

Charity Registration No. 230902

Company Registration No. 00754594 (England and Wales)

Homes and Communities Agency Registration No. H2136

ABBNEYFIELD WESSEX SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

ABBNEYFIELD WESSEX SOCIETY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Status	Company limited by guarantee
Trustees	Mrs B J Biddle, Chairman Mr S Arundel Mr K A M Millman Mrs A H Turner Dr C J H Willams Mrs K J Leishman Mr P J Y Oliver
Secretary	Mrs H L Cantrill
Senior Management Team	Mrs V Booker-Card, Chief Executive Officer
Charity number	230902
Company number	00754594
Homes and Communities Agency Number	H2136
Principal address	Westbourne House 22 Poole Road Bournemouth Dorset BH4 9DS
Registered office	Westbourne House 22 Poole Road Bournemouth Dorset BH4 9DS
Auditor	CB Reid Ltd Wadebridge House 16 Wadebridge Square Poundbury Dorchester Dorset DT1 3AQ
Bankers	Lloyds Bank PLC 84 Victoria Road Ferndown Dorset BH22 9JB

ABBNEYFIELD WESSEX SOCIETY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

Humphries Kirk LLP
Trevanion House
15 Church Road
Parkstone
Poole
Dorset
BH14 8UF

Investment advisors

Charles Stanley & Co Limited
2 Westover Road
Bournemouth
Dorset
BH1 2BY

ABBNEYFIELD WESSEX SOCIETY LIMITED

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ABBNEYFIELD WESSEX SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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.

Objectives and activities

Objects and aims

The Society's principal objective during the year continued to be that of providing supported sheltered accommodation for older people.

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

Objectives, strategies and activities

At 30 September 2021, the Society had 84 units in 6 houses, one house awaiting redevelopment as well as one house that is let on a commercial basis. This lease on this property ends on 14th July 2023.

Public benefit

It is the objective of the trustees each year to maximise the public benefit provided by the Society in providing high quality 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.

The Society continues to invest financial resources as appropriate to modernise and upgrade the Society's housing stock to ensure a high standard of accommodation for residents at an affordable price. The Society maintains a Residents' Hardship Fund to assist existing residents of the Society who are finding difficulty in meeting their monthly accommodation charges. Disbursements from the fund are at the sole discretion of the Board.

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 Charity Commission for England and Wales.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the society should undertake.

Social investment policies

Our investment managers (Charles Stanley & Co. Limited) are instructed to invest to maximise the total return within the constraints of a medium to low risk investment portfolio. The investment brief is broadly defined but the ethical criteria prohibit investment in companies that manufacture armaments, alcohol or tobacco.

Achievements and performance

The results for the year ended 30 September 2021 demonstrate the Society's commitment to ensuring that the portfolio of properties meets the required standard of accommodation. One property was disposed of and the effect of this is reflected in the turnover. Planning permission for the Dorchester property has been granted for renovation and extension. The accounts show a surplus for the year, after depreciation, of £75,722 compared to a restated surplus of £390,612 in the prior year.

Financial review

Going concern

After reviewing the Society's forecasts and projections, the Board have a reasonable expectation that the society has adequate resources to continue in operational existence for the foreseeable future. The entity therefore continues to adopt the going concern basis in preparing its financial statements.

Note: As a result of the recent COVID-19 virus the Board are continuing to monitor and assess the current implication and operations of the Society, although there has been no immediate impact at present.

ABBNEYFIELD WESSEX SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

Value for Money Information

The Society is registered as a Housing Association with the Regulator of Social Housing. The Regulator of Social Housing have updated the guidance on Value for Money Standards and as a result the Society are required to publish information on performance metrics detailed in the standard for Value for Money.

The Society are required to report on the following seven performance metrics as follows:

Metric No.	Metric	2021	2020 (as restated)
1	Reinvestment (%)	15.91%	1.15%
2	New supply delivered (%)		
	New supply delivered (Social housing) (%)	0%	0%
	New supply delivered (Non-social housing) (%)	0%	0%
3	Gearing (%)	(81)%	(79)%
4	EBITDA MRI interest cover (%)	0%	0%
5	Headline social cost per unit (%)	£20.0k	£10.7k
6	Operating margin – overall (%)	(17)%	(8)%
7	Return on capital employed (%)	1%	4%

The Value for Money performance indicators are reviewed by the management team on a quartile basis in order to assess the progress of the Society and they are pleased with the overall performance presented in this respect.

