u><u>4,127,731</u></u>	<u><u>3,412,619</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ELM TREES RETIREMENT LIVING LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

Prior financial year

		Unrestricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
	Notes			
<u>Income and endowments from:</u>				
Donations and legacies	3	20,208	-	20,208
Charitable activities	4	402,321	-	402,321
Investments	5	27	-	27
Other income	6	8,740	-	8,740
Total income		431,296	-	431,296
<u>Expenditure on:</u>				
Charitable activities	7	516,415	-	516,415
Net outgoing resources		(85,119)	-	(85,119)
<u>Other recognised gains and losses</u>				
Revaluation of tangible fixed assets		-	-	-
Net movement in funds		(85,119)	-	(85,119)
Fund balances at 1 January 2020		2,488,041	1,009,697	3,497,738
Fund balances at 31 December 2020		2,402,922	1,009,697	3,412,619

ELM TREES RETIREMENT LIVING LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		5,628,005		4,856,860
Current assets					
Stocks		753		753	
Debtors	12	4,689		7,722	
Cash at bank and in hand		6,486		57,488	
			11,928		65,963
Creditors: amounts falling due within one year	14	(136,602)		(137,982)	
Net current liabilities			(124,674)		(72,019)
Total assets less current liabilities			5,503,331		4,784,841
Creditors: amounts falling due after more than one year	15		(1,375,600)		(1,372,222)
Net assets			4,127,731		3,412,619
Capital funds					
<u>Endowment funds</u>					
Property equity funds		124,217		124,217	
Revaluation reserve		1,610,480		885,480	
	16		1,734,697		1,009,697
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds	17	1,250,299		1,301,584	
Revaluation reserve		1,142,735		1,101,338	
			2,393,034		2,402,922
			4,127,731		3,412,619

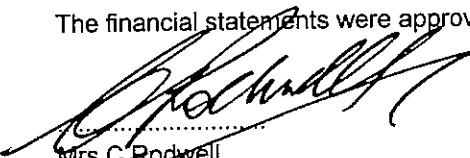
ELM TREES RETIREMENT LIVING LIMITED

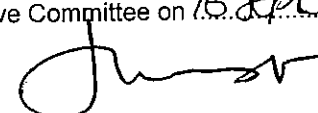
BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

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

The financial statements were approved by the Executive Committee on 16 September 2022


.....
Mrs C. Rodwell
Committee Member


.....
Mr J. West
Committee Member

Company registration number 00738023

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Elm Trees Retirement Living Limited is a company limited by guarantee, registered in England and Wales. It is also a registered Charity and registered with the Regulator of Social Housing. The Society's registration numbers and registered office can be found in the Legal and Administration section of these financial statements.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019), the Statement of Recommended Practice: Accounting by Registered Social Landlords 2010 and with the Accounting Requirements for Registered Social Landlords General Determination 2015.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties.

The principal accounting policies adopted are set out below.

1.2 Charitable funds

Unrestricted funds are available for use at the discretion of the Executive Committee in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.3 Income

Income from charitable activities represents rental income and is recognised on a receivable basis.

Voluntary income including donations and legacies that are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income is recognised on a receivable basis.

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure on charitable activities includes the cost of running the charity's properties and their associated support costs.

Other expenditure represents those items falling in the above category.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance and governance costs.

1.5 Tangible fixed assets

The charity's freehold property is revalued annually in line with the requirements of FRS102.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	No depreciation
Fixtures and fittings	10-100% on cost depending on the assets expected life

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Freehold property - the charity has a policy of upgrading its properties to a standard that would increase the properties residual value, so that a depreciation charge is inappropriate.

Social Housing Grants - where developments have been financed wholly or partly by housing association grants the cost of these developments has been reduced by the grant received. Whilst SHG has been treated as a grant it is repayable under certain circumstances, primarily following the sale of a property.

1.6 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.7 Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowances for obsolete and slow-moving items.

1.8 Cash and cash equivalents

Cash and cash equivalents includes cash and short term liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar accounts.

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged to the Statement of Financial Activities in the period to which they relate.

1.13 Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the executive committee have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's activities.

The Permanent Endowment Fund is restricted and represents the property known as Jane Gillitt in Southsea which is occupied by the charity. The charity is entitled to the income but the property is owned by The Jane Gillitt Home Trust, a uniting direction dated 23 March 2005 is in place.

