

Registration number: 00702983

Homes England number: H0560

Charity Number: 222742

ABBNEYFIELD NEWCASTLE UPON TYNE SOCIETY LIMITED (THE)

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 January 2021

Abbeyfield Newcastle upon Tyne Society Limited (The)

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Abbeyfield Newcastle upon Tyne Society Limited (The)

Company Information

Registered office	40A The Grove Gosforth Newcastle upon Tyne NE3 1NH
Vice-president	The Rt. Revd. Christine Hardman, Bishop of Newcastle
Executive Committee	Mrs V R Wilkinson - Chairperson Mrs M Anderson Mr B Duell Mrs C L Eke Mr A W Kay Mr R MacKintosh
Chief Executive	Mr J Connelly

Key Management Personnel

The board consider the following to be KMP of the society and have delegated the day-to-day management responsibilities:

Mr J Connelly – CEO
Mrs K Brown – Manager, The Grove Care Home
Mrs C A Major – Manager, Castle Farm Care Home
Mrs C Logue – Deputy Manager, The Grove Care Home
Mrs A Forster – Deputy Manager, Castle Farm Care Home
Mr W K Parrish – Administrator
Mrs P Jones – Finance Officer
Mrs L Lawson – Payroll Officer
Mrs H Angel – Volunteer & Activities Co-ordinator
Mrs N Pitman – Activities Session Leader

Company secretary Mr W K Parrish

Bankers Barclays Bank Plc
Gosforth High Street
59 High Street
Gosforth
Newcastle upon Tyne
NE3 4AA

Investment Broker Rathbone Investment Management Limited
Earl Grey House
75-85 Grey Street
Newcastle upon Tyne
NE1 6EF

Auditor MHA Tait Walker
Chartered Accountants & Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Abbeyfield Newcastle upon Tyne Society Limited (The)

Report of the Board (including Strategic Report) for the Year Ended 31 January 2021

The Executive Committee present their report and the financial statements for the year ended 31 January 2021.

Principle activity

The principle activity of the Society is to provide accommodation, care and companionship for lonely or frail elderly people in accordance with the aims and principles of The Abbeyfield Society Limited.

Members of the Executive Committee

The Members of the Executive Committee during the year ended 31 January 2021 were as follows:

Mrs V R Wilkinson - Chairperson
Mrs M Anderson
Mr B Duell
Mrs C L Eke
Mr A W Kay
Mr R MacKintosh

Applications for membership of the Executive Committee are sought by direct correspondence to individuals with relevant experience and skills. Members serve for a three year period and may be re-elected thereafter. The Executive Committee meets six times per year.

Registration of the Association

The Abbeyfield Newcastle upon Tyne Society Limited is a company limited by guarantee, a registered provider of social housing and a registered charity governed by its memorandum and articles of association. The Society is registered under the Companies Act 2006 and the Housing and Regeneration Act 2008.

Financial Statements and state of the Association's affairs

The results for the year are shown in the Income and Expenditure Account.

Achievements & Performance

The financial year which ended on 31st January 2021 has once again shown an operational surplus before considering any YTD movement on the investment portfolio. This was an increase on our budget expectations of 21%, in cash terms £6250. This was also significant improvement on last year in terms of "like for like" performance. In the accounts there is a further £26k surplus quoted which is the unspent Government grants at our year end, this surplus is accrued in this year's accounts rather than being carried over. These funds are committed and will reflect in the current years' Financial accounts.

The Government grants were threefold:

1. The Infection Control Grant fund
2. The Adult Social Care Workforce Capacity fund, and
3. The Adult Social Care Rapid Test Fund.

These funds related to initiatives to support the Care sector through the Covid 19 pandemic, and have been used widely in support of our staff and residents providing further safety measures and provision of I.T. equipment to enhance staff training and social experiences, amongst other things.

The annual accounts clearly reflect the impact that voids have had this year mainly due to Covid which has affected the general confidence in Residential care across the sector. Void losses are reported as (£185,441) against a budget of (£52,591).

Abbeyfield Newcastle upon Tyne Society Limited (The)

Report of the Board (including Strategic Report) for the Year Ended 31 January 2021 (continued)

This has had an impact obviously, but even with an increase in salaries, the good use of Government grants and the good control of day to day costs has led to a strong Balance sheet. This has been further helped by our Investment performance which has had a positive impact on our Net Current Assets and ultimately a good improvement in our total equity, which is 4.2% higher than last year.

Void management is our key to driving income, and this year we have experienced longer terms of voids than we anticipated, much of which was beyond our direct control, but overall this has been managed well. As part of our ongoing plan to ensure value for money we will continue our "value for money" culture throughout the Society.

The Audit shows that our performance has been very consistent in comparison with the previous year, despite the abnormal void situation. In the opinion of the Auditors these financial statements do not contain any substantial risk and there is no evidence of any irregularities and they give a true and fair view of the state of The Society's financial affairs as at the 31st January 2021. The final audit has shown a clean set of figures, and even with the impact of Covid 19 we are recognised as being a going concern for the foreseeable future.

Our Investment Portfolio was taken out in 2018. This year, valuations have fluctuated in line with financial markets, but it has tended to regularly outperform national market trends and has been well managed.