The Society has sufficient cash reserves, and these are well managed on a regular basis. Therefore there is no substantial financial borrowing required to support its operation. However, there is a loan of £265,536 from Jane Andrews Ladies Home which is repayable on demand.

Additionally the Society constantly reviews expenditure levels and works to manage costs within resources and budgets. This enables the Society to ensure they achieve financial performance whilst continuing to deliver an exceptionally high level of support and services to the residents.

The Society is currently applying for planning permission for alterations and renovations to one property. Once approved and work completed the facilities will immediately be made available to new residents. This will enhance the performance metric set and assist in achieving the Society's goals.

The Society's management team continues to monitor, identify and assess risks on a regular basis. The Society's strategy ensures that residents are assisted in all their needs; and to provide further housing facilities in the future through the acquisition of additional properties. The management will continue to use budgeting, risk management and financial control to enhance their strategy.

Policy on reserves

The Board is satisfied that the level of reserves, the unrestricted funds from past operating results, is satisfactory in view of the Society's obligations to residents and staff.

ABBNEYFIELD WESSEX SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Principal funding sources

The principal funding received by the Society is from the residential charges. The Society is not Government funded.

Investment policy and objectives

Surplus funds earmarked for future expenditure are held on deposit with CCLA Investment Management Limited, Nationwide, United Trust Bank and Teachers Building Society. Longer term investments are managed by stockbrokers Charles Stanley.

Plans for future periods

Aims and key objectives for future periods

The Board is committed to retaining all the existing operational houses for the immediate future and improving the standard of all the current accommodation to meet residents' expectations. Opportunities to expand the portfolio of properties are also sought.

Activities planned to achieve aims

Full refurbishment of the property at Dorchester and ongoing monitoring of existing properties to ensure that they are fit for purpose.

Structure, governance and management

Nature of governing document

The Society is registered under the Companies Act as a company limited by guarantee (Company number 00754594) and is registered with the Charities Commission (Registered Charity number 230902). The Society was incorporated on 25 March 1963 and registered as a charity on 29 October 1963. The Society was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

The Society is registered with the Homes and Communities Agency (Registered number H2136) and is a member of the national Abbeyfield Society. The national Society confers affiliation benefits to member societies. These include providing relevant information on national developments within the charitable housing sector and professional services in support of the affiliated member societies. The Society pays an annual fee to the national Society.

The Board has received the current Model Memorandum and Articles of Association, produced by the national Abbeyfield Society and adapted to meet the requirements of the Abbeyfield Wessex Society, and they have been adopted.

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

Mrs B J Biddle, Chairman

Mr S Arundel

Mr K A M Millman

Mrs A H Turner

Dr C J H Williams

Mrs K J Leishman

Mr P J Y Oliver

ABBNEYFIELD WESSEX SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Recruitment and appointment of Trustees

The directors of the charitable company, who are also its Trustees and members, are its Board members for the purpose of charity law and throughout this report are collectively referred to as Board members.

Each member of the Board is recruited for his/her relevant experience and skills and receives appropriate induction training when appointed. Several Trustees assume responsibility for executive functions in support of management. The Board meets monthly to review performance and ensure that the Society is being managed in accordance with established policies. The Board approves any changes in operating policy when deemed necessary and is responsible for approving and monitoring all major expenditure. A Standing Committee comprised of Board members meets as necessary to consider and complete tasks delegated from the Board.

Arrangements for setting key management personnel remuneration

Mrs V Booker-Card is the Chief Executive Officer. Her remuneration package is set by the Board without influence.

Organisational structure

The Chief Executive Officer manages the operational aspect of the Society and works closely with the Board on strategic issues. She reports formally at the Board meetings every month. The Business Support Manager and the central team continued to manage and develop the work of the Society.