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Executive Committee are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Total Unrestricted funds general	
	2021	2020
	£	£
Donations and gifts	-	20,208

4 Charitable activities

	Charitable Income 2021	Charitable Income 2020
	£	£
Charitable rental income	447,549	402,321

5 Investments

	Unrestricted funds general	Unrestricted funds general
	2021	2020
	£	£
Interest receivable	3	27

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

6 Other income

	Total Unrestricted funds general
	2021 £
	2020 £
Net gain on disposal of tangible fixed assets	- 1,000
Other income	- 7,740
	<u>- 8,740</u>

7 Charitable activities

	Charitable Expenditure 2021 £	Charitable Expenditure 2020 £
Staff costs	219,510	218,767
Depreciation and impairment	4,537	26,383
Food and household expenses	39,250	37,587
Rates	11,713	11,190
Light, heat and water	42,063	38,206
Motor expenses (lease, insurance and tax)	6,187	4,828
Insurance	11,791	11,290
Telephone	6,741	6,904
Office accountant	7,199	7,474
Repairs	64,702	62,325
Postage, stationery and advertising	11,891	18,804
Executive committee mileage	149	1,709
Professional fees	-	8,775
Computer expenses	2,829	3,515
Bank loan interest	51,009	46,565
Myfanwy security costs	-	5,208
Sundry expenses	5,924	1,563
	<u>485,495</u>	<u>511,093</u>
Share of governance costs (see note 8)	13,342	5,322
	<u>498,837</u>	<u>516,415</u>

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

8 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Audit fees	-	6,760	6,760	-	6,594	6,594
Legal and professional	-	5,542	5,542	-	-	-
Bank charges	-	1,040	1,040	-	1,008	1,008
Affiliation fees	-	-	-	-	(2,280)	(2,280)
	-	13,342	13,342	-	5,322	5,322
Analysed between Charitable activities	-	13,342	13,342	-	5,322	5,322

9 Executive Committee

None of the Executive Committee (or any persons connected with them) received any remuneration or benefits from the charity during the year.

Expenses were reimbursed to a committee member of £149 for mileage. (2020 : £1,709).

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	12	13
Employment costs	2021 £	2020 £
Wages and salaries	204,174	205,343
Social security costs	12,007	10,567
Other pension costs	3,329	2,857
	219,510	218,767

There were no employees whose annual remuneration was more than £60,000.

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2021	5,124,420	126,096	5,250,516
Additions	9,183	104	9,287
Grants received	(293,167)	(2,370)	(295,537)
Revaluation	766,397	-	766,397
	<u>5,606,833</u>	<u>123,830</u>	<u>5,730,663</u>
At 31 December 2021			
Depreciation and impairment			
At 1 January 2021	-	98,121	98,121
Depreciation charged in the year	-	4,537	4,537
	<u>-</u>	<u>102,658</u>	<u>102,658</u>
At 31 December 2021			
Carrying amount			
At 31 December 2021	<u>5,606,833</u>	<u>21,172</u>	<u>5,628,005</u>
At 31 December 2020	<u>4,828,883</u>	<u>27,977</u>	<u>4,856,860</u>

The properties were revalued during January 2018 by independent valuers Savills on a market value basis. The Executive Committee have carried out a review of this earlier valuation and have now updated the valuations within these financial statements to reflect what they believe to be are current market values of the properties within their portfolio. The historical cost of the properties if they were not revalued is £295,015.

12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	3,342	846
Other debtors	-	4,662
Prepayments and accrued income	1,347	2,214
	<u>4,689</u>	<u>7,722</u>

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

13 Loans and overdrafts

	2021 £	2020 £
Bank overdrafts	21,027	-
Bank loans	1,456,518	1,425,000
	<u>1,477,545</u>	<u>1,425,000</u>
Payable within one year	101,945	52,778
Payable after one year	<u>1,375,600</u>	<u>1,372,222</u>
Amounts included above which fall due after five years:		
Payable by instalments	<u>(1,051,930)</u>	<u>(1,055,556)</u>

The balances above represents two separate loans all of which are repayable by monthly instalments and which are charged at a fixed and variable rate of interest.

Secured Debts

The bank loans are secured against the Charity's four properties, there is also an unlimited fixed and floating charge.

14 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	13	101,945	52,778
Other taxation and social security		6,858	5,775
Trade creditors		15,284	66,734
Accruals and deferred income		12,515	12,695
		<u>136,602</u>	<u>137,982</u>

15 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	13	<u>1,375,600</u>	<u>1,372,222</u>

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

16 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income.

