

Company registration number: 00762159

Charity registration number: 229545

The Abbeyfield Sidmouth Society Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 30 September 2021

Easterbrook Eaton Limited
Statutory Auditors
Cosmopolitan House
Sidmouth
Devon
EX10 8LS

The Abbeyfield Sidmouth Society Limited

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The Abbeyfield Sidmouth Society Limited

Reference and Administrative Details

Secretary	Mr R Cook, Secretary
Registered Office	Abbeyfield Court Station Road Sidmouth Devon EX10 8NW The charity is incorporated in England and Wales.
Company Registration Number	00762159
Charity Registration Number	229545
Bankers	CAF Bank Ltd PO Box 289 West Malling Kent ME19 4TA HSBC Bank Plc Fore Street Sidmouth Devon EX10 8AA
Auditor	Easterbrook Eaton Limited Statutory Auditors Cosmopolitan House Sidmouth Devon EX10 8LS

The Abbeyfield Sidmouth Society Limited

Trustees' Report

In this report references to "Society" means The Abbeyfield Sidmouth Society Limited (Charity number 229545).

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 30 September 2021.

Trustees

Mr A Darrant, Chairman

Mr R Cook, Secretary

Mr R Seaver, Treasurer

Mrs V Fursey

Mrs C Drew

Mrs A J Cook

Mrs G Mitchell (appointed 19 October 2021)

Mrs J Mitchell (appointed 19 October 2021)

Mrs S Phillips (appointed 19 October 2021)

Mr D Wheaton (resigned 13 April 2021)

Mr P Keith (resigned 13 August 2021)

Mrs G Costin (resigned 13 August 2021)

Mr R. Cook, Mrs A.J. Cook and Mrs C. Drew have all given notice of their intention to retire after the next Annual General Meeting scheduled to take place on 8th April 2022.

The registered rules of the Society require Trustees to retire by rotation every three years, at which time they may put themselves up for re-election. With the retirement of three directors expected in April 2022, this year no Director qualifies under this provision.

Objectives and activities

Objects and aims

The principal activity of the Society, as determined by its Memorandum of Association, continues to be the provision of accommodation, support, and companionship for lonely or frail elderly people in accordance with the aims and principles of The Abbeyfield Society Limited. This activity falls wholly within Hostel Housing activities as defined in the Housing and Regeneration Act 2008.

Public benefit

The Trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission for England and Wales

The Abbeyfield Sidmouth Society Limited

Trustees' Report

Achievements and performance

During the year, the Society continued to provide full-time accommodation, meals and other services on an "assisted-living" basis, for up to 65 elderly, but physically mobile, residents who mostly have roots in the local community but wish to retain their personal independence within a secure, caring, and friendly environment.

Where residents have mobility or other health issues the Society facilitates access to carers.

Family visits are very welcome and, where applicable, administrative assistance and advice is given to those who might be entitled to receive Housing Benefits.

For many residents, the only alternative to "Abbeyfield living" would be to live alone. Their families and friends are therefore relieved, to a significant extent, of the additional worry and financial burden that their elderly relatives, if living on their own, might otherwise cause them.

Staff have a welcome opportunity to actively contribute to the welfare of elderly people, as well as, in most cases, earning a salary in an area which otherwise holds restricted opportunities for employment. This is particularly true in cases in which an individual is unable to work on a full-time basis due to their own family responsibilities.

The COVID-19 pandemic together with associated Government restrictions significantly limited the normal activities of residents and staff for most of the year. The challenges this posed to the business, although considerable, were successfully overcome.

Financial review

Statements of Financial Activity for the year 2020-2021 Income & Expenditure, Balance Sheet, and Cash Flows- are set out on pages 14,15 & 16 respectively. These should be read in conjunction with the supporting Accounting Policies and Notes set out on pages 17-26 inclusive.

Key Points are as follows:

Income from Residents. The total number of accommodation Units under management across the three Houses remained at 59, of which a monthly average of 47 were occupied. Last year 55 on average were occupied. Income generated from these Units was £918,319 (£33,432 or 3.5% lower YOY). Despite annual Rent increases in April 2021, more units remained void for longer as finding new tenants was extremely difficult due principally to ongoing COVID restrictions.

Income from Residents represented 97.9% of total income- up from 91.4% last year.

Employees. Up to 49 paid staff were employed during the year. Since many paid staff do not work on a full-time basis, this was the equivalent of 25 full-time employees.