The consolidated portfolio valuation (which includes the investment cash balances held in current assets) at 31st January 2021 showed a net increase for the financial year of £111,174, a portfolio gain of 4.1% net of all charges. The stand out figure was the performance of overseas equities which had a gain of 14.8% against the FTSE index of 12.9%. Our other assets outperformed the general market in every category. Overall this is a positive outcome considering that this reporting period includes the equity market collapse of March 2020 when the Covid pandemic took hold.

The strong managerial performances by our two House Managers in maintaining good controls amidst all the other challenges that this year brought, has been a key element in our financial performance in what has been a difficult year.

We continue to be a member of the Care North East consortium of care providers in Newcastle, which enabled us to benefit from an agreed Residential Care fee increase of 6.7% with Newcastle City Council this year. We were informed at the time, that this figure would be index linked for the next three years. However, with the impact of Covid across the sector this is currently under review. We still have currently 8 residents who are funded through the Local Authority

Our working relationships with the Local Authority and the Health Practitioners has been a strong point of this year, and we are now part of the "Collaborative Newcastle" group. This was set up across the sector in response to the Covid pandemic to bring Care home managers together with Health professionals to share best practice and discuss individual and collective concerns. Both managers have found these regular discussions helpful and this collaborative approach will continue post-Covid.

In summary, despite the immense challenges we have faced this year, the financial statements again show a strong set of financial figures, with sound investments and the final audit has shown a clean audit with no qualifications.

Abbeyfield Newcastle upon Tyne Society Limited (The)

Report of the Board (including Strategic Report) for the Year Ended 31 January 2021 (continued)

The Executive Committee maintains their long-term strategy to strengthen our property portfolio to offer a greater variety of accommodation and support for the elderly in our community. We have continued to develop an option on a potential site in Berwick upon Tweed in partnership with the local Abbeyfield Berwick upon Tweed Society. This site has the full backing of Northumberland County Council and has received outline planning permission. Potential funding has been obtained in principle, however, there have been recent setbacks in relation to the land which has caused the project to stall. Further negotiations are ongoing but due to issues created by the land owner, the financial impact of this may make the project financially unviable.

The wider financial issues and implications need to be considered carefully in a development of this scale and the mitigation of all risk is vital before any firm decision can be made by the Board of Trustees.

We have continued the development of closer working with other North East societies in line with the wider strategic aims of The Abbeyfield Society and have once again taken a leading role in several local and national initiatives.

The central Abbeyfield Society is going through a significant and intensive period of strategic change. After the national Abbeyfield AGM in November 2020, an Abbeyfield England Work Group was established to represent the English Member Societies in all matters relating to the future linked to the wider strategy. The CEO of our society sits on that group in the position of Northern Regional Chair, and is perceived as having an influential role in the region. And, as such, has become more involved in developing strategic approaches to issues linked to the National Strategy, with a view to developing the Membership profile both on a Regional and National basis.

In consideration of all the challenges this year, our staff morale has been excellent, and they, as a team, have faced these challenges with great professionalism in maintaining the standards of care, often under difficult circumstances. Once again, our staff turnover was minimal which strongly suggests that our staff are happy with their work environment, training they receive and the way they are managed. Personal feedback from staff would further endorse this

Volunteering opportunities have been difficult this year mainly due to the Covid situation and the requirements to observe regularly changing rules and guidelines. Despite this, we employed an Activity Session Leader late last year to compliment the existing team in delivering a wide range of activities as much as the guidelines would allow. This has been a successful appointment and the role has brought welcome changes in the development of new and different activity sessions which the residents have appreciated.

There is the opportunity to build on that role in the coming year.

Communication has been important this year in that since the onset of the pandemic in March 2020, a weekly update has been sent to all family members we engage with. This is to appraise them of the situation and how, if any, changing guidelines have impacted on our residents' health, safety and wellbeing. This has been well received and we receive regular feedback on our actions.

Abbeyfield Newcastle upon Tyne Society Limited (The)

Report of the Board (including Strategic Report) for the Year Ended 31 January 2021 (continued)

In summarizing, the operating year 2020/21 was a successful year in many areas. Despite the obvious impact of the Covid pandemic early in the year, our financial performance remains positive even allowing for the high number of voids. Our investments are showing good returns and are well managed considering the major fluctuations of the financial markets. We have good staff retention which has led to a continuity of service which is a major part of maintaining the wellbeing and safety of our residents. Despite recent setbacks, our ambitions to progress and grow continue, but we remain cautious of the future in relation to the developing wider strategic aims of the central Abbeyfield Society. The development of the Abbeyfield England Group, and outcomes, should enable us to make future decisions when we know more detail of the proposed strategy and understand how we fit within the same.

Having a settled, committed team, and a good financial base puts us in a strong position to build on our progress into the next financial year and beyond, when more critical strategic decisions will need to be made to ensure our financial viability and sustainability.

Governance

The Executive Committee adhere to the principal recommendations of the National Housing Federation's code of governance insofar as these are considered applicable to an organisation of this size.

The Finance & Audit Committee operates under specific terms of reference which delegate certain functions from the Executive Committee.

The Finance & Audit Committee meets six times a year. All decisions of the Finance & Audit Committee are required to be ratified by the Executive Committee. The House Committees are delegated authority from the Executive Committee for the responsibility of the day to day running of the respective Houses.

Risk Management

The major risks, to which the Society is exposed, as identified by the Executive Committee, have been reviewed and systems have been established to mitigate those risks by using the relevant Abbeyfield Standards procedures.