This fund represents the capital value of the Jane Gillitt property as the charity is entitled to use the income it generates but are not entitled to the capital. This fund is split between the property equity fund which represents the original cost of the property including property additions and the revaluation fund which shows the revalued element.

	Balance at 1 January 2020	Movement in funds					Movement in funds					Balance at 31 December 2021
		Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Revaluations gains and losses		
	£	£	£	£	£	£	£	£	£	£	£	
Permanent endowments												
Property Equity Fund	124,217	-	-	-	-	124,217	-	-	-	-	124,217	
Revaluation Reserve	885,480	-	-	-	-	885,480	-	-	-	725,000	1,610,480	
											-	
	1,009,697	-	-	-	-	1,009,697	-	-	-	725,000	1,734,697	

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

17 Designated funds

Revaluation Reserve

The revaluation reserve is required by the Companies Act 2006 and represents the amount by which the Charity's properties exceed their historical cost.

	Balance at 1 January 2020	Movement In funds Incoming resources	Balance at 1 January 2021	Movement In funds Revaluation	Balance at 31 December 2021
	£	£	£	£	£
Revaluation Reserve	1,101,338	-	1,101,338	41,397	1,142,735
	<u>1,101,338</u>	<u>-</u>	<u>1,101,338</u>	<u>41,397</u>	<u>1,142,735</u>

18 Analysis of net assets between funds

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total Unrestricted funds 2021 £	Endowment funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:					
Tangible assets	3,516,970	1,009,697	5,628,005	2,745,825	4,856,860
Current assets/(liabilities)	(124,674)	-	(124,674)	(72,019)	(72,019)
Long term liabilities	(1,375,600)	-	(1,375,600)	(1,372,222)	(1,372,222)
	<u>2,016,696</u>	<u>1,009,697</u>	<u>4,127,731</u>	<u>1,301,584</u>	<u>3,412,619</u>

19 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	-	1,886
Between two and five years	10,604	-
	<u>10,604</u>	<u>1,886</u>

20 Capital commitments

At 31 December 2021 the charity had no capital commitments (2020 : Nil).

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2021*

21 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

22 Going Concern

As discussed within the future plans section of the Executive Committee Report, they have been assessing the future financial viability of the Charity and given the deficit for the year of £51,285 and the net working capital deficit of £124,674 at 31 December 2021 a Strategic Plan and Action Plan has been prepared and submitted to the Charity's Bankers, Lloyds. The Executive Committee are working with the Bankers in the short term to enable ongoing support to be given whilst the Action Plan is worked through, which it is then hoped will ensure the future of the Charity.

Accounts

REGISTERED COMPANY NUMBER: 0738023 (England and Wales)
REGISTERED CHARITY NUMBER: 220392
REGULATOR OF SOCIAL HOUSING NUMBER
HO374

REPORT OF THE EXECUTIVE COMMITTEE AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
ELM TREES RETIREMENT LIVING LIMITED

Leonard Gold Chartered Accountants
Registered Auditors
24 Landport Terrace
Portsmouth
Hampshire
PO1 2RG

ELM TREES RETIREMENT LIVING LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2020

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Balance Sheet	9
Notes to the Financial Statements	10 to 18

ELM TREES RETIREMENT LIVING LIMITED

REPORT OF THE EXECUTIVE COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2020

The Executive Committee who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

0738023 (England and Wales)

Registered Charity number

220392

Regulator of Social Housing number

HO374

Previous Name

The charity was previously known as Abbeyfield Solent Society Limited

Registered office

50 St Edwards Road
Southsea
Hampshire
PO5 3DJ

Executive Committee

Mrs E Burns	- Chairman
Mrs S Love	- Appointed 21 st October 2020
T Biddle	- Resigned 30 th June 2021
M Mitchell	- Resigned 14 th July 2021
Mrs J Giles	
Mr J L West	

Senior Statutory Auditor

Mrs Julie Watts

Auditors

Leonard Gold
Statutory Auditor
24 Landport Terrace
Portsmouth
Hampshire
PO1 2RG

Bankers

Lloyds Bank Plc
38 London Road,
North End
Portsmouth
Hampshire
PO2 0LR

ELM TREES RETIREMENT LIVING LIMITED

REPORT OF THE EXECUTIVE COMMITTEE **FOR THE YEAR ENDED 31 DECEMBER 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Elm Trees Retirement Living Limited is a company limited by guarantee, having no share capital, governed by its Memorandum and Articles of Association. The company was incorporated on 17 October 1962. It registered as a charity on 5 December 1963 with the Charity Commission. It is also registered with the Regulator of Social Housing. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new committee members

A nomination for election as an ordinary member of the Executive Committee may be put forward

- a) by the Executive Committee; or
- b) if accompanied by a signed statement from the nominee that he/she is willing to act as such, by at least two of members the Society who are entitled to vote.