Wages & Salaries. These amounted to £366,887 (£181,176 or 33.1% lower YOY) and represented 42.1% of total Expenditure on Charitable Activities-down from 55.6% last year

The reduction in Wages & Salary costs was mainly due to the write-back of a salary provision of £192,192 established in 2017, but no longer required. Without this exceptional write-back, Wages & Salaries in 2021 would have been £559,079 (£11,016 or 2.0% higher YOY) and would have represented 52.5% of total Expenditure on Charitable Activities.

Wages & Salaries remain by far the largest of our cost categories.

The Abbeyfield Sidmouth Society Limited

Trustees' Report

Food Costs & Cleaning Materials. 84% of these costs related to Food, and represented our second largest cost-category. For the year these were £112,491 (£13,588 or 10.8% lower YOY). The additional costs of COVID-related cleaning expenses were offset by lower food costs, especially during shutdowns, when VOIDS were higher and few new residents could be accommodated.

General Maintenance. Costs for the year were £130,318 (£69,850 or 115.5% higher YOY). Access to sites was severely restricted for the second half of 2020 and the refurbishments of many void rooms were deferred into 2021. General Maintenance represented 14.9 % of Expenditure on Charitable Activities (up from 6.1% last year)

Investments

Dividend Income during the year amounted to £16,156 (£7,208 or 30.9% lower YOY). This represented an average annual return on Investment Capital employed (including cash awaiting investment) of 2.1% (PY 3.2%).

The fall in Dividend Income was more than offset by a surplus of £111,682 on valuation of invested assets in our portfolio. This compared with a deficit of £83,415 in the PY.

No fresh Capital Investments, nor withdrawals, were made to the portfolio during the year.

By the year-end, the Market Value of the **invested** portfolio had fallen to £505,884 (£156,522 or 23.6% lower YOY).

However, the cash (**non-invested**) element of the portfolio had risen by £281,503 to £328,383 during the year.

Net Current Assets (NCA's). NCA's at the year-end were £298,660 (Up by £119,691 or 66.9% YOY) because of the higher balances, principally an extra £281,503 of cash awaiting investment into our Securities portfolio. Other cash balances were higher due to substantial general maintenance costs necessarily postponed due to COVID access restrictions.

The level of NCA's is considered adequate to support normal ongoing activities. In circumstances where significant financial liabilities materialise unexpectedly at short notice, funds could be drawn from our Investment Portfolio to cover.

The Abbeyfield Sidmouth Society Limited

Trustees' Report

Net Income (Surplus of Income over Costs). A net surplus of £177,263 was recorded (Compared with a deficit of £25,085 last year). The increase of £202,348 in YOY surplus was due to:

<u>Reduced Income & Increased Costs</u>	
General Maintenance	69,850
Donations & Legacies	64,604
Rental Income	33,433
Wages & Salaries	11,016
Sundry Expenses	10,674
Abbeyfield Membership	8,715
Dividends Received	7,208
Council Tax & Water Rates	5,246
Insurance Premiums	1,047
Other	<u>5,938</u>
TOTAL	<u>217,731</u>

OFFSET BY

<u>Increased Income & Reduced Costs</u>	
Investment Gains on Valuation	195,097
Wages & Salaries-2017 W/Back	192,192
Catering & Cleaning	13,588
Auditors Remuneration-Other	6,456
Light, Heat & Power	5,962
Depreciation	2,792
Auditors Remuneration- Audit	1,310
Other	<u>2,682</u>
TOTAL	<u>420,079</u>

<u>YEAR ON YEAR INCREASE</u>	<u>202,348</u>
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Reserves. On 30th September 2021 we held Reserves of £895,900 being Investments (£505,884) and Cash & Bank Balances (£390,016).

Investments are required principally to finance the 4-Year (2021-2024) infrastructure program- see the sub-paragraph "Principal Risk and Uncertainty" below. Cash & Bank balances are needed to discharge our current liabilities at the financial year-end (£106,322) and to meet short-term cash-flow problems that may emerge during 2021/2022. Financial obligations involved in Charitable Activities are always met when they fall due, especially where these materialise at short notice.

Total Funds. At the end of the Financial Reporting Period the Society's Total Funds amounted to £3,957,016 of which £46,774 (1.2%) under the terms of legacy received in 2015, are restricted to certain activities, and not available for General Purposes.