The Society relies heavily on its willing house staff who manage the day to day operation of each of its houses and ensure the well-being of the residents. Volunteers, working under the direction of the house staff, provide pastoral care and practical help to residents. Family members, or other designated sponsors, are encouraged to have an active role in ensuring the welfare of residents is maintained.

The Board delegates decisions within clearly defined limits while maintaining overall responsibility for strategic direction and policies of the Society. The Society values its staff and is committed to paying the Living Wage or as close as possible.

Compliance with Governance and Financial Viability Standard

The Society confirms compliance with Governance and Financial Viability Standard.

Major risks and management of those risks

Financial viability

The offer of accommodation must suit the demand from older people and some of the accommodation types may no longer be deemed to meet needs. Additionally, the downward pressure on social housing grants and the local pressure on housing benefit packages may affect financial viability. Financial viability depends on ensuring that income covers expenditure and that levels of occupancy are maintained at a high enough level to cover costs and augment reserves,

Safety of residents

Provision of high-quality services, with a focus on safeguarding residents, delivering value for money and maintaining the Society's reputation.

Quality of accommodation

Maintenance or replacement of housing stock and well managed houses that properly reflect the Society's ethos.

These risks are mitigated by good management and sound governance which depend on recruiting experienced Trustees and management, backed by structured planning and adequate resources. Operating expenditure is carefully monitored and controlled. All budget planning and capital expenditure is subject to approval by the Board. The Society strives towards full occupancy, raising local awareness as to the benefits which the Society has to offer those in need.

ABBNEYFIELD WESSEX SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

Principal risks and uncertainties

Objectives and policies

The Society's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Society's policies approved by the board of Trustees, which provide written principles on the use of financial derivatives to manage these risks. The Society does not use derivative financial instruments for speculative purposes.

Cash flow risk

The Society's activities expose it primarily to the financial risks of changes in interest rates. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The Society's principal financial assets are bank balances and cash and investments.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Society has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Society uses a mixture of long-term and short-term debt finance.

Disclosure of information to auditor

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The trustees' report was approved by the Board of Trustees.

.....
Mrs B J Biddle
Chairman

.....
Mrs A H Turner
Trustee

Date:

ABBNEYFIELD WESSEX SOCIETY LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The trustees, who are also the directors of Abbeyfield Wessex Society Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 society will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing SORP 2018 and the Accounting Direction for Private Registered Providers of Social Housing in England 2019. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ABBEYFIELD WESSEX SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF ABBEYFIELD WESSEX SOCIETY LIMITED

Opinion

We have audited the financial statements of Abbeyfield Wessex Society Limited (the 'society') for the year ended 30 September 2021 which comprise the statement of comprehensive income, balance sheet, statement of changes in reserves, statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the society's affairs as at 30 September 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers for social housing in England 2019.

Basis for opinion

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

Emphasis of matter

We draw attention to note 23 to the financial statements which describes prior year adjustments in respect of deemed property costs on transition to FRS 102 and depreciation. Our opinion is not qualified in respect of this matter.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ABBEYFIELD WESSEX SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ABBEYFIELD WESSEX SOCIETY LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the society and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the society for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

ABBNEYFIELD WESSEX SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ABBNEYFIELD WESSEX SOCIETY LIMITED

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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and understood how it complies with those through enquiries of management and those charged with governance;
- We assessed the possibility of material misstatement in the financial statements, including how fraud might occur;
- We considered the laws and regulations which are significant to the entity, including the Regulatory Framework for Social Housing in England, and the requirements of charity and company law;
- We performed analytical procedures to identify any unusual relationships that may indicate a risk of material misstatement due to fraud;
- We enquired of management and trustees concerning actual and potential litigation or claims;
- We reviewed legal and professional costs for evidence of any expenditure in relation to potential litigation of claims;
- We tested revenue recognition by performing a proof in total of income and verifying a sample of incoming and outgoing residents and rent increases;
- We assessed the risk of management override of controls by testing journal entries and accounting estimates; and
- We sought explanations and evidence for any transactions outside the normal course of business.

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.