Value for money

As part of our ongoing strategy to ensure value for money, we continue to deliver our plan, meeting the required Standard, embedding a 'value for money' culture throughout the Society. Continuing to get best value from our resources is essential to ensure we can continue to deliver quality care and invest in the accommodation offered to our residents where necessary to maintain this.

Our key actions include the following:

- Continued development of centralised contracts to reduce overheads and to make efficient use of property budget spend.
- Regular management meetings with a view to addressing performance issues.
- Management of staffing resources to ensure that we are consistent and more efficient in the way we operate.
- Setting of a realistic budget with emphasis on fee setting, staff costs and control of vacancies.
- Continued development of partnership working with external agencies and internally with Abbeyfield and other member Societies.
- Ongoing Strategic Business Planning making best use of resources.
- Further engagement of our staff with appraisals, training and internal development.

The Executive Committee are committed to ensure that value for money is considered in decision-making at all levels in order to meet and exceed the Standard. This is reinforced through the Society's culture which strives, ultimately to add value to the Society through the provision of quality care to all of our residents.

Abbeyfield Newcastle upon Tyne Society Limited (The)

Report of the Board (including Strategic Report) for the Year Ended 31 January 2021 (continued)

	2021	2020
Reinvestment	0.0%	2.3%
New Supply Delivered – Social Housing Units %	-	-
New Supply Delivered – Non-social Housing Units	-	-
Gearing	0.0%	0.0%
EBITDA MRI Interest Cover	37490%	39138%
Headline Social Housing Cost per Unit	£34,348	£33,779
Operating Margin (Social Housing Lettings and Overall)	2.8%	1.8%
Return on Capital Employed	1.1%	0.7%

Statement of public benefit

The Executive Committee have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Society's aims and objectives and in planning its future activities. In particular, the Executive Committee consider how planned activities will contribute to the aims and objectives they have set.

The Executive Committee are committed to furthering the Society's objects primarily by providing high quality care and support to elderly users of the Society's facilities. It is the objective of the Executive Committee each year to maximise the public benefit of the Society in providing high quality care and support, having regard to the extent of the Society's income and reserves, the cost of facilities and the ability of residents to make payments from their own resources.

Reserves policy

As recommended in a previous Audit we now have in place a formal Reserves Policy which will be reviewed at the required timescale. This policy requires us to have a minimum of three months working capital immediately available with the remainder invested in two suitable and ethically appropriate investment portfolios, and professionally managed. Investment funds are immediately available if they are so required. At year end the free reserves of the entity are £3,068,016 (2020: £2,990,705)

As already reported, Rathbones Investment Management are providing the necessary financial management of our two portfolios with monthly reports and monitoring of our account. The emphasis for Rathbones is to deliver income and capital growth for both portfolios. Detailed analysis reports are made available to the Finance and Audit Committee meeting on a bi-monthly basis for onward discussion at the full Executive Committee meeting.

Financial review

The full details and analysis of our financial performance is set out in the main body of this report. We feel that we are well placed to continue our progress during 2021/22 and beyond.

Abbeyfield Newcastle upon Tyne Society Limited (The)

Report of the Board (including Strategic Report) for the Year Ended 31 January 2021 (continued)

Key performance indicators

The Executive Committee review our financial performance at each meeting taking into account any recommendations from the Finance & Audit Committee, after reviewing the full management accounts and the main KPI's as follows:

The company's key financial and other performance indicators during the year were as follows:

	Unit	2021	2020
Surplus/(Deficit) as % of Total turnover	%	2.70	1.80
Occupancy at The Grove	%	87.90	96.90
Occupancy at Castle Farm	%	94.60	98.30
Total Staff costs as % of Total turnover	%	75.90	70.30
Food costs as % of Total turnover	%	5.30	5.00
Light/Heat cost as % of Total turnover	%	3.60	3.50

Abbeyfield Newcastle upon Tyne Society Limited (The)

Report of the Board (including Strategic Report) for the Year Ended 31 January 2021 (continued)

Internal Control Assurance

The Executive Committee has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The Executive Committee recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Society's assets and interests.

In meeting its responsibilities, the Executive Committee has adopted a risk based approach to internal control which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Society is exposed.

The process adopted by the Executive Committee in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

Identification and evaluation of key risks

This process is set out in the Society's risk management strategy. The Executive Committee has identified the significant strategic risks facing the Society and these are reviewed annually by the Executive Committee.

Monitoring and Corrective Action

The Society's risk management strategy includes a procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those with a material impact on the Financial Statements.

Control environment and control procedures

The Executive Committee retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues in accordance with the relevant Abbeyfield standard.

Information and financial reporting systems

Financial reporting procedures cover the preparation of detailed budgets for the year ahead including forecast outturns which are reviewed on a monthly basis, as well as forecasts for subsequent years. These are reviewed and approved by the Executive Committee

The Executive Committee confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Society.

Status

The society is:

A registered charity for tax purposes (No. 222742)

A company limited by guarantee (No. 00702983), having no share capital and with solely charitable objectives

Registered with the Homes England as a registered provider of social housing (No. H0560)

Abbeyfield Newcastle upon Tyne Society Limited (The)

Report of the Board (including Strategic Report) for the Year Ended 31 January 2021 (continued)

Statement of Executive Committee's Responsibilities

The Executive Committee acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Executive Committee to prepare financial statements for each financial year. Under that law the Executive Committee 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 Executive Committee 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 company and of the surplus or deficit of the company for that period. In preparing these financial statements, the Executive Committee are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 company will continue in business.