The Abbeyfield Sidmouth Society Limited

Trustees' Report

Investment policy and objectives

Our Financial Investments are a major asset of the Society and the Trustees of the Society have overall responsibility for all Financial Investment decisions.

Acting within guidelines determined by the Trustees, and with day-to-day decisions on purchases and sales of Investments being delegated, on a discretionary basis, to an experienced independent Investment Manager including charges and performance targets agreed in writing, the Trustees will review both Investment Guidelines, and performance of the Investment Manager against benchmarks, at least annually.

The Society aims to ensure that a balance is maintained between, on the one hand, achieving at least market average percentage increases in Capital values and, on the other hand, in minimising Liquidity and volatility risks. This will be achieved by maintaining a suitably diversified portfolio.

The independent Investment Manager is responsible for deciding on the exact composition of the portfolio within the Trustees guidelines. They are expected to be alert to market trends and to make investment decisions accordingly.

It is anticipated that all Investment Funds will be dedicated to the ongoing 4-year programme (2021-2024) to ensure that the quality of residential facilities and services remain market-leading.

However, should significant adverse operational trends emerge in the market, up to 10% of investment funds would be made available to ensure that all the Society's financial obligations are met when they fall due, especially where these materialise at short notice.

Value for Money Policy

In 2018, the Regulator for Social Housing devised financial measures ("metrics") for the measurement of financial efficiencies across the regulated social housing group. In doing so, their intention was to establish comparable financial ratios, across our own segment of the market and other peer groups in the rest of the Industry, and eventually develop published league tables.

The ratios to be used, as proposed by the Regulator, were called the "Seven Metrics" (Financial Targets) against which all participating organisations were expected to report, showing current year's performance against targets set last year, performance of the previous year, and Targets for the year ahead.

This year the actual performance in 2020/21 compared with the Target for that year, the actual performance for 2019/2020, and the Target for 2021/2022 are summarised below:

The Abbeyfield Sidmouth Society Limited

Trustees' Report

	<u>Current</u> <u>2020/21</u>	<u>Target</u> <u>2020/21</u>	<u>Last</u> <u>2019/20</u>	<u>Next</u> <u>2021/22</u>
Metric 1-Reinvestment	0%	0%	0%	0%

No plans in 2020/21 to acquire additional properties

Metric 2-New Supply Delivered (Social Housing)	0%	0%	0%	0%
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The 59 Units under management continue to represent capacity

There are no plans to reduce the size of Units to Increase their number

Metric 3-Gearing	8.3%	8.5%	9.2%	7.3%
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As we continue to progressively pay off the Long-Term loan, the % of other Net Assets represented by the loan will continue to fall.

Metric 4-EBITDA MRI/Interest	4,957%	4,187%	3,888%	3,567%
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Net Income after adding back Depreciation, Loan Interest and General Maintenance easily covers the Interest Paid in servicing the loan. Because Loan Capital is also being repaid when it falls due, and because the Interest rate is low and relatively fixed, the Interest amount charged will tend to fall over time. The change in % cover is mostly driven by changes in the levels of adjusted Net Income of which the main variable is General Maintenance costs.

The Abbeyfield Sidmouth Society Limited

Trustees' Report

Metric 5-Annual Cost per Unit (Social Housing)	£18,027	£17,479	£16,981	£21,848
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This is Total Expenditure on Charitable Activities divided by the number of Units. Since the number of units is unchanged, the increasing costs per unit are driven solely by increasing Total Expenditure. This increased by 6.2% in 2020/2021 v the prior year. The current year excludes the impact of the 2017 Provision written back and the Target for Next year assumes an overall 25% Increase on 2020/2021 mainly relating to significant increases maintenance and in power costs.

Metric 6-Operating Margins	-1.5%	1.6%	-2.4%	0.0%
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This Ratio Is Net Expenditure / Total Income and Includes all Income and expenses, not only those arising from Charitable Activities. Current 2020-2021 figures exclude the write-back of a 2017 Provision for £192,192 which, had it been Included, would have raised the Operating Margin to a positive 18.9%.

The figure for next year of "only" breakeven is, nevertheless, considered very challenging.

Metric 7- Return on Capital Employed	-1.5%	0.4%	-0.7%	0.0%
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This is Net Expenditure / Average Total funds. These ROCE numbers would be unacceptably low in any Commercial operation. But as e a Charity, all surpluses and deficits are absorbed within the business: no dividends are paid.

