

REGISTERED COMPANY NUMBER: 00754694 (England and Wales)
REGISTERED CHARITY NUMBER: 238168

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2022
FOR**

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

Duncan & Toplis Limited, Statutory Auditor
3 Princes Court
Royal Way
Loughborough
Leicestershire
LE11 5XR

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 7
Report of the Independent Auditors	8 to 10
Statement of Comprehensive Income	11
Statement of Changes in Reserves	12
Statement of Financial Position	13
Statement of Cash Flows	14
Notes to the Statement of Cash Flows	15
Notes to the Financial Statements	16 to 26

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2022**

TRUSTEES	B R Bunn F Fay - Treasurer Mrs R Johnson - Chairman Mrs J Stephens C Jennison A Wood D M Hastings W G Holland
COMPANY SECRETARY	Mrs J Stephens
REGISTERED OFFICE	44 Westfield Drive Loughborough Leicestershire LE11 3QL
REGISTERED COMPANY NUMBER	00754694 (England and Wales)
REGISTERED CHARITY NUMBER	238168
SENIOR STATUTORY AUDITOR	Niall Kingsley ACA
AUDITORS	Duncan & Toplis Limited, Statutory Auditor 3 Princes Court Royal Way Loughborough Leicestershire LE11 5XR
SOLICITORS	Moss Solicitors 80-81 Woodgate Loughborough Leicestershire LE11 2XE
BANKERS	National Westminster Bank plc Market Place Loughborough Leicestershire LE11 3NZ

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

The board of the trustees (who are also the directors of the Society for the purpose of company law) present their report, which incorporates the strategic report, and the financial statements for the year ended 31st March 2022.

STRATEGIC REPORT

Achievement and performance

Principal activities

The Society's principal activity for the year under review has been that of providing care for elderly residents with dementia.

The residents with dementia are accommodated in Westfield House which is registered for dementia care.

The Board employs an Activities Coordinator and provides a budget for activities. The Board regards this as an important aspect of the care that it provides because it wishes to provide an enjoyable and stimulating environment for the residents. Similarly great care is taken to ensure that residents at Westfield House receive food and drink which is in accord with their dietary requirements.

Westfield House has received high approval ratings from both the residents and their families. Additionally CQC has rated the Society as "Good", the Society has achieved Abbeyfield's "Core Standard" and the Local Authority has awarded the Society its "Gold" standard which incorporates the "Dignity" award. In order to maintain the high levels of care the Society's employees receive regular training for which there is a budget allocation and the buildings are maintained to a high standard.

Financial review

Review of the business

The Trustees can report an operating deficit for the year of £153,245 compared to an operating deficit of £45,576 for the previous year. The Society also generated total comprehensive income of £294,627 after investment income and changes in the value of investments. Last year, total comprehensive income of £48,785 was generated. An operating deficit arose due to the closure and demolition of Ingleside, the decision taken by the trustees to increase wages incrementally towards paying employees a "Real Living Wage" and the decision to close May Mills House. We also had a higher level of voids at Westfield House, than that with which we usually operate. This was entirely COVID related.

The reserves of the Society remain in a strong position with £3,934,688 in reserves, of which £1,080,407 is available in cash as indicated on the Statement of Cash Flows.

In order to fulfil its objective, the Society needs a number of properties. Although these properties are unrestricted assets they cannot be realised without undermining the Society's work. The board of Trustees therefore consider it appropriate to reflect the net investment in properties, after allowing for the deferred capital grant, of £3,996,526 by means of a designated fund.

Housing property repair and maintenance expenditure is charged to the Income and Expenditure account in the period in which it is incurred. As part of the reserves of the Society there exists a designated reserve for future significant expenditure of this nature. The Board of Trustees considers it prudent to allocate funds in this way so that such costs do not threaten the Society's free reserves position. The level of the reserve is calculated as a reasonable estimate of the level of expenditure which may arise and at 31 March 2022 was £100,000.

A capital expenditure reserve has been created to fund future expenditure on fixtures, fittings and equipment. The amount set aside at the year end is £30,000 and is based on the Society's obligations to replace assets of this type as they wear out.

A designated general charitable reserve represents the accumulated charitable donations received by the Society unexpended at the financial reporting date. There are no restrictions on the allocation of those receipts and at the year end the balance was £68,066.