The Executive Committee are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, Housing and Regeneration Act 2008, The Housing SORP2018 and the accounting direction for Private Registered Providers of Social Housing 2019. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Executive Committee acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate to the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:-

- The reliability of financial information used within the Society or for publication;
- The maintenance of proper accounting records;
- The safeguarding of assets against unauthorised use or disposition and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

It is the responsibility of the Executive Committee to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements include:

Abbeyfield Newcastle upon Tyne Society Limited (The)

Report of the Board (including Strategic Report) for the Year Ended 31 January 2021 (continued)

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Society's assets;
- Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance;
- Forecasts and budgets are prepared which allow the Executive Committee to monitor the key business and financial objectives and risks and the progress towards financial objectives set for the year and the medium term; regular management accounts are prepared promptly providing relevant, reliable and up-to-date financial and other information; significant variances from budget are investigated as appropriate;
- All investment projects are subject to formal authorisation procedures by the Executive Committee;
- The Executive Committee reviews reports from the managing agents and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Society.
- Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Executive Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 January 2021. No weaknesses in internal financial control resulted in material losses, contingencies, or uncertainties which require disclosure in the financial statements or the auditors' report on the financial statements.

Disclosure of information to the auditor

The Executive Committee has taken steps that they ought to have taken as an Executive Committee in order to make themselves aware of any relevant audit information and to establish that the society's auditor is aware of that information. The Executive Committee confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

Statement of compliance

The board confirms that this Report of the Board (including Strategic Report) has been prepared in accordance with the principles set out in Para 4.7 of the Housing SORP 2018 Update for Registered Social Housing Providers.

Approved by the Board on 24/6/21 and signed on its behalf by:


Mrs V R Wilkinson - Chairperson

Abbeyfield Newcastle upon Tyne Society Limited (The)

Independent Auditor's Report to the Members of Abbeyfield Newcastle upon Tyne Society Limited (The)

Opinion

We have audited the financial statements of Abbeyfield Newcastle upon Tyne Society Limited (The) (the 'company') for the year ended 31 January 2021, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Housing and Regeneration Act 2008, the Statement of Recommended Practice (SORP) accounting by Registered Social Housing Providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2021 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Cooperative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Statement of Recommended Practice (SORP) accounting by Registered Social Housing Providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Abbeyfield Newcastle upon Tyne Society Limited (The)

Independent Auditor's Report to the Members of Abbeyfield Newcastle upon Tyne Society Limited (The) (continued)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the executive committees responsibilities (set out on page 9), the directors 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 directors 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Abbeyfield Newcastle upon Tyne Society Limited (The)

Independent Auditor's Report to the Members of Abbeyfield Newcastle upon Tyne Society Limited (The) (continued)

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:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Assessment of matters recorded on the risk register
- Reading correspondence with regulators including the Care Quality Commission
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to stock provisions; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); Care Quality Commission; and compliance with the UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

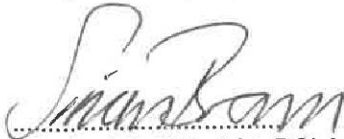
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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Independent Auditor's Report to the Members of Abbeyfield Newcastle upon Tyne Society Limited (The) (continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014, s. 87. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Brown BA ACA DChA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 24/6/21

MHA Tait Walker is a trading name of Tait Walker LLP.

Abbeyfield Newcastle upon Tyne Society Limited (The)

Statement of Comprehensive Income for the Year Ended 31 January 2021

	Note	2021 £	2020 £
Turnover		1,847,952	1,881,697
Operating expenses		(1,923,474)	(1,853,939)
Other operating income	5	<u>126,056</u>	<u>5,743</u>
Operating surplus	6	50,534	33,501
(Loss)/gain on financial assets at fair value through profit and loss account		(53,621)	20,699
Income from other fixed asset investments		35,609	48,411
Other interest receivable and similar income	7	<u>1,948</u>	<u>2,976</u>
Surplus for the financial year		34,470	105,587
Surplus/(deficit) on revaluation of other assets	10	<u>146,321</u>	<u>168,639</u>
Total comprehensive income for the financial year		<u><u>180,791</u></u>	<u><u>274,226</u></u>

The above results were derived from continuing operations.

Approved and authorised by the Board on 24/6/21 and signed on its behalf by:



 Mrs V R Wilkinson - Chairperson

The notes on pages 19 to 32 form an integral part of these financial statements.

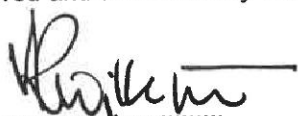
Abbeyfield Newcastle upon Tyne Society Limited (The)

(Registration number: 00702983)

Statement of Financial Position as at 31 January 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	10	1,668,911	1,749,697
Investments	11	2,411,731	2,328,973
		<u>4,080,642</u>	<u>4,078,670</u>
Current assets			
Debtors	12	53,091	71,212
Investments	13	312,294	283,878
Cash at bank and in hand		770,224	580,047
		<u>1,135,609</u>	<u>935,137</u>
Creditors: Amounts falling due within one year	14	<u>(157,384)</u>	<u>(120,715)</u>
Net current assets		<u>978,225</u>	<u>814,422</u>
Total assets less current liabilities		5,058,867	4,893,092
Creditors: Amounts falling due after more than one year	14	<u>(296,816)</u>	<u>(311,832)</u>
Net assets		<u>4,762,051</u>	<u>4,581,260</u>
Capital and reserves			
Revaluation reserve	18	228,553	82,232
Restricted reserves	18	93,386	70,458
Unrestricted reserves	18	4,440,112	4,428,570
Total equity		<u>4,762,051</u>	<u>4,581,260</u>

Approved and authorised by the Board on 24/6/21 and signed on its behalf by:



Mrs V R Wilkinson - Chairperson

The notes on pages 19 to 32 form an integral part of these financial statements.