However, at the end of 2020/2021 our Land & Buildings and Investments together represented 99.9% of our Capital Employed and both are exposed to Increasing volatility in their respective markets.

Meeting the challenge of developing higher margins will improve our ROCE but, more Importantly, will make it less likely that we will need to turn to our Investment Portfolio to fund cash-flow problems in core business.

The 2020/2021 Actual figure excludes the write-back of a 2017 Provision which, had it been included, would have raised the ROCE figure to a positive 4.5%.

Again, the figure for next year of an estimated breakeven is considered very challenging

The Abbeyfield Sidmouth Society Limited

Trustees' Report

Structure, governance and management

Nature of governing document

The Society is a Company Limited by guarantee as well as being a Charity registered with the Charities Commission in England & Wales.

The Society is governed by its Memorandum and Articles of Association and is a member of the Abbeyfield Society Ltd to whom an annual subscription is paid.

The Articles of Association govern the appointment of the Executive Committee of which all Trustees are members. The responsibilities of this Committee are set out in the Statement on page 10 of this report.

The Executive Committee consists of no less than 3 and no more than 18 members, one third of which must retire by rotation each year but are eligible for re-election.

The Executive Committee has the power to appoint new Trustees, pending ratification of these appointments at the Annual General Meeting.

Induction and training of trustees

The Society provides new Trustees with literature from the Charity Commission and The Abbeyfield Society Limited which provides the Trustees with the background knowledge of their responsibilities of being a Trustee, and of the duties of care and professional conduct expected of them.

Additional advice and training is actioned as necessary, when identified by the Trustee, or by their fellow Executive Committee members.

Typically, Trustees live in the local community, and are experienced in social care work and/or in administration in a business environment. Qualification through substantial work experience in relevant functions is expected of all Trustees, and appropriate professional qualifications, especially in the roles of Chairman, Secretary and Treasurer are seen as important- although not essential.

An important part of the role of Trustees is to mentor and develop employees, especially those who act in Managerial and Supervisory roles

The Abbeyfield Sidmouth Society Limited

Trustees' Report

Major risks and management of those risks

The trustees consider that the main uncertainty facing the business over the next five years will be the ongoing cost of ensuring that our Houses remain structurally sound, comply with Housing Regulations, and support the continuing provision of best practices in our "assisted living" market segment.

The Society commissioned a survey to carry out inspections on all three houses. The recommendations of this survey- which were accepted by the Trustees- included the addition of £280,000 per annum (at April 2001 prices) over the next 10 years for structural Repairs & Maintenance.

Whilst our current reserves of £895,900 will go some way towards meeting these extra costs in the short term, it is imperative that our core Charitable Activities start to generate sufficient surpluses in the medium to long term to fund the remainder.

This year, we have reported a surplus of £49,425 (before gains on Investments and investment income) but this is after the write-back of a 2017 Provision of £192,192.

Our underlying performance on core Charitable Activities was, therefore, a deficit of £142,767, which is clearly unsatisfactory for longer-term sustainability.

The Trustees have already initiated measures to turn this deficit into a surplus. These include:

- A full review of the quality, costs, and benefits of services to residents
- Improving occupancy rates: development of a much higher community profile
- Organisational change, including the appointment of a Chief Operating Officer
- Elimination of waste, especially in our major Cost Categories
- Minimising the impact of inflation- especially on Power Costs

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The trustees (who are also the directors of The Abbeyfield Sidmouth Society Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and 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 charitable company will continue in business.

The Abbeyfield Sidmouth Society Limited

Trustees' Report


Statement of Trustees' Responsibilities


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

Reappointment of auditor

A resolution will be proposed at the Annual General Meeting that Easterbrook Eaton Limited be re-appointed as auditors to the Society for 2021/22.

The annual report was approved by the trustees of the charity on 21/4/22 and signed on its behalf by:


.....
Mr R Cook
Company Secretary and Trustee


.....
Mr R Seaver
Trustee

The Abbeyfield Sidmouth Society Limited

Independent Auditors' Report to the Members of The Abbeyfield Sidmouth Society Limited

We have audited the financial statements of The Abbeyfield Sidmouth Society Limited for the year ended 30 September 2021, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)).

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 10 and 11), 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2021 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and The Accounting Directions for Private Registered Providers of Social Housing April 2015.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

The Abbeyfield Sidmouth Society Limited

Independent Auditors' Report to the Members of The Abbeyfield Sidmouth Society Limited

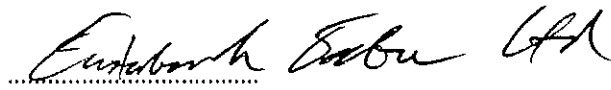
Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.