After taking account of the designated funds described above the unrestricted funds at 31 March 2022 are negative £259,904. This allows the Society to continue with its objectives of enhancing the quality of care received by the residents.

Given the straight forward nature of the business, the Society's Trustees are of the opinion that analysis using KPIs is not necessary for understanding of the development, performance or position of the business.

The Abbeyfield Loughborough Society is committed to providing affordable, caring and sustainable solutions for older people through a range of high quality services. Our strength lies in professionally catering for the needs, wants and aspirations of our residents with dignity and compassion in a warm friendly family environment.

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT

Review of the business (continued)

Demand from an aging population for accommodation offered is likely to be steady given our reputation for total quality care at competitive prices, and reflected in our low void levels and our positive inspection and assessment reports from CQC (Good), Abbeyfield's own Core standards award and the local authority (Gold QAF award). However, in the medium/longer term there is likely to be increased competition in the area of dementia care.

Budgetary considerations will form part of the above and will be reflected in our annual business plans. We are able to demonstrate sound finances with adequate cash reserves of over £1,000,000 to ensure long term viability. We also have an effective committee and management structure to support and inform business decisions. Inevitably some of these reserves will have to be used to finance the new facility on the Ingleside site and it will be necessary to borrow a considerable amount of money to carry out this project. We secured a loan of £3million from Charity Bank and with this assurance we were able to agree the demolition of the old Ingleside building in February 2021 and commence the new building in March 2021.

We are fortunate to have dedicated and committed staff who undergo on-going and extensive training and development programmes to provide a wide range of skills. The budget includes a substantial amount to support this training. However, recruitment and retention of good quality staff has become a serious issue for many in the care businesses and Westfield House is no exception. This accounts for the high cost of agency labour which is, however, off-set by a reduced wages bill.

It is the Society's policy to pay our all our staff the "Real Living Wage," as a minimum. This reflects the Board's view that caring for elderly residents with dementia is a skilled job and that all who work at Abbeyfield contribute to the high quality of care provided at Westfield House. The Society will need to be mindful of the impact this will have on our fees, and consequently the ability of potential residents to fund their own care in the future, or to access appropriate financial support from the County Council.

Although there is an element of uncertainty with the longer-term future direction of care given concerns with funding reductions, declining assets held by residents and their families and the progress of medical science, we remain confident that there will be an on-going demand for care of the elderly and particularly for care of people with dementia.

Public benefit

The Society is run by a Board of Trustees comprised entirely of volunteers. It also relies on volunteers, who are recruited locally, throughout the Society to assist with fundraising, activities and events.

The Society currently budgets for £24,000 of unrecoverable residents' fees per annum and is very sympathetic to residents who become unable to pay their fees due to a change in their circumstances.

The fees are currently maintained at a level that is considered to be affordable to all and is competitive in the current market.

The Board of Trustees has paid due regard to guidance issued by the Charity Commission in deciding which activities it should undertake.

Investment policy and objectives

Ad-hoc meetings and phone conversations take place with Barclays Wealth and they have assessed Abbeyfield's risk profile as being at the low end of medium. The basic mix of the portfolio is 67% stock market and 33% bank deposits. The Board is satisfied with the performance of its investments.

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT

Reserves policy

It is proposed that the retained surplus of £294,627 is transferred to reserves.

The level of reserves remains high in order for the Society to guarantee the level of care they can provide to residents in the future. Additionally, the reserves have been at a high level for a number of years in anticipation of a new build project which will see the Society increase its capacity and derive some economies of scale. All of these reserves have been spent on the new building, Ingleside, which should be open by the end of October 2022. The Society will continue to maintain a sufficient level of reserves even when the new-build project is underway.

As detailed in the report the Board of Trustees is aware of the changing needs of the people in society and recognises that these changes may require additional funding.

Principal risks and uncertainties

The Board of Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Society, and are satisfied that systems are in place to mitigate our exposure to the major risks. However, COVID-19 presents a significant and unpredictable risk.

One of the main risks to the Society relates to the regulatory environment. Failure to meet regulatory requirements would impact both the operations and reputation of the Society. This risk is mitigated through the constant monitoring of regulatory requirements by management.

We take advice from Barclays Wealth in relation to our investments and the Board, advised by the Treasurer, has savings in recognised financial institutions all covered by the Financial Services Compensation Scheme (as per its Savings and Investment Policy).