Abbeyfield Newcastle upon Tyne Society Limited (The)

Statement of Changes in Equity for the Year Ended 31 January 2021

	Revaluation reserve £	Restricted reserve £	Unrestricted reserve £	Total £
At 1 February 2019	(86,407)	70,458	4,322,983	4,307,034
Total comprehensive income	168,639	-	105,587	274,226
At 31 January 2020	82,232	70,458	4,428,570	4,581,260

	Revaluation reserve £	Restricted reserve £	Unrestricted account £	Total £
At 1 February 2020	82,232	70,458	4,428,570	4,581,260
Total comprehensive income	146,321	-	34,470	180,791
Transfers	-	22,928	(22,928)	-
At 31 January 2021	228,553	93,386	4,440,112	4,762,051

The notes on pages 19 to 32 form an integral part of these financial statements.

Abbeyfield Newcastle upon Tyne Society Limited (The)

Statement of Cash Flows for the Year Ended 31 January 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Surplus for the year		34,470	105,587
Adjustments to cash flows from non-cash items			
Social housing grant recognised in income		(15,015)	(15,115)
Depreciation and amortisation	6	80,786	82,968
Finance income	7	(37,557)	(51,387)
		<u>62,684</u>	<u>122,053</u>
Working capital adjustments			
Decrease/(increase) in debtors	12	18,121	(18,705)
Increase in creditors	14	36,672	8,460
		<u>117,477</u>	<u>111,808</u>
Cash flows from investing activities			
Interest received	7	37,557	51,387
Acquisitions of tangible assets		-	(47,506)
Acquisition of other investments		(758,176)	(1,268,461)
Disposals of other investments		821,735	712,329
Other current asset movements		(28,416)	508,694
		<u>72,700</u>	<u>(43,557)</u>
Net cash flows from investing activities		<u>190,177</u>	<u>68,251</u>
Net increase in cash and cash equivalents		580,047	511,796
Cash and cash equivalents at 1 February		<u>770,224</u>	<u>580,047</u>
Cash and cash equivalents at 31 January		<u>770,224</u>	<u>580,047</u>

The notes on pages 19 to 32 form an integral part of these financial statements.

Abbeyfield Newcastle upon Tyne Society Limited (The)

Notes to the Financial Statements for the Year Ended 31 January 2021

1 General information

The company is a company limited by guarantee, incorporated in England and Wales and registered with Homes England, and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

The address of its registered office is 40A The Grove, Gosforth, Newcastle upon Tyne, NE3 1NH.

The society is:

- A registered charity for tax purposes (No. 222742)
- A company limited by guarantee (No. 00702983), having no share capital and with solely charitable objectives
- Registered with the Homes England as a registered provider of social housing (No. H0560)

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland,' the Accounting Directions for Private Registered Providers of Social Housing 2019 and the Statement of Recommended Practice Accounting by Registered Social Landlords, Update 2018 ('SORP2018'). The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006.

In accordance with FRS102 PBE3.3A the directors confirm that this Registered Social Housing Provider is a Public Benefit Entity.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are prepared in sterling which is the functional currency of the entity.

Abbeyfield Newcastle upon Tyne Society Limited (The)

Notes to the Financial Statements for the Year Ended 31 January 2021 (continued)

2 Accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis. The company meets its day to day working capital requirements through cash generated from operations.

The company's forecasts and projections for the next twelve months show that the company, given its strong cash balance and investment portfolio, should be able to continue in operational existence for that period, taking into account reasonable possible changes in occupancy, investment performance and the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This also considers the effectiveness of available measures to assist in mitigating the impact.

In the directors assessment of possible changes they have considered a fall in occupancy and potential cost savings which are reflective of their business continuity plan.

Although the forecasts prepared taking account of the matters above support the ability of the company to be remain a going concern and to be able to trade and meets its debts as they fall due, the full impact of COVID-19, the continued level of government support and the underlying trading assumptions used in forecasting are extremely judgemental and difficult to predict and could be subject to significant variation. The directors have stress tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

Based on the factors set out above the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Judgements

There have been no accounting judgements (apart from those involving estimates) made in the process of applying the above accounting policies.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Useful economic lives of tangible assets - The annual depreciation charge is sensitive to changes in the estimated useful lives of the assets. The useful economic lives are re-assessed annually. They are amended when necessary to reflect current estimates, future investments and economic utilisation.

Revenue recognition

Turnover represents rental income and service charges receivable net of rent and service charge losses from voids as well as social housing grants released. Turnover is recognised as the period of rent is due.

Government grants

In accordance with the performance method, government grants are released to the statement of comprehensive income when performance conditions have been met.