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

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



Mr Christopher Hodge (Senior Statutory Auditor)

For and on behalf of Easterbrook Eaton Limited, Statutory Auditor

Cosmopolitan House
Sidmouth
Devon
EX10 8LS

Date: 28/4/22

The Abbeyfield Sidmouth Society Limited

Statement of Financial Activities for the Year Ended 30 September 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds General £	Restricted funds £	Total 2021 £
Income and Endowments from:				
Donations and legacies		3,496	-	3,496
Charitable activities		918,319	-	918,319
Investment income		<u>15,170</u>	<u>986</u>	<u>16,156</u>
Total Income		<u>936,985</u>	<u>986</u>	<u>937,971</u>
Expenditure on:				
Charitable activities		<u>(862,192)</u>	<u>(10,198)</u>	<u>(872,390)</u>
Total Expenditure		<u>(862,192)</u>	<u>(10,198)</u>	<u>(872,390)</u>
Net income/(expenditure) for the year before gains or losses on Investments		<u>74,793</u>	<u>(9,212)</u>	<u>65,581</u>
Gains/losses on investment assets		<u>102,909</u>	<u>8,773</u>	<u>111,682</u>
Net income/(expenditure)		<u>177,702</u>	<u>(439)</u>	<u>177,263</u>
Net movement in funds		177,702	(439)	177,263
Reconciliation of funds				
Total funds brought forward		<u>3,732,540</u>	<u>47,213</u>	<u>3,779,753</u>
Total funds carried forward	15	<u>3,910,242</u>	<u>46,774</u>	<u>3,957,016</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 15.

The notes on pages 17 to 24 form an integral part of these financial statements.

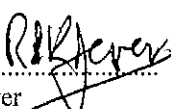
The Abbeyfield Sidmouth Society Limited

(Registration number: 00762159)

Balance Sheet as at 30 September 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	6	3,445,917	3,462,324
Investments	7	<u>505,884</u>	<u>662,406</u>
		<u>3,951,801</u>	<u>4,124,730</u>
Current assets			
Stocks	8	4,352	6,050
Debtors	9	10,614	24,783
Cash at bank and in hand		<u>390,016</u>	<u>223,692</u>
		404,982	254,525
Creditors: Amounts falling due within one year	10	<u>(106,322)</u>	<u>(75,556)</u>
Net current assets		<u>298,660</u>	<u>178,969</u>
Total assets less current liabilities		4,250,461	4,303,699
Creditors: Amounts falling due after more than one year	11	(293,445)	(331,754)
Provisions	12	<u>-</u>	<u>(192,192)</u>
Net assets		<u>3,957,016</u>	<u>3,779,753</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		46,774	47,213
Unrestricted income funds			
Unrestricted funds		<u>3,910,242</u>	<u>3,732,540</u>
Total funds	15	<u>3,957,016</u>	<u>3,779,753</u>

The financial statements on pages 14 to 24 were approved by the trustees, and authorised for issue on ~~21/10/21~~ 21/10/21 and signed on their behalf by:



 Mr R Seaver
 Trustee

The notes on pages 17 to 24 form an integral part of these financial statements.

The Abbeyfield Sidmouth Society Limited

Statement of Cash Flows for the Year Ended 30 September 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash income/(expenditure)		177,263	(25,085)
Adjustments to cash flows from non-cash items			
Depreciation		35,743	38,535
Gain on listed investments		<u>(28,342)</u>	<u>20,015</u>
		184,664	33,465
Working capital adjustments			
Decrease/(increase) in stocks	8	1,698	(246)
Decrease/(increase) in debtors	9	14,169	(5,594)
Increase/(decrease) in creditors	10	30,758	(6,163)
Removal of provision		<u>(192,192)</u>	<u>-</u>
Net cash flows from operating activities		<u>39,097</u>	<u>21,462</u>
Cash flows from investing activities			
Purchase of tangible fixed assets	6	(19,336)	(5,090)
Purchase of investments	7	(186,587)	(640,999)
Sale of investments		<u>371,451</u>	<u>728,387</u>
Net cash flows from investing activities		165,528	82,298
Cash flows from financing activities			
Repayment of loans and borrowings	10	<u>(38,301)</u>	<u>(34,801)</u>
Net increase in cash and cash equivalents		166,324	68,959
Cash and cash equivalents at 1 October		<u>223,692</u>	<u>154,733</u>
Cash and cash equivalents at 30 September		<u>390,016</u>	<u>223,692</u>

All of the cash flows are derived from continuing operations during the above two periods.