Market value of land and buildings

The Board of Trustees is of the opinion that the market value for the existing use of the land and buildings (excluding Ingleside House currently in development) is £4,177,880 (2021: £5,383,611). This is based upon insurance valuations and has not been incorporated in the financial statements.

Future developments

The objectives of the Society are to continue to provide a high level of care and support both in the care home (Westfield House) and, eventually, in the new care home, Ingleside on Ashby Road.

Westfield House continues to develop its provision for the care of those diagnosed with dementia, ensuring that new methods and information through research are considered and implemented to ensure the best possible care for our Residents. It is anticipated that dementia care will remain a key priority.

Demand from an ageing population for accommodation offered is likely to be steady given our reputation for total quality care at competitive prices thus our desire to increase the number of beds that we can offer in this area.

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT

Future developments (continued)

COVID-19

Throughout the pandemic the management and staff followed all the regulations and advice coming from the relevant authorities. Vaccinations were available to all residents and staff, though three staff refused to be vaccinated and so, following Government guidelines, these three staff were dismissed. Visiting was restricted and hygiene and mask wearing rules were strictly enforced. As a consequence, we had no COVID-19 infections during the height of the pandemic. Unfortunately, once the high-point of the pandemic seemed to have passed we had an outbreak of COVID-19 in August 2021 and 8 residents died. This was distressing for the relatives and the staff and had a significant impact on the business because of the voids that this event created. The Society benefitted from some financial support from the Government but, nevertheless, it was a difficult financial year for the Society.

Value for money

Our definition of value for money is: we aim to deliver our social objectives in the most cost-effective way possible by: Providing quality sheltered housing and providing the best service possible.

For us therefore, achieving value for money is about making the biggest difference that we can with limited resources available.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status

The Society is a company, registered in England and Wales limited by guarantee (Number 754694), having no share capital and with solely charitable purposes. It is also a registered charity (Number 238168) and with the Homes and Communities Agency as a housing association (Number H0595).

Members of the Board of Trustees

In accordance with the Articles of Association the members of the Board of Trustees as below, are members of the Society.

B R Bunn

D Hastings (appointed 26.10.2021)

D C Hogg (resigned 02.11.2021)

F Fay - Vice Chairman and Hon. Treasurer

W G Holland (appointed 28.06.2022)

C Jennison

R Johnson - Chairman

R J Pearson (resigned 27.04.2021)

J Stephens - Hon. Secretary

A Wood

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The Board of Trustees is typically comprised of between eight and twelve individuals with a cross section of management skills. Potential trustees are initially approached by existing board members and invited to attend two board meetings to gain an understanding of the operations of the Society. They are also shown around the Society's houses to see how they operate.

Following this process an invitation to join the board is made. The training needs of new board members are assessed based on their existing skills and experience and the need for future training is kept under constant review.

We are regularly looking to recruit other trustees, but we currently have eight trustees appointed which is sufficient to our requirements.

Organisational structure and governance

The Society has a clear functional organisational structure with each house benefiting from professional care and catering staff. There is also a well-defined administration function within the Society and an active board of trustees who oversee all decision making.

Day-to-day management of the Society is delegated by the Board to the General Manager (Mrs Julie King during the 2021-22 year). The General Manager's salary is reviewed annually by the Chairman, discussed at the Staff-sub Committee and a recommendation is made to the full Board. The salary of the Care Manager is reviewed by the General Manager and then follows the same procedure as that outlined for the General Manager. In both cases due attention is given to the local recruitment situation in determining the salaries. The remuneration of all other employees is reviewed annually by the Finance Committee.

Corporate governance

The Society has adopted a Code of Conduct for Board members. This code reflects the seven principles of public life as adopted by the Nolan Committee. This is compliant with the National Housing Federations Excellence in Governance code in all areas with the exception of only one relating to the adoption of a Membership Policy with defined terms of office for all Board members. This is considered to be potentially detrimental to the organisation's well-being in terms of CQC inspections, the Society's current development programme, and the challenges the care sector is experiencing.

The Board has conducted an annual review of the effectiveness of the systems of internal control. No instances have been identified of internal control weaknesses resulting in material misstatement or loss.

