

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

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024
FOR
THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED**

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

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

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FOR THE YEAR ENDED 31 MARCH 2024

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THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2024

TRUSTEES	B R Bunn F Fay Mrs R Johnson - Chairman C Jennison A Wood D M Hastings - Treasurer W G Holland
SECRETARY	Mrs R Johnson
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 FCA
AUDITORS	Duncan & Toplis Audit 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 2024

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 31 March 2024.

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 and, since October 2022, Ingleside House which are both 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 and Ingleside House receive food and drink which is in accord with their dietary requirements.

Historically Westfield House had consistently received a "Good" rating from the CQC and had achieved the LCC's "Gold Standard" but, as reported last year, following the CQC visit in September 2023 the Society were downgraded to "inadequate". As a result the Society were not allowed to admit new residents until the matters raised by the inspections had been resolved. The Society took immediate action in order to regain our former status. This involved recruiting a new General Manager and Registered Care Manager who have actively worked with the care staff in order to ensure they are correctly trained and previous failings remedied. Additionally, staff numbers have been increased to ensure that all residents receive the care that their condition requires.

A subsequent inspection by CQC and LCC has raised the Society's rating to "Requires Improvement" which enabled us to begin admitting new residents from May this year. We are also confident that following a further inspection we will now regain the "Good" rating that we believe appropriate.

Financial review

Review of the business

The Trustees can report an operating deficit for the year of £34,386 compared to an operating deficit of £232,091 for the previous year. The Society also generated a total comprehensive loss of £861,005 after investment income and changes in the value of investments. The total comprehensive loss was partly compounded by the two exceptional items referred to in note 5 to these financial statements which firstly relates to the need to provide for the potential repayment of grants previously received and secondly relates to the impairment charge put through on freehold property. Last year, a total comprehensive loss of £412,134 was generated after the inclusion of the surplus on the sale of May Mills House during the prior year.

The operating deficit has resulted from a combination of the inability to admit new residents for a period of six months together with the need to use agency staff because of the continuing difficulty in recruiting suitable care staff. Additionally, the high interest rates and utility charges now incurred have caused overheads to rise further. However, thanks to the sterling work of our management team we now have a full complement of care staff reducing the need to rely on expensive agency workers.

The reserves of the Society total £2,661,549 at the year end, of which £340,346 is available in cash as indicated on the Statement of Cash Flows.

In order to fulfil its objective, the Society has two 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 investment in properties of £5,204,067 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 2024 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 £75,221.

After taking account of the designated funds described above the unrestricted funds at 31 March 2024 are negative £2,747,739. The negative figure takes in to account the mortgage on Ingleside. This allows the Society to continue with its objective of providing for and enhancing the quality of care received by the residents.

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

STRATEGIC REPORT

Review of the business (continued)

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.

Demand from an aging population for accommodation offered is likely to be steady given our previous reputation for total quality care at competitive prices, and reflected in, in normal times, low void levels and our previous positive inspection and assessment reports from CQC and LCC. However, in the medium term there is likely to be increased competition in dementia care and our previous inspections and quality grades have had a significant impact on our ability to attract residents. The anticipated regaining of the "Good" rating will allow us to reverse this position.

Budgetary considerations will form part of the above and will be reflected in our annual business plans. We can demonstrate sound finances with adequate cash reserves of over £300,000, together with the continued support of Charity Bank, to ensure long term viability. We also have an effective committee and management structure to support and inform business decisions.

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 Abbeyfield is no exception.

It is the Society's policy to pay all of our employees the "Real Living Wage," as a minimum which has enabled us to now have a full complement of quality staff. 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 both Westfield House and Ingleside. 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 and the refusal of Leicestershire County Council to pay the full fees of their funded residents.

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.

Reserves policy

It is proposed that the retained deficit of £861,005 is deducted from reserves.

The Society will continue to maintain a sufficient level of reserves to enable it to meet any unforeseen events.