The Abbeyfield Sidmouth Society Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

1 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.

Basis of preparation

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard FRS 102, the Housing SORP 2018; Statement of Recommended Practice for Registered Social Housing Providers, the Accounting Direction for private registered providers of social housing in England 2019 and the Companies Act 2006.

In accordance with FRS102 PB3.3A the management committee confirm that the Registered Social Housing Provider is a Public Benefit Entity.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

The Charity has sufficient reserves to support any temporary downturn in rental income and any additional costs as a result of the Coronavirus pandemic. Any downturn is expected to be minor. The trustees have paid due regard to the Covid-19 pandemic while considering the going concern of the society.

Income and endowments

Turnover comprises rental and service income receivable and is recognised when the period of rent is due.

All incoming resources are included on the statement of financial activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured and then allocated to the General or Restricted Reserves as appropriate.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, proportion of time spent or other relevant factors.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

The Abbeyfield Sidmouth Society Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Government grants

Social housing grants (SHG) are made by the Housing Corporation and are utilised to reduce the costs of purchase or development of land or buildings. Where purchases or developments have been wholly or partially funded by Social Housing Grant, the cost of those purchase or developments have been reduced by the value of the grant received. The value of the grant is disclosed as a separate item on the face of the balance sheet.

Social housing grants can be recycled by the Society under certain circumstances, if a property is sold or if another relevant event takes place. In these cases SHG can be used for projects approved by the Housing Corporation. Social housing grants may have to be repaid if those circumstances are not met and in that event it is a contingent liability.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Charity is not registered for VAT. Accordingly no VAT is charged to residents, and expenditure included in the Income and Expenditure Account includes the relevant VAT.

Tangible fixed assets

Tangible fixed asset are recorded at cost, less any subsequent accumulated depreciation.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Housing Land and Buildings	No depreciation is charged
Fixtures and Equipment	20% straight line basis
Motor Vehicles	20% straight line basis

Housing land and properties are stated at cost or valuation. The cost of properties is their purchase price together with incidental costs of acquisition, less any social housing grants received.

Expenditure on housing properties, which results in an enhancement to the economic benefits arising from the land and buildings, or is a major refurbishment or restoration of part of the structure of the buildings is capitalised. All other expenditure on the interior structure of the houses, including refurbishment of rooms, is expended as maintenance cost.

No depreciation is charged on housing properties because they are maintained in a state of repair such that the estimated residual value of land and buildings is not less than their net book value. The annual charge would therefore be immaterial.

The Abbeyfield Sidmouth Society Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Stock

Stock is valued at the lower of cost and net realisable value.

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.

Provisions

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The Society has pension arrangements with Nest for eligible employees other than those who have opted out voluntarily.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting all of its liabilities.

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 transaction value.

The Abbeyfield Sidmouth Society Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

2 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

3 Staff costs

The aggregate payroll costs were as follows:

	2021	2020
	£	£
Staff costs during the year were:		
Payroll and Other Costs	<u>366,887</u>	<u>548,063</u>

Following a Supreme Court decision during 2021 a payroll provision of £192,192 established in 2017 is no longer required. Payroll costs for the year have therefore been reduced by £192,192.

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2021	2020
	No	No
Monthly average number of persons employed	<u>25</u>	<u>25</u>

No employee received emoluments of more than £60,000 during the year.

4 Auditors' remuneration

	2021	2020
	£	£
Audit of the financial statements	<u>7,690</u>	<u>9,000</u>
Other fees to auditors		
All other non-audit services	<u>3,940</u>	<u>10,396</u>

The Abbeyfield Sidmouth Society Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

5 Taxation

The charity is a registered charity and is therefore exempt from taxation.