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the statement of Recommended Practice "Accounting by Registered Social Housing Providers 2018" and FRS102 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 trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006 and the housing and Regeneration Act 2008 and the Accounting Direction for Registered Providers of Social Housing 2019. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

AUDITORS

The auditors, Duncan & Toplis Limited, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 25/09/22 and signed on the board's behalf by:



Mrs R Johnson - Chairman

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

Opinion

We have audited the financial statements of The Abbeyfield Loughborough Society Limited (the 'company') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 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 of social housing in England 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 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 directors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We have identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience, knowledge of the sector, a review of regulatory and legal correspondence and through discussions with Directors and other management obtained as part of the work required by auditing standards. We have also discussed with the Directors and other management the policies and procedures relating to compliance with laws and regulations. We communicated laws and regulations throughout the team and remained alert to any indications of non-compliance throughout the audit.

The potential impact of different laws and regulations varies considerably. Firstly, the company is subject to laws and regulations that directly impact the financial statements (for example financial reporting legislation) and we have assessed the extent of compliance with such laws as part of our financial statements audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements such as depreciation of tangible fixed assets as well as the risk of inappropriate journal entries to manipulate reported profitability. Audit procedures performed by the engagement team included the identification and testing of unusual material journal entries and challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. We carried out detailed substantive tests on accounting estimates, including reviewing the methods and data used by management to make those estimates such as residual values and expected asset replacement cycles, reperforming the calculation, reviewing the outcome of prior year estimates, and reviewing the outcome of current year estimates since the financial reporting date.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED**

Our responsibilities for the audit of the financial statements (continued)

Secondly, the company is subject to other laws and regulations where the consequence for non-compliance could have a material effect on the amounts or disclosures in the financial statements. We identified the following areas as those most likely to have such an effect: The Landlord and Tenant Act, Health and Social Care Act, Food Safety regulations, COVID-19 infection control and Employment laws.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection. This included a review of inspection reports for any evidence of non-compliance, in addition to a review of statutory meeting minutes and solicitor correspondence. Through these procedures, if we became aware of any non-compliance, we considered the impact on the procedures performed on the related financial statement items.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. As with any audit, there is a greater risk of non-detection of irregularities as these may involve collusion, intentional omissions of the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

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

Duncan & Topliss Limited

Niall Kingsley ACA (Senior Statutory Auditor)
for and on behalf of Duncan & Topliss Limited, Statutory Auditor
3 Princes Court
Royal Way
Loughborough
Leicestershire
LE11 5XR

Date: 15/11/2022

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

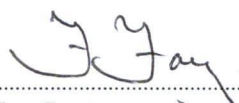
STATEMENT OF COMPREHENSIVE INCOME
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022

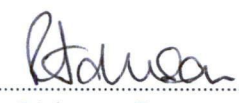
	Notes	2022 £	2021 £
Turnover	3	1,249,884	1,438,773
Cost of sales		<u>(1,148,505)</u>	<u>(1,215,632)</u>
Gross surplus		101,379	223,141
Administrative expenses		(347,743)	(311,562)
Other operating income	5	<u>93,119</u>	<u>42,845</u>
Operating surplus/(deficit)		(153,245)	(45,576)
Profit/(loss) on disposal of fixed assets	6	332,982	(196,191)
Investment income	4	32,230	35,376
Other income		12,146	37,262
Movement in fair value of financial instruments	7	<u>70,514</u>	<u>217,914</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>294,627</u></u>	<u><u>48,785</u></u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The Statement of Comprehensive Income was approved by the board on 25/10/22


F Fay - Trustee


Mrs R Johnson – Trustee

The notes form part of these financial statements

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2022

	Income and expenditure reserve £	Total £
At 1 April 2021	3,640,061	3,640,061
Surplus for financial year	<u>294,627</u>	<u>294,627</u>
Total comprehensive income	294,627	294,627
At 31 March 2022	3,934,688	3,934,688

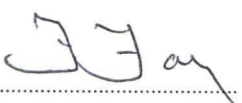
The notes form part of these financial statements

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED (REGISTERED NUMBER: 00754694)

STATEMENT OF FINANCIAL POSITION
31 MARCH 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	11	4,657,576	2,545,727
Investments	12	<u>1,268,356</u>	<u>1,201,431</u>
		5,925,932	3,747,158
CURRENT ASSETS			
Debtors	13	30,933	22,259
Cash at bank and in hand		<u>1,077,551</u>	<u>680,562</u>
		1,108,484	702,821
CREDITORS			
Amounts falling due within one year	14	<u>(643,571)</u>	<u>(171,774)</u>
NET CURRENT ASSETS		<u>464,913</u>	<u>531,047</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,390,845	4,278,205
CREDITORS			
Amounts falling due after more than one year	15	<u>(2,456,157)</u>	<u>(638,144)</u>
NET ASSETS		<u><u>3,934,688</u></u>	<u><u>3,640,061</u></u>
CAPITAL AND RESERVES			
Income and expenditure reserve	26	<u>3,934,688</u>	<u>3,640,061</u>
		<u><u>3,934,688</u></u>	<u><u>3,640,061</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 25/10/22 and were signed on its behalf by:


F Fay - Trustee


R Johnson - Trustee

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>336,811</u>	<u>50,386</u>
Net cash provided by operating activities		<u>336,811</u>	<u>50,386</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,538,378)	(234,061)
Sale of tangible fixed assets		705,572	-
Sale of fixed asset investments		4,191	3,116
Interest received and similar income		<u>44,196</u>	<u>72,295</u>
Net cash (used in)/provided by investing activities		<u>(1,784,419)</u>	<u>(158,650)</u>
Cash flows from financing activities			
New loans in year		1,865,635	-
Interest paid		<u>(20,616)</u>	<u>-</u>
Net cash provided by financing activities		<u>1,845,019</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		<u>397,411</u>	<u>(108,264)</u>
Cash and cash equivalents at the beginning of the reporting period	2	<u>682,996</u>	<u>791,260</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>1,080,407</u></u>	<u><u>682,996</u></u>

The notes form part of these financial statements

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

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

	2022 £	2021 £
Operating surplus/(deficit) for the year	(153,245)	(45,576)
Adjustments for:		
Depreciation charges	53,939	61,898
Interest paid	20,616	-
Movement on deferred capital grant	(47,622)	(9,254)
(Increase)/decrease in debtors	(8,674)	14,981
Increase in creditors	<u>471,797</u>	<u>28,337</u>
Net cash provided by operations	<u>336,811</u>	<u>50,386</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash in hand	1,177	3,730
Notice deposits (less than 3 months)	1,076,374	676,832
Cash deposit on Fixed Asset Investment	<u>2,856</u>	<u>2,434</u>
Total cash and cash equivalents	<u>1,080,407</u>	<u>682,996</u>

3. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1.4.21 £	Cash flow £	At 31.3.22 £
Net cash			
Cash at bank and in hand	<u>680,562</u>	<u>396,989</u>	<u>1,077,551</u>
	<u>680,562</u>	<u>396,989</u>	<u>1,077,551</u>
Debt			
Debts falling due after 1 year	-	(1,865,635)	(1,865,635)
	-	(1,865,635)	(1,865,635)
Total	<u>680,562</u>	<u>(1,468,646)</u>	<u>(788,084)</u>

The notes form part of these financial statements

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

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

1. GENERAL INFORMATION

The society is a company limited by guarantee, incorporated in England and Wales (Number 754694), having no share capital and with solely charitable purposes. It is also registered as a charity (Number 238168) and with the Housing Corporation as a housing association (Number HO595). The company is governed by the Landlord and Tenant Act 1985.

The registered office is 44 Westfield Drive, Loughborough, Leicestershire, LE11 3QL.

The financial statements are prepared in Sterling which is the functional currency of the society and rounded to the nearest £.

The financial statements cover the individual entity.

The society constitutes a public benefit entity as defined by FRS 102.

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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 requirements of the Housing and Regeneration Act 2008 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.

Turnover

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

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and Homes England and the Regulator of Social Housing.

Tangible fixed assets and depreciation

Tangible fixed assets (including social housing properties) are stated at 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 provided on all tangible fixed assets except freehold land which is not depreciated on account of its indefinite useful economic life, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Assets and their components are depreciated over their useful lives on the following basis:

Description	Estimated useful life
Land & Buildings:	
Structure	100
Kitchen	30
Bathroom	30
White goods	10
Roofs	50
Lifts	15
Fixtures, fittings & equipment	7

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

2. ACCOUNTING POLICIES - continued

Tangible fixed assets and depreciation

Housing properties under construction are not depreciated until they are in use.

Corporation tax and VAT

The society has charitable status and is exempt from Corporation Tax on the income it has received. The society is not registered for VAT. Accordingly no VAT is charged to residents and the expenditure in the statement of comprehensive income includes the relevant VAT.