Induction and training of new committee members

New committee members undergo an orientation period to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making and processes and the recent financial performance of the charity. During the induction period they meet key employees and other committee members. Committee members are encouraging to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisational structure

The executive committee, which can have between 3 and 18 members, administers the society. The Trustees have appointed a General Manager to manage the day to day operations of the society, under the supervision of the Executive Committee. The Trustees have delegated authority of operational matters to the administration staff.

Risk management

The Executive Committee has conducted its own review of the major risks to which the society is exposed and systems have been established to mitigate those risks. Internal risks are minimised by the implementation of procedures for authorisation of all transactions. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the society shall be to carry on for the benefit of the community the provision and management for the relief and care of elderly persons of all classes suffering from the disabilities of old age or otherwise being in need, of housing for letting and not for sale and/or hostels. And in furtherance of this object but not otherwise the society may

- (i) Provide land or buildings for purposes connected with the requirements of the elderly persons occupying the houses of hostels provided or managed by the society; and
- (ii) Provide amenities or services for the benefit of such persons either exclusively or together with other persons.

The society shall have the power to do all the things necessary or expedient for the fulfilment of its objects.

ELM TREES RETIREMENT LIVING LIMITED

REPORT OF THE EXECUTIVE COMMITTEE **FOR THE YEAR ENDED 31 DECEMBER 2020**

ACHIEVEMENT AND PERFORMANCE

Investment performance

Under the Memorandum and Articles of Association, the society has the power to make any investments that the executive committee sees fit.

FINANCIAL REVIEW

The Board continue to review the management and operation of the Charity and its properties and have implemented changes where necessary for the residents we are responsible for.

Covid-19 restrictions were placed on all the houses as of 23 March 2020 and priority was given to the welfare of residents and reduced effort was placed on strategic issues such as future planning.

The recruitment of new residents with the use of traditional advertising has continued, however there has understandably been a noticeable reduction in the number of applications as a result of Covid-19 concerns.

Financially the result of the reduction in resident numbers and the cost of Covid related PPE has been difficult and will continue into the next reporting year.

In November 2018, a replacement contractor was appointed to construct Myfanwy, after Drews, the original contractor was placed into administration. The inclement weather in the autumn of 2019, delayed completion of the work until early 2020, when the site had to be closed down in early March due to Covid restrictions. The new house was completed and handed over to the Company in August 2020 and residents moved into their new home in September.

Drews were placed into liquidation in 2019, and the Charity has submitted a substantial claim to the Liquidators for the additional costs incurred, together with loss of rent caused by their failure, and delays to the contract. The claim against the liquidators continues, but there has been little progress. We still await the liquidators report which was due May/June 2021. There has been some progress with regard to another of Drew Holdings' developments which it is hoped will move forward to sales allowing them to pay off at least some part of our claim.

The Charity continues to review the properties in its ownership, and the ability to both attract new residents, and to remain viable as sheltered accommodation. Unfortunately, Fordham House failed the longer-term test and was sold in 2020. Part of the proceeds were used to reduce the Lloyds Bank funding for the construction of Myfanwy.

The Board wish to place on record their thanks to all our staff for the magnificent work over and above their normal duties to operate our Houses during the Covid-19 outbreak, and maintaining our high standards of care for our residents.

Future Plans

With the retirement of Trevor Biddle, Jim West has agreed to lead the Board's on-going financial management until a suitable Trustee can be found to replace Trevor. He has organised a review of the financial arrangements and the Trustees will be reviewing the financial options in the near future. This will include a review of the current banking arrangements.

The period to 31 December 2020 proved a difficult one for the charity as described above. Now that the effects of the pandemic are reducing, the Trustees are reviewing their future options. Attention is being paid to attracting new residents and to prudent cash flow planning. Efforts will also be made to recruit new Trustees.

ELM TREES RETIREMENT LIVING LIMITED

REPORT OF THE EXECUTIVE COMMITTEE **FOR THE YEAR ENDED 31 DECEMBER 2020**

Public Benefit

The Executive Committee regularly monitor and review the success of the organisation in meeting its key objectives. The Executive Committee have considered the Charity Commission's guidance on public benefit and are satisfied that the charity's aims, and its activities carried out in pursuit of those aims, are for the public benefit. A proportion of our residents receive state funding to assist with their fees.