6 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 October 2020	3,403,310	246,624	-	3,649,934
Additions	-	9,749	9,587	19,336
Disposals	-	(17,036)	-	(17,036)
At 30 September 2021	<u>3,403,310</u>	<u>239,337</u>	<u>9,587</u>	<u>3,652,234</u>
Depreciation				
At 1 October 2020	-	187,610	-	187,610
Charge for the year	-	33,826	1,917	35,743
Eliminated on disposals	-	(17,036)	-	(17,036)
At 30 September 2021	<u>-</u>	<u>204,400</u>	<u>1,917</u>	<u>206,317</u>
Net book value				
At 30 September 2021	<u>3,403,310</u>	<u>34,937</u>	<u>7,670</u>	<u>3,445,917</u>
At 30 September 2020	<u>3,403,310</u>	<u>59,014</u>	<u>-</u>	<u>3,462,324</u>

Land and buildings cost is as follows:

	£
Housing properties cost	3,637,310
Less: Social housing grant	(234,000)
Net Cost	<u>3,403,310</u>

7 Fixed asset investments

	2021 £	2020 £
Other investments	<u>505,884</u>	<u>662,406</u>
	2021	2020
Cost b/fwd	622,980	710,367
Additions	186,587	641,000
Disposal	<u>(371,451)</u>	<u>(728,387)</u>
Cost c/fwd	438,116	622,980
Unrealised gain	<u>67,768</u>	<u>39,426</u>
Market value c/fwd	<u>505,884</u>	<u>662,406</u>

The Abbeyfield Sidmouth Society Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

8 Stock

	2021 £	2020 £
Stocks	<u>4,352</u>	<u>6,050</u>

9 Debtors

	2021 £	2020 £
Trade debtors	-	848
Other debtors	<u>10,614</u>	<u>23,935</u>
	<u>10,614</u>	<u>24,783</u>

10 Creditors: amounts falling due within one year

	2021 £	2020 £
Abbeyfield loan	36,190	36,182
Other taxation and social security	7,662	6,706
Other creditors	<u>62,470</u>	<u>32,668</u>
	<u>106,322</u>	<u>75,556</u>

11 Creditors: amounts falling due after one year

	2021 £	2020 £
Abbeyfield loan	<u>293,445</u>	<u>331,754</u>

The Abbeyfield Loan is secured against the Charity's land and buildings.

Included in the creditors are the following amounts due after more than five years:

	2021 £	2020 £
After more than five years by instalments	<u>(150,836)</u>	<u>(187,026)</u>

12 Provisions

	Other provision £	Total £
At 1 October 2020	(192,192)	(192,192)
Amounts unused and reversed	<u>192,192</u>	<u>192,192</u>
At 30 September 2021	<u>-</u>	<u>-</u>

The Abbeyfield Sidmouth Society Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

The provision related to a hearing on whether minimum wage was due to carers who 'sleep in'. Following a supreme court decision during 2021 the provision has been reversed and is no longer required.

13 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Abbeyfield Court
Station Road
Sidmouth
Devon
EX10 8NW

[Authorised for issue date](#)

14 Contingent liabilities

There were no contingent liabilities (2018 - £nil)

15 Funds

	Balance at 1 October 2020 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 30 September 2021 £
Unrestricted funds					
General	3,732,540	936,985	(862,192)	102,909	3,910,242
Restricted funds	<u>47,213</u>	<u>986</u>	<u>(10,198)</u>	<u>8,773</u>	<u>46,774</u>
Total funds	<u>3,779,753</u>	<u>937,971</u>	<u>(872,390)</u>	<u>111,682</u>	<u>3,957,016</u>

Restricted Reserve - Fisher Legacy to provide outings to the countryside for residents, staff and volunteers of all Abbeyfield Sidmouth houses.

General Unrestricted Fund - The Executive Committee consider that this level of reserves will provide an adequate, but not excessive, funds to meet unforeseen exceptional expenditure or exceptional loss of income due to periods of room vacancies.

The Abbeyfield Sidmouth Society Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

	Balance at 1 October 2019 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 30 September 2020 £
Unrestricted funds					
General	3,739,290	1,041,272	(975,400)	(72,622)	3,732,540
Restricted funds	<u>65,548</u>	<u>1,944</u>	<u>(9,486)</u>	<u>(10,793)</u>	<u>47,213</u>
Total funds	<u>3,804,838</u>	<u>1,043,216</u>	<u>(984,886)</u>	<u>(83,415)</u>	<u>3,779,753</u>

16 Related party transactions

During the year the charity made the following related party transactions:

Mr J A Keith

(Mr J A Keith is an employee of the charity and has a family connection with Mr P A Keith who resigned as a Trustee on the 13/08/2021.)

The salary is paid on an arms length basis. . At the balance sheet date the amount due to/from Mr J A Keith was £Nil (2020 - £Nil).