Pension costs and other post-retirement benefits

The society operates a defined contribution pension scheme. Contributions payable to the society's pension scheme are charged to the Statement of Comprehensive Income in the period to which they relate.

Social housing grant

Where Social Housing Grants (SHG), are received in respect of developments these grants are recognised at the fair value of the asset received or receivable. Where the assets are accounted for using the cost model then the government grant is accounted for using the accruals model. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised within turnover.

Where disposal of government donated assets are required to be recycled, a liability is included to recognise this obligation.

Monetary Donations

Monetary donations to the society are credited in the financial statements on a receipts basis.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other administrative expenses.

Provisions

Provisions are recognised when the society has an obligation at the financial reporting date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Provisions for cyclical maintenance or major works to existing stock are not made unless they represent commitments or obligations at the financial reporting date where there is no discretion to avoid or delay the expenditure.

Recycled Capital Grants Fund

Capital grants can be recycled under certain condition, if a property is sold, or if another relevant event takes place. Recycled grants can be used for projects approved by Homes England and the Regulator of Social Housing and they are credited to the Recycled Capital Grant Fund within liabilities.

In certain circumstances, such as the sale of housing properties, capital grants may be repayable, and, in that event, is subordinated to the repayment of other loans by agreement with Homes England and the Regulator of Social Housing. It is accounted for as soon as the liability arises within creditors: amounts falling due within one year. When any grant to be recycled or repaid is less than the grant relating to the disposal, the difference is treated as abated grant. Abated capital grants are treated as a component of the surplus or deficit on disposal.

Investments

Fixed asset investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value through the statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably.

Loans, borrowings and short term deposits

These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS102 requires that the basic financial instruments are subsequently measured at amortised costs, however the society has calculated that the difference between historical cost and amortised cost basis is not material and so these financial instruments are stated in the statement of financial position at historical cost. Loans and borrowings that are repayable or receivable within one year are not discounted.

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

2. ACCOUNTING POLICIES - continued

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for a period of at least 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Society to be able to continue as a going concern. As noted in the Report of the Trustees, the trustees have paid due regard to the COVID-19 pandemic, the ongoing development of Ingleside House and its associated loan financing costs and its subsequent impact on cash flows while considering the going concern of the Society.

Judgements and key sources of estimation uncertainty

On transition to FRS102 the historical information to break down housing property assets into components was not available without undue cost or effort, and therefore has been included as structure within land and buildings and consequently depreciated over 100 years.

Housing property assets will in future be broken down into components based on management's assessment of the properties and useful economic lives will be assigned to these components.

3. TURNOVER

	2022 £	2021 £
Rents received	1,532,056	1,554,678
Void losses	(274,038)	(125,159)
Amortised government grants	9,254	9,254
Reversal of amortised government grants due to repayment required	(17,388)	-
Net income from residential charges	<u>1,249,884</u>	<u>1,438,773</u>

The society disposed of one of their housing properties during the year. This resulted in historic grants from Homes England relating to the disposed housing property becoming repayable.

4. INVESTMENT INCOME

	2022 £	2021 £
Income from listed investments	31,913	31,802
Profit on disposal of listed investments	180	343
Bank interest	<u>137</u>	<u>3,231</u>
	<u>32,230</u>	<u>35,376</u>

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

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

5. OTHER OPERATING INCOME

	2022	2021
	£	£
Grants	<u>93,119</u>	<u>42,845</u>

Other operating income relates to income received from the local council in relation to Infection Control, Rapid Testing and Workforce Capacity. Income is recognised on a systematic basis over the period in which the related costs for which the grant is intended to compensate are recognised.

6. DISPOSALS OF HOUSING PROPERTIES HELD AS TANGIBLE FIXED ASSETS

	2022	2021
	£	£
Proceeds from the disposal of housing properties	705,572	-
Carrying value of housing properties	<u>(372,590)</u>	<u>(196,191)</u>
Profit/(loss) on disposal of fixed assets	<u>332,982</u>	<u>(196,191)</u>

The society disposed of their housing property on Forest Road in March 2022, generating a profit on disposal of £332,982.

The disposal of housing properties in the prior year relates to the demolition of the original Ingleside property as part of the modernisation and extension of Ingleside.