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

ABBEYFIELD WESSEX SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ABBEYFIELD WESSEX SOCIETY LIMITED

Use of our report

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

Mr P A Cattermole FCA (Senior Statutory Auditor)

.....

For and on behalf of CB Reid Limited, Chartered Accountants and Statutory Auditor

Wadebridge House
16 Wadebridge Square
Poundbury
Dorchester
Dorset
DT1 3AQ

ABBNEYFIELD WESSEX SOCIETY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2021

		Total	Total
		2021	2020
	Notes	£	as restated £
Turnover	5	1,166,361	1,290,991
Cost of sales	5	(1,086,029)	(1,183,313)
Gross surplus		80,332	107,678
Administrative expenditure	5	(280,696)	(212,637)
Other income	6	12,259	555
Operating (deficit)/surplus		(188,105)	(104,404)
Investments	4	24,850	45,519
Donations and legacies	3	200,626	461,651
Surplus on ordinary activities for the year		37,371	402,766
Net gains/(losses) on investments	10	38,351	(12,154)
Total comprehensive income for the year		75,722	390,612

The statement of comprehensive income includes all gains and losses recognised in the year. The society's results derive wholly from continuing activities and relate to unrestricted funds.

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on and signed on its behalf by:

.....
Mrs B J Biddle
Chairman

.....
Mrs A H Turner
Trustee

ABBNEYFIELD WESSEX SOCIETY LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2021

		2021		2020 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12	5,421,243		5,232,382	
Investments	13	333,539		298,086	
		<u>5,754,782</u>		<u>5,530,468</u>	
Current assets					
Debtors	14	52,289		477,886	
Cash at bank and in hand		4,459,137		4,237,026	
		<u>4,511,426</u>		<u>4,714,912</u>	
Creditors: amounts falling due within one year	16	(343,051)		(397,945)	
Net current assets		<u>4,168,375</u>		<u>4,316,967</u>	
Total assets less current liabilities		<u>9,923,157</u>		<u>9,847,435</u>	
Provisions for liabilities	17	(17,100)		(17,100)	
Net assets		<u><u>9,906,057</u></u>		<u><u>9,830,335</u></u>	
Income funds					
Investment revaluation reserve		56,651		14,394	
Income and expenditure reserve		9,849,406		9,815,941	
		<u><u>9,906,057</u></u>		<u><u>9,830,335</u></u>	

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

The accompanying notes form part of these financial statements.

The financial statements were approved by the Trustees on

.....
Mrs B J Biddle
Chairman

.....
Mrs A H Turner
Trustee

Company Registration No. 00754594

ABBNEYFIELD WESSEX SOCIETY LIMITED

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Income and expenditure reserve £	Investment revaluation reserve £	Total £
Balance at 1 October 2019 (as restated)	9,413,175	26,548	9,439,723
Total comprehensive income for the year	370,687	(12,154)	358,533
Prior year adjustment	32,079	-	32,079
	<hr/>	<hr/>	<hr/>
Balance at 30 September 2020 and 1 October 2020 (as restated)	9,815,941	14,394	9,830,335
Total comprehensive income for the year	33,465	42,257	75,722
	<hr/>	<hr/>	<hr/>
Balance at 30 September 2021	9,849,406	56,651	9,906,057
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

ABBNEYFIELD WESSEX SOCIETY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

		2021		2020 as restated	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	24		511,835		410,241
Investing activities					
Purchase of tangible fixed assets		(916,512)		(216,848)	
Proceeds on disposal of tangible fixed assets		604,918		-	
Purchase of investments		(65,237)		(65,452)	
Proceeds on disposal of investments		62,257		(244,788)	
Investment income received		24,850		45,519	
Net cash used in investing activities			(289,724)		(481,569)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			222,111		(71,328)
Cash and cash equivalents at beginning of year			4,237,026		4,308,354
Cash and cash equivalents at end of year			<u>4,459,137</u>		<u>4,237,026</u>

ABBNEYFIELD WESSEX SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

General information and basis of preparation

Abbeyfield Wessex Society Limited is a company limited by guarantee (number 00754594), incorporated in England and Wales, having no share capital and with solely charitable objectives, it is also registered as a charity (number 230902). The society is a private registered provider of social housing in the United Kingdom and is registered as a housing association with the Homes and Communities Agency (number H2136). The address of the registered office is given in the Abbeyfield Wessex Society Limited's information on page 2 of these financial statements. The nature of the Abbeyfield Wessex Society Limited's operations and principal activities are to provide accommodation, care and companionship for lonely or frail elderly people in accordance with the aims and principles of the Abbeyfield Wessex Society Limited.