The Executive Committee believe that they have complied with the duty in section 17(5) of the 2011 Charities Act to have due regard to guidance published by the Charity Commission.

Reserves policy

The purposes of these reserves are detailed in note 18 to the financial statements.

STATEMENT OF THE EXECUTIVE COMMITTEE'S RESPONSIBILITIES

The Executive Committee (who are also directors of Elm Trees Retirement Living Limited for the purposes of company law) are responsible for preparing the Report of the Executive Committee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Executive Committee to prepare financial statements for each financial year which 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 those financial statements, the Executive Committee are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Executive Committee are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

The Executive Committee are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ELM TREES RETIREMENT LIVING LIMITED

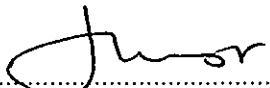
REPORT OF THE EXECUTIVE COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT AS TO DISCLOSURE TO OUR AUDITORS

So far as the Executive Committee are aware:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware; and
- the committee members, having made enquiries of fellow committee members and the auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a committee member in order to make themselves aware of any audit information and to establish that the auditor are aware of that information.

ON BEHALF OF THE BOARD:


.....
J WEST - Committee Member

Date: 6.9.21.....

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ELM TREES RETIREMENT LIVING LIMITED

Opinion

We have audited the financial statements of Elm Trees Retirement Living Limited ('the charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance sheet Notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (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 December 2020 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, schedule 1 to the Housing Act 2004 and the Accounting Requirements for Registered Social Landlords General Determination 2015 and the Charities Statement of Recommended Practice (FRS102).

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 Auditors 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 ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISA's (UK) require us to report to you where:

- The executive committee members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The executive committee members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The executive committee are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Executive Committee for the financial year for which the financial statements are prepared is consistent with the financial statements; and the report of the Executive Committee has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF **ELM TREES RETIREMENT LIVING LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you, 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 executive committee members remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The executive committee members were not entitled to prepare financial statements in accordance with the small companies' regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Executive Committee.

Responsibilities of executive committee members

As explained more fully in the Statement of Executive Committee Responsibilities set out on page one, the Executive Committee members (who are also the directors of the charitable company 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.

In preparing the financial statements, the trustees are 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Independent Auditors 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 above, 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:

Identifying potential risks related to irregularities

- We obtained an understanding of the laws and regulations that are applicable to the charitable company and determined those which could reasonably be expected:
 - To have a direct effect on the determination of material amounts and disclosures in the financial statements. We determined that the most significant were the Companies Act 2006 and the Charities Statement of Recommended Practice (FRS102); and
 - To not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or avoid a material penalty. We determined that the most significant were health and safety, and employment law.
- We enquired to management as to their own assessment of risks in relation to fraud and irregularities and the internal controls they may have in place to mitigate the risks of fraud or non-compliance with laws and regulations;
- We evaluated management's incentives and opportunity for fraudulent manipulation of the financial statements (including the risk of override of controls). Also, evaluated if there is an increased risk of fraud arising due to the potential impact of Covid-19 on the activities of the charitable company and the reporting thereon.

Audit approach to risks identified

- We reviewed how the company is complying with laws and regulations by making enquiries to management and senior employees. This was corroborated by review of correspondence received from regulatory bodies;
- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with the Companies Act 2006 and accounting standards;

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ELM TREES RETIREMENT LIVING LIMITED

- We enquired to management concerning any actual or potential litigation and claims;
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud or non compliance;
- We enquired whether management had any knowledge of any actual, suspected, or alleged fraud;
- We tested the appropriateness of journal entries and other adjustments to assess whether the judgements made in making accounting estimates are indicative of a potential bias. This included assessing the business rational of any significant transactions that are unusual or outside the normal course of business;
- We communicated the risks identified and the audit approach to be taken to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. There are inherent limitations in the audit procedures described above.

The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

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. 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 auditors' 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.