7. MOVEMENT IN FAIR VALUE OF FINANCIAL INSTRUMENTS

	2022	2021
	£	£
Movement in fair value of Fixed Asset investments	<u>70,514</u>	<u>217,914</u>

8. SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES

Surplus/(deficit) is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation - owned assets	53,939	61,898
(Profit)/loss on disposal of fixed assets	(332,982)	196,191
Auditor's remuneration for audit	9,120	8,280
Grants released to income	<u>(9,254)</u>	<u>(9,254)</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

Key management personnel neither received or waived any remuneration during the year (2021: nil).

No remuneration was received by non-executive board members (2021: nil).

Trustees' expenses

There were £14 trustees' expenses paid for the year ended 31st March 2022 (2021: £nil).

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

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

10. STAFF COSTS

	2022 £	2021 £
Wages and salaries	982,290	988,160
Social security costs	52,518	50,681
Other pension costs	16,569	17,174
	<u>1,051,377</u>	<u>1,056,015</u>

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

	2022	2021
Administration	4	5
Care staff	<u>48</u>	<u>54</u>
	<u>52</u>	<u>59</u>

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

11. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 April 2021	3,058,421	8,124	378,334	3,444,879
Additions	2,523,654	-	14,724	2,538,378
Disposals	<u>(506,136)</u>	<u>-</u>	<u>(40,138)</u>	<u>(546,274)</u>
At 31 March 2022	<u>5,075,939</u>	<u>8,124</u>	<u>352,920</u>	<u>5,436,983</u>
DEPRECIATION				
At 1 April 2021	603,921	3,569	291,662	899,152
Charge for year	26,848	163	26,928	53,939
Eliminated on disposal	<u>(137,486)</u>	<u>-</u>	<u>(36,198)</u>	<u>(173,684)</u>
At 31 March 2022	<u>493,283</u>	<u>3,732</u>	<u>282,392</u>	<u>779,407</u>
NET BOOK VALUE				
At 31 March 2022	<u>4,582,656</u>	<u>4,392</u>	<u>70,528</u>	<u>4,657,576</u>
At 31 March 2021	<u>2,454,500</u>	<u>4,555</u>	<u>86,672</u>	<u>2,545,727</u>

All freehold properties held for letting, other than Ingleside, are completed properties. Ingleside is currently under construction.

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

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

12. FIXED ASSET INVESTMENTS

	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 1 April 2021	1,198,997	2,434	1,201,431
Disposals	(4,011)	-	(4,011)
Revaluations	70,514	-	70,514
Cash movement	-	422	422
	<u>1,265,500</u>	<u>2,856</u>	<u>1,268,356</u>
At 31 March 2022	<u>1,265,500</u>	<u>2,856</u>	<u>1,268,356</u>
NET BOOK VALUE			
At 31 March 2022	<u>1,265,500</u>	<u>2,856</u>	<u>1,268,356</u>
At 31 March 2021	<u>1,198,997</u>	<u>2,434</u>	<u>1,201,431</u>

The historical cost of these investments is £956,862 (2021: £960,062).

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the financial reporting date.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Residential charges due and unpaid	11,495	4,211
Other debtors	2,118	1,369
Prepayments	<u>17,320</u>	<u>16,679</u>
	<u>30,933</u>	<u>22,259</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	469,384	41,521
Payments received on account	8,597	21,915
Social security and other taxes	-	12,578
Other creditors	65,079	7,533
Accruals and deferred income	<u>100,511</u>	<u>88,227</u>
	<u>643,571</u>	<u>171,774</u>

The average number of days between receipt and payment of purchase invoices is 50 (2021: 22) days.

Government grant income of £26,898 (2021: £40,131) is included within accruals and deferred income.

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

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

	2022	2021
	£	£
Bank loans (see note 16)	1,865,635	-
Deferred capital grants	590,522	638,144
	<u>2,456,157</u>	<u>638,144</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>58,383</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>210,247</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instalments	<u>1,597,005</u>	<u>-</u>

The society has one bank loan outstanding at the year-end.

The society is only required to repay the loan by monthly instalments of interest only for the first 24 months following the first utilisation of the loan. The interest rate is set at 3.75% above the bank base rate during this 24 month period.

After 24 months, the society will be required to repay the capital and interest on the loan by monthly instalments up until the final repayment date. From this period onwards, the interest rate will be set at 2.65% above the bank base rate.

17. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Bank loans	<u>1,865,635</u>	<u>-</u>

A fixed and floating charge dated 16 March 2021 is held over 190 Ashby Road and 44 Westfield Drive to secure the borrowings from the society bankers.