The Abbeyfield Wessex Society Limited constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019) and the Companies Act 2006.

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the Abbeyfield Wessex Society Limited, and rounded to the nearest £.

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

1.1 Going concern

The Board has considered the financial position of the Society, both during the period and as a result of the COVID-19 pandemic, and have assessed both financial and operational risk. They are of the opinion that the Society has sufficient financial resources to continue to operate as a going concern for the foreseeable future. Accordingly, the Trustees continue to adopt the going concern basis in the preparation of the financial statements.

1.2 Charitable funds

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

1.3 Income

Turnover is measured at the fair value of the consideration received or receivable net of trade discounts. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental and support charges income receivable in the year net of losses from voids.

Rendering of services

When the outcome of a transaction can be estimated reliably, turnover from rental and support services is recognised by reference to the stage of completion at the balance sheet date.

When the outcome cannot be measured reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

ABBNEYFIELD WESSEX SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

Donations and legacies

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the amount of donation and the settlement date. If the donation is subject to performance conditions, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the society has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Investment income

Interest income is recognised using the effective interest method and dividend income is recognised as the Society's right to receive payment is established.

1.4 Expenditure

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

All costs are allocated to the applicable expenditure category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

1.5 Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. 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.

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

Land	Not depreciated
Structure	1%
Roof	2%
Windows/doors	3.33%
Kitchens	3.33%
Bathrooms	3.33%
Fixtures, fittings and equipment	5 - 8 years straight line

ABBNEYFIELD WESSEX SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

Major components of housing properties, such as electric systems, kitchens and bathrooms have been accounted for and depreciated separately from the connected housing property, over their expected useful economic lives and are included in freehold land and buildings.

Freehold land is not depreciated.

Realised profits in respect of excess depreciation on revalued assets are not transferred from the revaluation reserve to the income and expenditure reserve.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date, 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. Transaction costs are expensed as incurred.

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

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

Basic financial assets

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

ABBNEYFIELD WESSEX SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the society's contractual obligations expire or are discharged or cancelled.

1.10 Taxation

The society 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 society is potentially 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.

1.11 Provisions

Provisions are recognised when the society has a legal or constructive present obligation as a result of a past event, it is probable that the society will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

1.12 Employee benefits

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

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

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

ABBNEYFIELD WESSEX SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.15 Pensions

The Society operates a pension scheme for employees which meets the requirements of being a Qualifying Work Place Pension Scheme. The Contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet.

2 Critical accounting estimates and judgements

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

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

Critical judgements

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets including any components. Uncertainties in these estimates relate to changes to the Decent Homes Standards and changes to energy efficiency requirements which may require more frequent replacement of key components. Management used their judgement in apportioning amounts to the various components of housing properties. Accumulated depreciation of housing properties and their fixtures and fittings as at 30 September 2021 was £1,013,423. The carrying amount of the housing properties, including those under construction which are not depreciated, and their fixtures and fittings was £5,421,243 at the year ended 30 September 2021.

Valuation of housing properties

On transition to FRS102, on 1 October 2014, housing properties which are still owned with historic cost of £6,604,200, were recognised at an estimated deemed cost of £3,730,000. This deemed cost was based on formal valuation reports. Uncertainties in these estimates relate to the assumptions adopted by the valuer and the use of a single valuation to determine the deemed cost.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Donations and gifts	200,626	461,651

ABBNEYFIELD WESSEX SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

4 Investment income

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Rental income	-	13,447
Income from listed investments	5,170	7,291
Interest receivable	19,680	24,781
	<u>24,850</u>	<u>45,519</u>