Abbeyfield Newcastle upon Tyne Society Limited (The)

Notes to the Financial Statements for the Year Ended 31 January 2021 (continued)

2 Accounting policies (continued)

Tax

The Society has charitable status and is exempt from corporation tax on the income it has received.

The Society is not registered for VAT. Accordingly no VAT is charged to residents, and expenditure in the income and expenditure account includes the relevant VAT.

Tangible assets

Tangible assets (including social housing properties) are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The cost of properties is their purchase price together with incidental costs of acquisition including interest payable. Interest payable is capitalised by applying the Society's cost of borrowing to expenditure during the construction of the property up to the date of practical completion. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Surpluses or deficits on the sale of housing land and buildings are accounted for in the income and expenditure account as the difference between the net sale proceeds and the net carrying value.

None of the RSHP's housing properties are considered to be investment properties.

Major components of housing properties, such as the internal fittings and heating components, have been accounted for and depreciated separately from the housing structure, over their expected useful economic lives.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land	Not depreciated
Structure & roof	50 years straight line
Kitchens, bathrooms, doors and windows	30 years straight line
Lift	15 years straight line
Heating - boilers	10 years straight line
Heating - radiators	25 years straight line
Fixtures and fittings	15% reducing balance

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value through the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment. The difference between the historic cost and the Market Value is shown as a revaluation reserve which can be both positive and negative at a year end.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Abbeyfield Newcastle upon Tyne Society Limited (The)

Notes to the Financial Statements for the Year Ended 31 January 2021 (continued)

2 Accounting policies (continued)

Rent arrears and advances

In accordance with the Accounting Direction for Private Registered Providers of Social Housing, rent arrears and advances are not net-off and are presented as part of debtors and creditors respectively. Where a payment plan has been entered into for rent arrears, which is considered to be material, then the rent arrears debtor is adjusted to its net present value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Lease payments are recognised as an expense over the lease term on a straight line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight line basis.

Social housing grant

Social Housing Grant received as a capital contribution, in line with SORP2018 and the 'accruals method', is held separately as a creditor due more than one year, unless part of the Social Housing Grant relates to a disposal of property and becomes recycled or repayable, in which case it is apportioned to creditors due less than one year accordingly. The 'accruals method' is applied as the RSHP holds all social housing properties at their historic cost.

The Social Housing Grant is then amortised in line with the depreciation of the 'structure' component of the housing properties and released over 50 years (2%). The amortisation released in respect of the Social Housing Grant is recognised in the Statement of Comprehensive Income as 'income'.

Social Housing Grant received towards revenue expenditure is matched against that expenditure by being included in turnover in the income and expenditure account. The related expenditure is included under operating costs. Social Housing Grant is recognised in the same period as the related expenditure provided the conditions for its receipt have been satisfied and there is reasonable assurance that the grant will be received.

Social Housing Grant received and not matched by development expenditure or relevant expenditure in the income and expenditure account is included in current liabilities. The amount of Social Housing Grant in advance is calculated by reference to the aggregate of all schemes in the Social Housing Grant funded development programme.

Abbeyfield Newcastle upon Tyne Society Limited (The)

Notes to the Financial Statements for the Year Ended 31 January 2021 (continued)

2 Accounting policies (continued)

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

A financial instrument is a contract that gives rise to a financial asset or liability within the financial statements. The committee of management have reviewed the financial instruments held within the financial statements and consider them to be 'basic' and as such are recognised at their transactional value.

3 Turnover, operating costs and operating surplus for the year

	Turnover £	Operating costs £	Operating surplus 2021 £
Social housing lettings	1,847,952	(1,811,309)	36,643
Other	126,056	(99,645)	26,411
	<u>1,974,008</u>	<u>(1,910,954)</u>	<u>63,054</u>
	Turnover £	Operating costs £	Operating surplus 2020 £
Social housing lettings	1,881,697	(1,853,939)	27,758
Other	5,743	-	5,743
	<u>1,887,440</u>	<u>(1,853,939)</u>	<u>33,501</u>

Abbeyfield Newcastle upon Tyne Society Limited (The)

Notes to the Financial Statements for the Year Ended 31 January 2021 (continued)

3 Turnover, operating costs and operating surplus for the year (continued)

Particulars of the company's revenue for the year from continuing operations is as follows:

	2021 £	2020 £
Rent receivable net of identifiable service charges	1,832,937	1,866,582
Amortised government grants	14,444	14,444
Other grants	571	671
	<u>1,847,952</u>	<u>1,881,697</u>
 Void losses (being rental income lost as a result of property not being let, although available for letting)	 (185,441)	 (47,970)