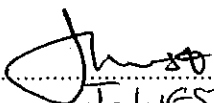
Mrs J D Watts (Senior Statutory Auditor)
for and on behalf of Leonard Gold
Statutory Auditors
Chartered Accountants
24 Landport Terrace
Portsmouth
Hampshire
PO1 2RG

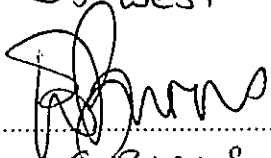
Date: 9 September 2021

ELM TREES RETIREMENT LIVING LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

	Notes	Unrestricted General £	Funds Designated £	Endowment Funds Restricted £	2020 Total Funds £	2019 Total Funds £
Income						
Donations and legacies	3	20,208	-	-	20,208	99
<i>Income from charitable activities</i>						
Residents						
Accommodation	5	402,321	-	-	402,321	418,897
Investment income	4	27	-	-	27	22
Other income		7,740	-	-	7,740	49
Total income		<u>430,296</u>	<u>-</u>	<u>-</u>	<u>430,296</u>	<u>19,067</u>
Expenditure						
Charitable activities	6	516,415	-	-	516,415	(480,998)
Total expenditure		<u>516,415</u>	<u>-</u>	<u>-</u>	<u>516,415</u>	<u>(480,998)</u>
Net (expenditure) before other recognised gains		<u>(86,119)</u>	<u>-</u>	<u>-</u>	<u>(86,119)</u>	<u>(61,931)</u>
Gain on sale of property		1,000	-	-	1,000	-
Transfer between funds		<u>394,948</u>	<u>(394,948)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income/ (Expenditure)		309,829	(394,948)	-	(85,119)	(61,931)
Reconciliation of funds						
Total funds brought forward		<u>£991,755</u>	<u>£1,496,286</u>	<u>£1,009,697</u>	<u>£3,497,738</u>	<u>£3,559,669</u>
Total funds carried forward		<u>£1,301,584</u>	<u>£1,101,338</u>	<u>£1,009,697</u>	<u>£3,412,619</u>	<u>£3,497,738</u>

The financial statements were approved by the Executive Committee on 1.9.21. and
were signed on its behalf by:


..... J. WEST – Committee Member


..... E. BURNS – Committee Member

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes form part of these financial statements

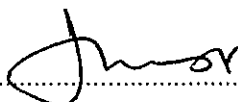
ELM TREES RETIREMENT LIVING LIMITED (REGISTERED NUMBER: 0738023)

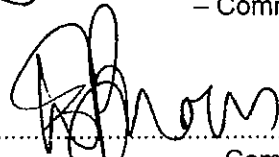
BALANCE SHEET
AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
Fixed Assets			
Tangible assets	11	4,856,860	5,245,873
		<u>4,856,860</u>	<u>5,245,873</u>
Current Assets			
Stocks		753	591
Debtors: amounts falling due within one year	12	7,722	10,171
Cash at bank and in hand		<u>57,488</u>	<u>133,230</u>
		65,963	143,992
CREDITORS			
Amounts falling due within one year	13	<u>(137,982)</u>	<u>(288,780)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(72,019)</u>	<u>(144,788)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,784,841</u>	<u>5,101,085</u>
CREDITORS			
Amounts falling due after more than one year	14	<u>(1,372,222)</u>	<u>(1,603,347)</u>
Net Assets		<u>3,412,619</u>	<u>3,497,738</u>
Funds	18		
Unrestricted funds		2,402,922	2,488,041
Endowment funds		<u>1,009,697</u>	<u>1,009,697</u>
Total Funds		<u>3,412,619</u>	<u>3,497,738</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and for circulation to members of the company.

The financial statements were approved by the Executive Committee on 1.9.21..... and were signed on its behalf by:


.....
- Committee Member


.....
E Burns - Committee Member

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Statutory Information

Elm Trees Retirement Living Limited is a company limited by guarantee, registered in England and Wales. It is also a registered Charity and registered with the Regulator of Social Housing. The Society's registration number and registered office can be found in the Reference and Administration section of the report of the Executive Committee.

2. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of Preparation of Accounts

The financial statements have been prepared in accordance with the Accounting and Reporting by Charities.

Statement of Recommended Practice applicable to charities preparing their accounts in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK Republic of Ireland (FRS102) and the Companies Act 2006, the Statement of Recommended Practice: Accounting by Registered Social Landlords 2010 and with the Accounting Requirements for Registered Social Landlords General Determination 2015.

Elm Trees Retirement Living Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Income

Income from charitable activities represents rental income and is recognised on a receivable basis.

Voluntary income including donations and legacies that are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income is recognised on a receivable basis.

Government grants have been received relating to the Coronavirus Job Retention Scheme during the year. The income is recognised as grant income under the accrual model.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the cost of running the charity's properties and their associated support costs.
- Other expenditure represents those items not falling in the above category.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake Charitable activities. Support costs include offices costs, finance and governance costs.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Pensions

The Society operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting Policies – continued

Tangible Assets

The charity's freehold property is revalued annually in line with the requirements of FRS102.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life as follows:-

Fixtures, Fittings and Equipment – 10-100% on cost depending on the assets expected life.