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

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

18. PENSION COMMITMENTS

The society operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the society in an independently administered fund. Contributions payable by the society amounted to £16,569 (2021: £17,174).

19. CAPITAL COMMITMENTS

	2022 £	2021 £
Contracted but not provided for in the financial statements	<u>1,089,664</u>	<u>3,378,549</u>

20. OTHER FINANCIAL COMMITMENTS

The company has the following commitments due as follows:

	2022 £	2021 £
Due in less than one year	8,681	6,731
Due between two and five years	23,307	21,658
Due in more than five years	<u>-</u>	<u>2,707</u>
	<u>31,988</u>	<u>31,096</u>

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2022.

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

22. FINANCIAL INSTRUMENTS

The carrying amounts of The Abbeyfield Loughborough Society Limited's financial instruments are as follows:

	2022 £	2021 £
Financial assets		
Measured at fair value through the statement of comprehensive income:		
- Fixed asset investments (note 12)	1,265,500	1,198,997
Debt instruments measured at amortised cost:		
- Trade debtors and other debtors (note 13)	13,613	5,580
	<u>1,279,113</u>	<u>1,204,577</u>
Financial liabilities		
Measured at amortised cost:		
- Trade creditors and other creditors (note 14)	(534,463)	(49,054)
- Bank loans (note 16)	<u>(1,865,635)</u>	<u>-</u>
	<u>(2,400,098)</u>	<u>(49,054)</u>

Income and expense

	2022 £	2021 £
Financial assets measured at fair value through comprehensive income	70,514	217,914

The total interest income and interest expense for financial assets and financial liabilities that are not measured at fair value through profit or loss was £Nil (2021: £Nil) and £20,616 (2021: £Nil) respectively.

23. SOCIAL HOUSING GRANT

The society has received Social Housing grants, which were used to fund the acquisition and development of housing properties and their components. The society has a future obligation to recycle such grants once the properties are disposed of. At 31st March 2022, the value of grants received in respect of these properties that had not been disposed of was £858,142 (2021: £913,898).

The amount of recycled capital grant at 31st March 2022 is £36,673 (2021: £56,381).

24. ACCOMMODATION IN MANAGEMENT

At the year-end, the society owned one housing unit for older people. In addition to the one housing unit, the society own another housing unit, which was closed to undergo a period of development.

The number of rooms under management was 31 (2021: 44).

25. CONTROL

The society is controlled by the Board.

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

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

26. RESERVES

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
Unrestricted funds	1,627,825	(411,611)	1,476,118	(259,904)
Designated funds				
Capital expenditure reserve	30,000	14,724	14,724	30,000
Housing property repair reserve	100,000	-	-	100,000
General charitable reserve	61,326	12,146	5,406	68,066
Property fixed asset reserve	1,820,910	2,175,616	-	3,996,526
	<u>3,640,061</u>	<u>1,790,875</u>	<u>1,496,248</u>	<u>3,934,688</u>
	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
Unrestricted funds	1,593,036	1,703,179	1,668,390	1,627,825
Designated funds				
Capital expenditure reserve	30,000	30,971	30,971	30,000
Housing property repair reserve	100,000	-	-	100,000
General charitable reserve	33,882	38,020	10,576	61,326
Property fixed asset reserve	1,834,358	-	13,448	1,820,910
	<u>3,591,276</u>	<u>1,772,170</u>	<u>1,723,385</u>	<u>3,640,061</u>

Unrestricted funds relate to an income and expenditure reserve, representing cumulative surplus and deficits net of other adjustments for the below funds.

Designated funds are those unrestricted funds which have been set aside by the trustees for a specific purpose. The designated funds of the Society are noted below.

The capital expenditure reserve was set up to fund future expenditure on fixtures, fittings and equipment.

The housing property repair reserve was set up to ensure that funds are available for housing property repair and maintenance, without impacting the society's free reserves position.

The general charitable reserve represents the accumulated charitable donations received by the society unexpended at the year-end.

The property fixed asset reserve was set up to reflect the net investment in properties, after allowing for the deferred capital grant.

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

27. EVENTS AFTER THE REPORTING DATE

Following the year-end, the development of Ingleside House continued and is expected to open in Autumn 2022. The society utilised a further £734,142 of its bank loan facility and disposed of £400,000 listed investments after the year-end to finance the ongoing Ingleside House development.