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.

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

STRATEGIC REPORT

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, volatile energy prices and the continuing difficulty to recruit and retain good staff will have short to medium-term effects.

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 though the difficulties we experience in recruiting and retaining good staff, particularly at the higher level, have impacted on our ability to meet all regulatory requirements.

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).

Future developments

The objectives of the Society are to continue to provide a high level of care and support in both Westfield House and Ingleside and to that end a systematic programme of training has been introduced to ensure that all staff are familiar with and capable of carrying out the demanding roles of a "carer."

Westfield House and Ingleside continue to develop their 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 for the Society.

Demand from an ageing population for the accommodation offered by the Society is likely to be steady given our previous reputation for quality care at competitive prices.

As trustees we were extremely disappointed to have received the poor CQC ratings and immediately set about implementing the recommendations that they, and our local authority made. This continues to be of the utmost importance and our highest priority in order to ensure that our residents receive the highest standards of care possible and ensure that we can support new residents in need of care. It was pleasing that during these inspections people within our care and their relatives who were spoken to were extremely positive about the care they or their family member receives. Similarly, our staff members spoke positively about their training and support received and about working with us in general. We cannot though and do not take these recommendations lightly as the implications are too significant. We need to ensure that we are able to continue to operate and provide quality care to those who need it and also to maintain the levels of occupancy required to ensure we are financially viable for the foreseeable future.

Value for money

The Society is charged with the responsibility for providing and demonstrating that it does offer value for money. The Society views value for money achievement as being the optimal balance between financial performance and the provision of a quality service that results in a high level of resident satisfaction. The Society monitors financial and operational performance monthly and benchmarks itself both within the National Abbeyfield Society but also externally.

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

STRATEGIC REPORT

Value for money (continued)

Value for Money Metrics

In response to the Regulator of Social Housing Technical note of April 2018 the Society now reports on the Value for Money metrics. There are 3 metrics covered by this note.

Metric 1 - Gearing %

This metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. The gearing of the Society is 49.24% (2023 - 42.46%).

Metric 2 - Operational Margin %

The Operational Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account. The operational margin of the Society is negative at -1.12% (2023 - negative at -13.92%).

Metric 3 - Return on Capital Employed %

This metric compares the operating surplus to total assets less current liabilities. For the Society this is negative at -0.57% (2023 - negative at -3.47%).

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 - Hon. Treasurer
F Fay
W G Holland - Vice Chairman
C Jennison
R Johnson - Chairman and Hon. Secretary
J Stephens (deceased 10.07.2024)
A Wood

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 and following the sad death of Mrs Stephens we currently have seven 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 Kerry Cattell. The General Manager's remuneration 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.

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STRATEGIC REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

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 2022. 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 Audit 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 and signed on the board's behalf by:

Signed by:

.....
64E01D656E1E4B6.....
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 2024 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 company's affairs as at 31 March 2024 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 2022.

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.

Material uncertainty related to going concern

We draw attention to the section related to going concern in note 2 of the financial statements which indicates that in order to continue to operate, and operate at the occupancy levels that make that financially possible, the company needs to implement improvements and recommendations arising from recent inspections and pass follow up inspections. As stated in note 2, these events or conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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 Strategic Report 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; or

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 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.

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

Our responsibilities for the audit of the financial statements

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

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

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.

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.