Freehold property – The Charity has a policy of upgrading its properties to a standard that would increase the properties residual value, so that a depreciation charge is inappropriate.

Social Housing Grants - where developments have been financed wholly or partly by housing association grants the cost of those developments has been reduced by the grant receivable. Whilst SHG has been treated as a grant it is repayable under certain circumstances, primarily following the sale of a property, but the repayment is often restricted to the net proceeds of the sale.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

Debtors

Trade and other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amount prepaid net of any discounts due.

Cash at Bank and in Hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar accounts.

Creditors and Provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the executive committee have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's activities.

The Permanent Endowment Fund is restricted and represents the property known as Jane Gillitt in Southsea which is occupied by the charity. The charity is entitled to the income but the property is owned by The Jane Gillitt Home Trust, a uniting direction dated 23 March 2005 is in place.

Legal Status of the Charity

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Financial Instruments

Debtors

Short term debtors are measured at transaction price (which is usually the retail or invoice price), less any impairment losses for bad and doubtful debts.

Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting Policies – continued

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price).

Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Related Party Transactions

In the year there was 1 trustee that provided professional services, the costs total £840.

3. Donations and other income

	2020 £	2019 £
Donations	<u>20,208</u>	<u>99</u>
	<u>20,208</u>	<u>99</u>

4. Investment Income

	2020 £	2019 £
Deposit account interest	<u>27</u>	<u>22</u>

5. Income from Charitable Activities

	2020 £	2019 £
Resident charges	<u>402,321</u>	<u>418,897</u>

6. Analysis of Expenditure on Charitable Activities

	2020 £	2019 £
Staff costs	218,767	200,601
Rates	11,190	8,253
Insurance	11,290	9,828
Light, heat and water	38,206	38,210
Telephone	6,904	5,739
Postage, stationery and advertising	18,804	18,883
Sundries	1,046	2,526
Training costs	517	68
Food and household expenses	37,587	38,495
Office accountant	7,474	6,536
Executive Committee mileage	1,709	2,191
Repairs	62,325	59,058
Motor expenses (lease, insurance & tax)	4,828	4,632
Computer expenses	3,515	3,306
Professional fees	8,775	16,195
Depreciation and loss on disposal of assets	26,383	8,443
Support and governance costs (see note 7)	5,322	12,735
Myfanwy security costs	5,208	-
Name change costs	-	6,005
Loan Interest	<u>46,565</u>	<u>39,294</u>
	<u>516,415</u>	<u>480,998</u>

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

7. Support and Governance Costs

	2020	2019
	£	£
Auditors' remuneration	6,594	7,074
Bank charges	1,008	773
Affiliation fees	<u>(2,280)</u>	<u>4,888</u>
	<u>5,322</u>	<u>12,735</u>

8. Net Income/(Expenditure) for the year

This is stated after charging:

	2020	2019
	£	£
Auditors' remuneration	6,594	7,074
Depreciation - owned assets	<u>7,976</u>	<u>8,443</u>

9. Trustees' Remuneration, Benefits and Expenses

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' Expenses

Expenses were reimbursed to the committee members of £1,709 for mileage (£2,191 in 2019).

10. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	205,343	187,481
Social security costs	10,567	10,567
Pensions	<u>2,857</u>	<u>3,067</u>
	<u>218,767</u>	<u>200,601</u>

No employees had employee benefits in excess of £60,000 (2019: £60,000).

The average monthly number of employees during the year was 13 (2019:12).

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

11. TANGIBLE FIXED ASSETS

	Property under development £	Freehold property £	Fixtures and fittings £	Totals £
COST/VALUATION				
At 1 January 2020	2,364,554	3,125,000	163,748	5,653,302
Additions	184,866	-	2,504	187,370
Disposals	-	(550,000)	(40,154)	(590,154)
Transfer	(2,549,420)	2,549,420	-	-
	-	5,124,420	126,098	5,250,518
At 31 December 2020	-	-	-	-
Grants received	-	(293,167)	(2,370)	(295,537)
	-	4,831,253	123,728	4,954,981
DEPRECIATION				
At 1 January 2020	-	-	111,892	111,892
Charge for the year	-	-	7,976	7,976
Eliminated on disposal	-	-	(21,747)	(21,747)
At 31 December 2020	-	-	98,121	98,121
NET BOOK VALUE				
At 31 December 2020	-	4,831,253	25,607	4,856,860
At 31 December 2019	2,364,554	2,831,833	49,486	5,245,873