Mrs R Zapp

(Mrs R Zapp is a resident of the charity and has a family connection with Mrs J Mitchell who is a Trustee.)

The rent is charged on an arms length basis. . At the balance sheet date the amount due to/from Mrs R Zapp was £Nil (2020 - £Nil).

17 Ultimate controlling party

The executive committee has ultimate control over the Society.

18 Accommodation units

During the year there were 59 units in management (2020 - 59).

The Abbeyfield Sidmouth Society Limited

Detailed Statement of Financial Activities for the Year Ended 30 September 2021

	Total 2021 £	Total 2020 £
Income and Endowments from:		
Donations and legacies (analysed below)	3,496	68,100
Charitable activities (analysed below)	918,319	951,752
Investment income (analysed below)	16,156	23,364
Total income	<u>937,971</u>	<u>1,043,216</u>
Expenditure on:		
Charitable activities (analysed below)	<u>(872,390)</u>	<u>(984,886)</u>
Total expenditure	(872,390)	(984,886)
Gains/losses on investment assets (analysed below)	<u>111,682</u>	<u>(83,415)</u>
Net income/(expenditure)	<u>177,263</u>	<u>(25,085)</u>
Net movement in funds	177,263	(25,085)
Reconciliation of funds		
Total funds brought forward	<u>3,779,753</u>	<u>3,804,838</u>
Total funds carried forward	<u>3,957,016</u>	<u>3,779,753</u>
	2021	
	Restricted funds £	Total £
Income and Endowments from:		
Donations and legacies (analysed below)	-	3,496
Charitable activities (analysed below)	-	918,319
Investment income (analysed below)	986	16,156
Total income	<u>986</u>	<u>937,971</u>
Expenditure on:		
Charitable activities (analysed below)	<u>(10,198)</u>	<u>(872,390)</u>
Total expenditure	(10,198)	(872,390)
Gains/losses on investment assets (analysed below)	<u>8,773</u>	<u>111,682</u>
Net (expenditure)/income	<u>(439)</u>	<u>177,263</u>
Net movement in funds	(439)	177,263
Reconciliation of funds		
Total funds brought forward	<u>47,213</u>	<u>3,779,753</u>
Total funds carried forward	<u>46,774</u>	<u>3,957,016</u>

The Abbeyfield Sidmouth Society Limited

Detailed Statement of Financial Activities for the Year Ended 30 September 2021

	Total 2021 £	Total 2020 £
<i>Donations and legacies</i>		
Legacies and bequests	2,856	62,170
Appeals and donations	500	348
Visitors, guests and Darlington room hire	140	3,105
Sponsorship	-	2,477
	<u>3,496</u>	<u>68,100</u>
<i>Charitable activities</i>		
Income from letting and care service charges	<u>918,319</u>	<u>951,752</u>
	<u>918,319</u>	<u>951,752</u>
<i>Investment income</i>		
Income from other investments	986	1,944
Income from other investments	<u>15,170</u>	<u>21,420</u>
	<u>16,156</u>	<u>23,364</u>
<i>Charitable activities</i>		
Food costs and cleaning materials	(112,491)	(126,079)
Depreciation of fixtures and fittings	(33,826)	(38,535)
Depreciation of motor vehicles	(1,917)	-
Wages and salaries	(366,887)	(548,063)
Council Tax	(11,544)	(8,647)
Water rates	(21,315)	(18,966)
Light, heat and power	(63,380)	(69,342)
General maintenance	(130,318)	(60,468)
Garden maintenance	(14,134)	(15,558)
Sundry expenses	(26,240)	(15,566)
Insurance	(24,390)	(23,343)
Telephone and administrative expenses	(18,830)	(13,604)
Abbeyfield membership	(24,596)	(15,881)
Minibus leasing and other costs	(10,198)	(9,486)
The audit of the charity's annual accounts	(7,690)	(9,000)
Auditors' remuneration - non-audit services	(3,940)	(10,396)
Loan interest	<u>(694)</u>	<u>(1,952)</u>
	<u>(872,390)</u>	<u>(984,886)</u>
<i>Gains/losses on investment assets</i>		
Restricted fund - gain / (loss)	8,773	(10,793)
Unrestricted fund - gain / (loss)	<u>102,909</u>	<u>(72,622)</u>
	<u>111,682</u>	<u>(83,415)</u>

This page does not form part of the statutory financial statements.