ABBNEYFIELD WESSEX SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

5 Turnover, cost of sales, administrative expenditure and operating surplus/(deficit)

	Total 2021 £	Total 2020 as restated £
Turnover from social housing lettings		
Residential charges receivable	1,576,633	1,548,160
Voids	(410,272)	(257,169)
	<u>1,166,361</u>	<u>1,290,991</u>
Cost of sales		
Wages and salaries	449,235	474,768
Social security costs	18,255	21,921
Pension costs	9,992	8,613
Property costs	297,358	336,482
Food costs	92,683	99,300
Telephone and television costs	16,530	16,651
Careline	15,227	16,369
Legal and professional	25,318	63,744
Travel costs	4,722	10,594
Sundry expenses	16,869	14,235
Depreciation	139,840	120,636
	<u>(1,086,029)</u>	<u>(1,183,313)</u>
Gross surplus	80,332	107,678
Administrative expenditure		
Wages and salaries	195,595	140,760
Social security costs	13,304	15,234
Pension costs	4,414	3,870
Head office property costs	22,652	3,448
Postage, stationery and advertising	8,947	13,147
Governance costs	12,336	8,555
Telephone costs	3,007	5,357
Legal and professional	11,551	16,315
Finance costs	2,147	1,603
Sundry	6,743	4,348
	<u>(280,696)</u>	<u>(212,637)</u>
Other income		
Sundry income	1,030	555
	<u>(199,334)</u>	<u>(104,404)</u>
Operating deficit on social housing lettings		

ABBNEYFIELD WESSEX SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

6 Other income

	2021 £	2020 £
Net gain on disposal of tangible fixed assets	11,229	-
Other income	1,030	555
	<u>12,259</u>	<u>555</u>

7 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the society's auditor and associates:

	2021 £	2020 £
Audit of the society's annual accounts	6,000	5,910
Non-audit services		
Other assurance services	720	402
All other non-audit services	6,000	2,243
Total non-audit fees	<u>6,720</u>	<u>2,645</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the society during the year.

9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Head office	6	5
House staff	31	31
Total	<u>37</u>	<u>36</u>

The average monthly number of employees expressed as full time equivalents (calculated based on a standard working week of 40 hours) is 26 (2020: 26).

ABBNEYFIELD WESSEX SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

9 Employees (Continued)

Employment costs	2021 £	2020 £
Wages and salaries	608,787	598,168
Social security costs	31,559	37,155
Other pension costs	14,406	12,483
	<u>654,752</u>	<u>647,806</u>

The total employee benefits of the key management personnel of the charity were £189,595 (2020 - £173,506).

No non-executive board members received any remuneration during the year.

The Chief Executive is a member of the The People's Pension scheme. They are an ordinary member of the pension scheme and no enhanced or special terms apply. The charity does not make any further contribution to an individual pension arrangement for the Chief Executive.

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

10 Net gains/(losses) on investments

	2021 £	2020 £
Revaluation of investments	47,866	(12,154)
Gain/(loss) on sale of investments	(9,515)	-
	<u>38,351</u>	<u>(12,154)</u>

11 Taxation

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

ABBNEYFIELD WESSEX SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

12 Tangible fixed assets

	Freehold property £	Assets under construction £	Fixtures and fittings £	Total £
Cost				
At 1 October 2020 (as restated)	4,446,773	836,659	842,988	6,126,420
Additions	780,478	43,204	92,830	916,512
Disposals	(608,266)	-	-	(608,266)
At 30 September 2021	4,618,985	879,863	935,818	6,434,666
Depreciation and impairment				
At 1 October 2020 (as restated)	286,925	-	607,114	894,039
Depreciation charged in the year	55,235	-	84,605	139,840
Eliminated in respect of disposals	(20,456)	-	-	(20,456)
At 30 September 2021	321,704	-	691,719	1,013,423
Carrying amount				
At 30 September 2021	4,297,281	879,863	244,099	5,421,243
At 30 September 2020 (as restated)	4,159,849	836,659	235,874	5,232,382

Land with a deemed cost of £1,865,000 on transition to FRS102 is not depreciated.