The properties were revalued during January 2018 by independent valuers Savills on a market value basis. To the best of the knowledge and belief of the Executive Committee, the valuation carried out in January 2018 is not materially different to the value of the properties at 31 December 2020 (taking into account the costs of additions since the valuation was carried out). The historical cost of the properties if they were not revalued is £295,015.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Prepayments and other debtors	6,876	10,171
Trade Debtors	846	-
	<u>7,722</u>	<u>10,171</u>

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Social security and other taxes	5,775	5,265
Trade creditors	66,734	234,174
Accrued Expenses	12,695	7,675
Bank Loans	<u>52,778</u>	<u>41,666</u>
	<u>137,982</u>	<u>288,780</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Bank loans (see note 13)	<u>1,372,222</u>	<u>1,603,347</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year or on demand:		
Bank loan	<u>52,778</u>	<u>41,666</u>
Amounts falling due between one and two years:		
Bank loan - 1-2 years	<u>79,167</u>	<u>186,680</u>
Amounts falling due between two and five years:		
Bank loan - 2-5 years	<u>237,500</u>	<u>250,000</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loan more than 5 years by instalments	<u>1,055,555</u>	<u>1,166,667</u>
	<u>1,425,000</u>	<u>1,645,013</u>

The balance above represents two separate loans all of which are repayable by monthly instalments and which are charged at a fixed and variable rate of interest.

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

15. SECURED DEBTS

The following secured debts are included within creditors:

	2020 £	2019 £
Bank loans	<u>1,425,000</u>	<u>1,645,013</u>

The bank loans are secured against the charity's freehold properties.

16. OPERATING LEASE COMMITMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020 £	2019 £
Within one year	1,886	2,830
Between one and five years	<u>-</u>	<u>1,886</u>
	<u>1,886</u>	<u>4,716</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Endowment funds £	2020 Total Funds £	2019 Total Funds £
Fixed assets	3,846,893	1,009,697	4,856,860	5,245,873
Current assets	65,963	-	65,963	143,992
Current liabilities	(137,982)	-	(137,982)	(288,780)
Long term liabilities	(1,372,222)	-	(1,425,000)	(1,603,347)
	<u>2,402,922</u>	<u>1,009,697</u>	<u>3,412,619</u>	<u>3,497,738</u>

18. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	991,755	309,829	1,301,584
Designated funds			
Revaluation Reserve Fund	<u>1,496,286</u>	<u>(394,948)</u>	<u>1,101,338</u>
	<u>2,488,041</u>	<u>(85,119)</u>	<u>2,402,922</u>

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

Endowment funds

Designated funds

Permanent Endowment Revaluation Reserve Fund	885,480	-	885,480
Permanent Endowment Property Equity Fund	<u>124,217</u>	<u>-</u>	<u>124,217</u>
	<u>1,009,697</u>	<u>-</u>	<u>1,009,697</u>
TOTAL FUNDS	<u><u>3,497,738</u></u>	<u><u>(85,119)</u></u>	<u><u>3,412,619</u></u>

Net movement in funds, included in the above are as follows:

	Incoming Resources	Resources expended	Transfers	Movement in Funds
	£	£	£	£
Unrestricted funds				
General fund	431,296	(516,415)	394,948	309,829
Revaluation fund	-	-	(394,948)	(394,948)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
 Endowment funds				
Permanent Endowment Equity Fund	-	-	-	-
Permanent Endowment Reserve Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>430,296</u></u>	<u><u>(516,415)</u></u>	<u><u>-</u></u>	<u><u>(85,119)</u></u>

Purpose of funds:-

Revaluation reserve

The revaluation reserve is required by the Companies Act 2006 and represents the amount by which the Charity's properties exceed their historical cost. The transfer relates to the property sold during the year and releasing the revaluation amount relating to this property.

Permanent endowment fund

This fund represents the capital value of the Jane Gillitt property as the charity is entitled to use the income it generates but are not entitled to the capital. This fund is split between the property equity fund which represents the original cost of the property including property additions and the revaluation fund which shows the revalued element.

ELM TREES RETIREMENT LIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

19. CAPITAL COMMITMENTS

	2020 £	2019 £
Contracted but not provided for in the financial statements	-	229,141

The above commitment will be met by agreed funding with Lloyds Bank Plc, along with the Society's own cash reserves.