4 Analysis of Turnover, Operating Costs and Operating Surplus for the year

	Social housing letting expenditure £	Other expenditure £	2021 £	2020 £
Operating Expenditure				
Management charges payable	(18,636)	-	(18,636)	(18,289)
Routine maintenance	(33,117)	(2,307)	(35,424)	(63,163)
Planned maintenance	-	-	-	(18,237)
Depreciation of housing properties	(80,786)	-	(80,786)	(82,968)
Payroll costs	(1,325,299)	(77,481)	(1,402,780)	(1,332,601)
Other staff costs	(2,011)	-	(2,011)	(6,707)
Food	(97,143)	-	(97,143)	(93,855)
Other hire	(7,998)	-	(7,998)	(7,330)
Travelling and subsistence	(1,144)	-	(1,144)	(2,555)
Rent and rates	(15,692)	-	(15,692)	(14,994)
Light, heat and power	(67,165)	-	(67,165)	(65,847)
Insurance	(17,413)	-	(17,413)	(15,876)
Telephone and fax	(9,572)	-	(9,572)	(10,127)
Office expenses	(38,466)	-	(38,466)	(32,553)
Other costs	(67,367)	(1,927)	(69,294)	(52,791)
Legal and professional fees	(1,090)	-	(1,090)	(1,090)
Cleaning	(20,087)	(17,930)	(38,017)	(14,940)
Auditor's remuneration	(5,450)	-	(5,450)	(5,450)
Bank charges	(378)	-	(378)	(570)
Premises expenses	(15,015)	-	(15,015)	(13,996)
Total operating expenditure	<u>(1,823,829)</u>	<u>(99,645)</u>	<u>(1,923,474)</u>	<u>(1,853,939)</u>

5 Other operating income

The analysis of the company's other operating income for the year is as follows:

Abbeyfield Newcastle upon Tyne Society Limited (The)

Notes to the Financial Statements for the Year Ended 31 January 2021 (continued)

5 Other operating income (continued)

	2021	2020
	£	£
Government grants	122,573	-
Miscellaneous other operating income	<u>3,483</u>	<u>5,743</u>
	<u>126,056</u>	<u>5,743</u>

Government grant income includes income received for infection control and Coronavirus job retention scheme.

Abbeyfield Newcastle upon Tyne Society Limited (The)

Notes to the Financial Statements for the Year Ended 31 January 2021 (continued)

6 Operating surplus

Arrived at after charging/(crediting)

	2021	2020
	£	£
Depreciation expense	80,786	82,968
Development costs	40,298	19,600
Auditors remuneration	5,450	5,450
Amortised government grants	<u>(14,444)</u>	<u>(14,444)</u>

7 Other interest receivable and similar income

	2021	2020
	£	£
Interest income on bank deposits	<u>1,948</u>	<u>2,976</u>

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021	2020
	£	£
Wages and salaries	1,284,955	1,223,440
Social security costs	89,384	82,942
Pension costs, defined contribution scheme	<u>28,441</u>	<u>26,219</u>
	<u>1,402,780</u>	<u>1,332,601</u>

Abbeyfield Newcastle upon Tyne Society Limited (The)

Notes to the Financial Statements for the Year Ended 31 January 2021 (continued)

8 Staff costs (continued)

The average full time equivalent number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Administration and support	4	4
Management	56	56
	<u>60</u>	<u>60</u>

No employees earned more than £60,000. None of the Executive Committee received any emoluments during 2021 (2020: £nil).

The total expenses reimbursed to the Executive Committee not chargeable for UK income tax during 2021 was £nil (2020: £nil).

There were no further related party transactions with the board.

The key management personnel of the Society comprise the Chief Executive Officer, the two Care Home Managers and Deputy Managers, the Administrator, the Finance Officer, the Payroll Officer, the Volunteer & Activities Co-ordinator and the Activities Session Leader. During the year salaries totalling £257,453 (2020: £249,618) were paid to key management personnel. Pension contributions totalling £9,966 (2020: £9,544) were made on behalf of key management personnel.

During the year the Chief Executive's pension arrangements continued to be a defined contribution scheme and the RHSP contributed £2,102 Employer contribution (2020: £1,937) into the scheme.

9 Auditor's remuneration

	2021 £	2020 £
Audit of the financial statements	<u>5,450</u>	<u>5,450</u>

Abbeyfield Newcastle upon Tyne Society Limited (The)

Notes to the Financial Statements for the Year Ended 31 January 2021 (continued)

10 Tangible assets

	Housing properties for let £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 February 2020	3,315,193	482,685	3,797,878
At 31 January 2021	3,315,193	482,685	3,797,878
Depreciation			
At 1 February 2020	1,647,897	400,284	2,048,181
Charge for the year	68,425	12,361	80,786
At 31 January 2021	1,716,322	412,645	2,128,967
Carrying amount			
At 31 January 2021	1,598,871	70,040	1,668,911
At 31 January 2020	1,667,296	82,401	1,749,697

11 Investments

	Financial assets at fair value through profit and loss £	Total £
Non-current financial assets		
Cost or valuation		
At 1 February 2020	2,328,970	2,328,970
Additions	758,176	758,176
Disposals	(821,735)	(821,735)
Fair value adjustments	146,320	146,320
At 31 January 2021	2,411,731	2,411,731
	2021 £	2020 £
Historic cost		
At 1 February	2,196,814	1,690,606
Additions	758,178	1,268,461
Disposals	(741,478)	(762,253)
At 31 January	2,213,514	2,196,814

Abbeyfield Newcastle upon Tyne Society Limited (The)

Notes to the Financial Statements for the Year Ended 31 January 2021 (continued)

11 Investments (continued)

	2021 £	2020 £
Realised (loss)/gain		
Opening market value of disposals	821,735	712,329
Proceeds	<u>(768,114)</u>	<u>(733,028)</u>
Realised losses/(gains)	<u>53,621</u>	<u>(20,699)</u>
	2021 £	2020 £
Opening market value of investments	2,328,967	1,604,196
Closing market value of investments	<u>(2,411,731)</u>	<u>(2,328,967)</u>
	(82,764)	(724,771)
Additions	758,178	1,268,461
Disposals	<u>(821,735)</u>	<u>(712,329)</u>
Unrealised (gain) / loss per Statement of Comprehensive Income	<u>(146,321)</u>	<u>(168,639)</u>

Monies held by the broker as cash in a separate bank account is held on the balance sheet as current assets. At the year end the amount held in cash in current assets was £312,294 (2020: £283,878).