The trustees believe that the open market value is considerably in excess of the net book value which has been determined based on an existing use basis. Their most recent estimate of the open market value is £10,400,000.

13 Fixed asset investments

	Listed investments £	Cash held in investment portfolio £	Total £
Cost or valuation			
At 1 October 2020	284,628	13,458	298,086
Additions	65,237	-	65,237
Valuation changes	41,329	-	41,329
Net movement in funds	(2,978)	(5,878)	(8,856)
Disposals	(62,257)	-	(62,257)
At 30 September 2021	325,959	7,580	333,539
Carrying amount			
At 30 September 2021	325,959	7,580	333,539
At 30 September 2020	284,628	13,458	298,086

ABBNEYFIELD WESSEX SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

13 Fixed asset investments

(Continued)

The fair value of UK listed investments is determined by reference to the quoted price for the shares in an active market at 30 September 2021.

The historical cost of the listed investments is £269,308 (2020: £256,813).

14 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	734	-
Other debtors	17,001	456,780
Prepayments and accrued income	34,554	21,106
	<u>52,289</u>	<u>477,886</u>

15 Accommodation owned and in management

The Society owned 84 (2020: 94) completed support housing units for older people at 30 September 2021.

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	-	6,152
Trade creditors	16,708	103,641
Other creditors	268,818	276,854
Accruals and deferred income	57,525	11,298
	<u>343,051</u>	<u>397,945</u>

17 Provisions for liabilities

	2021 £	2020 £
	<u>17,100</u>	<u>17,100</u>

The above provision is in respect of returning a leased asset to the lessor and it is the cost of maintaining the property in accordance with the lease agreement.

18 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.

ABBNEYFIELD WESSEX SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

19 Retirement benefit schemes

Defined contribution schemes

The society operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the society in an independently administered fund.

The amount recognised as an expense in the period was £14,406 (2020: £12,483).

Contributions totalling £3,282 (2020: £2,611) were payable at the balance sheet date and are included in creditors.

20 Operating lease commitments

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

	2021 £	2020 £
Within one year	18,500	18,500
Between two and five years	13,875	32,375
	<u>32,375</u>	<u>50,875</u>

21 Capital commitments

The Society has no capital or other commitments at 30 September 2021 (2020: £NIL).

22 Related party transactions

During the year certain Trustees provided general voluntary time to Abbeyfield Wessex Society Limited on an unpaid basis which complemented the work of the paid employees.

Additionally, the following related party transactions occurred during the year:

Jane Andrews Ladies' Home

(The charity is a trustee of Jane Andrews Ladies' Home)

At the balance sheet date the amount due to Jane Andrews Ladies' Home was £265,536 (2020 - £265,536). This interest-free loan is repayable on demand.

The Harleston Homes

(The charity is a trustee of The Harleston Homes)

During the year The Harleston Homes has donated investment income (dividends and interest) of £885 to Abbeyfield Wessex Society Limited. No amounts are due to/from the charity at the balance sheet date.

23 Prior year adjustments

A prior year adjustment was made to restate the deemed cost of freehold property on transition to FRS 102 to an existing use basis. Accordingly, depreciation has also been adjusted. Opening reserves in the prior year have reduced by £6,462,522. The closing prior year reserves have reduced by £6,430,443, with the surplus for the prior year increasing by £32,079, due to the reduction in depreciation.

ABBNEYFIELD WESSEX SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

24	Cash generated from operations	2021	2020
		£	£
	Surplus for the year	75,722	385,811
	Adjustments for:		
	Investment income recognised in statement of financial activities	(24,850)	(45,519)
	Gain on disposal of tangible fixed assets	(11,229)	-
	Loss on disposal of investments	9,515	-
	Fair value gains and losses on investments	(47,866)	12,154
	Depreciation and impairment of tangible fixed assets	139,840	120,636
	Movements in working capital:		
	Decrease/(increase) in debtors	425,597	(477,886)
	(Decrease)/increase in creditors	(54,894)	397,945
	(Decrease) in provisions	-	17,100
	Cash generated from operations	511,835	410,241
		<hr/>	<hr/>
25	Analysis of changes in net funds		
	The society had no debt during the year.		