Investment holdings > 5%

At the year end, the organisation had individual investments exceeding 5% of the total value in the following holdings:

Abbeyfield Newcastle upon Tyne Society Limited (The)

Notes to the Financial Statements for the Year Ended 31 January 2021 (continued)

11 Investments (continued)

	Units	Cost £	Market Value £	% Holding %
Edgewood L Select US Select Growth I Z	510	118,911	145,219	6
SPDR Series Trust S&P 500 ETF	760	190,946	206,998	9
iShares PLC Physical Gold (ETC) (GBP)	5,400	144,147	142,668	6
Link Fund Solutions Trojan S Inc	57,000	141,624	162,559	7
M&G Securities Ltd Global Macro Bond J Inc	99,000	108,504	108,761	5

12 Debtors

	2021 £	2020 £
Trade debtors (gross rent arrears)	16,139	35,048
Other debtors	4,899	5,138
Prepayments	32,053	31,026
	<u>53,091</u>	<u>71,212</u>

13 Current asset investments

	2021 £	2020 £
Investments	<u>312,294</u>	<u>283,878</u>

14 Creditors

	Note	2021 £	2020 £
Due within one year			
Trade creditors		31,642	32,075
Social security and other taxes		21,070	19,306
Other creditors		14,161	2,649
Accrued expenses		90,511	66,685
		<u>157,384</u>	<u>120,715</u>
Due after one year			
Other capital grants		3,232	3,804
Social housing grant (amortised cost)	16	293,584	308,028
		<u>296,816</u>	<u>311,832</u>

15 Financial Instruments

Included in the loans and borrowings are the following amounts due after more than five years:

The other capital grants relate to grant funding received from Newcastle City Council in 2008 in respect of two of the houses. These grants are to be written off at 15% reducing balance inline with the depreciation policy for fixtures, fittings and equipment.

Abbeyfield Newcastle upon Tyne Society Limited (The)

Notes to the Financial Statements for the Year Ended 31 January 2021 (continued)

15 Financial Instruments (continued)

The RSHP considers that its financial instruments comprise of the Social Housing Grant (SHG) and Other Capital Grant, as both are included as liabilities within the financial statements. As the RSHP has no intention to dispose of its housing properties or contents, to which the grants relate, the grants will not become repayable. As a result the total balance of the grant creditors is presented as falling due in five years or more. The financial instruments held and fair value through the profit and loss are repayable as follows:

	2021 £	2020 £
In five years or more	<u>296,816</u>	<u>311,832</u>

16 Social housing grant

	Social housing grant £	Total £
Gross grant creditor		
At 1 February 2020	<u>722,215</u>	<u>722,215</u>
At 31 January 2021	<u>722,215</u>	<u>722,215</u>
Amortisation		
At 1 February 2020	414,187	414,187
Transfers	<u>14,444</u>	<u>14,444</u>
At 31 January 2021	<u>428,631</u>	<u>428,631</u>
Carrying amount		
At 31 January 2021	<u>293,584</u>	<u>293,584</u>
At 31 January 2020	<u>308,028</u>	<u>308,028</u>

The RSHP considers that its financial instruments include the Social Housing Grant which is included as a liability within the financial statements. The RSHP has no intention to dispose of its housing properties, therefore the Social Housing Grant will not become repayable.

17 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £28,441 (2020 - £26,219).

Contributions totalling £1,072 (2020 - £576) were payable to the scheme at the end of the year and are included in creditors.

Abbeyfield Newcastle upon Tyne Society Limited (The)

Notes to the Financial Statements for the Year Ended 31 January 2021 (continued)

18 Reserves

Revaluation reserve - This reserve represents the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Restricted reserve - This reserve represents the unexpended balances of legacies and donations received specifically relating to the appropriate house.

Unrestricted reserve - This reserve represents retained earnings for which there is no restriction as to how they can be utilised.

The restricted reserves totalling £93,386 as detailed in the statement of Changes in Equity is made up as follows:

The restricted reserves at the year end relate to the following properties:

The Grove £56,436 (2020 - £53,115)

Castle Farm £36,950 (2020 - £17,343)

TOTAL £93,386 (2020 - £70,458)

19 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	4,095	7,087
Later than one year and not later than five years	6,104	9,659
	<u>10,199</u>	<u>16,746</u>

20 Contingent liabilities

By a Deed of Declaration of Trust dated 14 April 1981 made by the Abbeyfield Newcastle upon Tyne Society Limited (the Society) (and registered with the Charity Commission under reference SEW – 227870 – A1 – L1) the Society declared inter alia that if it for any reason ceased to maintain the Doctor H.M. Gurney Wing at The Grove or if the wing ceased to be known as the Doctor H.M. Gurney Wing the Society would either sell the building of which the said wing forms part or have the building valued by a competent valuer and shall hold the proportion of the proceeds of sale or of the amount of the valuation attributable to the said wing for the general purposes of some other Charity having for its object the provision of after care benefit for elderly gentlewomen.

21 Parent and ultimate parent undertaking

The ultimate controlling party is Executive Committee.