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

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 + Toplis Audit Limited

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

27-Nov-24 | 16:14 GMT

Date:

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

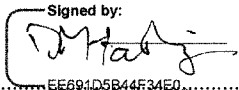
STATEMENT OF COMPREHENSIVE INCOME
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024

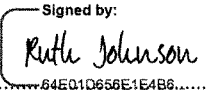
	Notes	2024 £	2023 £
Turnover	3	3,078,134	1,667,144
Cost of sales		<u>(2,771,119)</u>	<u>(1,706,095)</u>
Gross surplus/(deficit)		307,015	(38,951)
Administrative expenses		(341,401)	(238,360)
Other operating income	4	<u>-</u>	<u>45,220</u>
Operating deficit		(34,386)	(232,091)
Provision for grant repayment	5	(271,209)	-
Impairment of tangible fixed assets	5	(426,939)	-
Interest payable and other finance costs	6	(197,763)	(131,591)
Investment income		28,931	(19,849)
Other income		7,185	13,601
Movement in fair value of financial instruments	7	<u>33,176</u>	<u>(42,204)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(861,005)</u>	<u>(412,134)</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The Statement of Comprehensive Income was approved by the board on

Signed by:

 EE691D5B44F34E0.....
 D Hastings - Trustee

Signed by:

 64E01D656E1E4B6.....
 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 2024

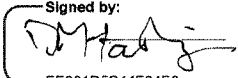
	Income and expenditure reserve £	Total £
At 1 April 2023	3,522,554	3,522,554
Deficit for financial year	<u>(861,005)</u>	<u>(861,005)</u>
Total comprehensive income	(861,005)	(861,005)
At 31 March 2024	2,661,549	2,661,549

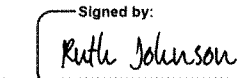
THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

STATEMENT OF FINANCIAL POSITION
31 MARCH 2024

	Notes	2024 £	2023 £
FIXED ASSETS			
Tangible assets	11	5,559,242	5,996,061
Investments	12	<u>512,371</u>	<u>576,567</u>
		6,071,613	6,572,628
CURRENT ASSETS			
Debtors	13	47,480	55,228
Cash at bank and in hand		<u>339,340</u>	<u>326,913</u>
		386,820	382,141
CREDITORS			
Amounts falling due within one year	14	<u>(430,235)</u>	<u>(268,350)</u>
NET CURRENT (LIABILITIES) / ASSETS		<u>(43,415)</u>	<u>113,791</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,028,198	6,686,419
CREDITORS			
Amounts falling due after more than one year	15	(2,536,041)	(3,163,865)
PROVISIONS FOR LIABILITIES	18	<u>(830,608)</u>	<u>-</u>
NET ASSETS		<u>2,661,549</u>	<u>3,522,554</u>
CAPITAL AND RESERVES			
Income and expenditure reserve	27	<u>2,661,549</u>	<u>3,522,554</u>
TOTAL FUNDS		<u>2,661,549</u>	<u>3,522,554</u>

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

Signed by:

EE691D5B44F34E0.....
D M Hastings - Trustee

Signed by:

84E01D658E1E4B8.....
R Johnson - Trustee

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	<u>214,533</u>	<u>(575,125)</u>
Net cash used in operating activities		<u>214,533</u>	<u>(575,125)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(119,959)	(1,421,402)
Sale of fixed asset investments		101,439	600,970
Interest received and similar income		<u>31,752</u>	<u>40,814</u>
Net cash provided by/(used in) investing activities		<u>13,232</u>	<u>(779,618)</u>
Cash flows from financing activities			
New loans in year		-	1,865,635
Capital repayments in year		(17,872)	-
Interest paid		<u>(197,763)</u>	<u>(20,616)</u>
Net cash provided by financing activities		<u>(215,635)</u>	<u>1,845,019</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		12,130	(752,191)
Cash and cash equivalents at the beginning of the reporting period	2	<u>328,216</u>	<u>1,080,407</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>340,346</u></u>	<u><u>328,216</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 2024

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

	2024 £	2023 £
Operating deficit for the year	(34,386)	(232,091)
Adjustments for:		
Depreciation charges	129,839	82,917
Provision for grant repayment	(271,209)	-
Movement on deferred capital grant	(581,959)	(8,563)
Decrease/(increase) in debtors	7,748	(24,295)
Increase/(decrease) in creditors	133,892	(393,093)
Increase in provisions	830,608	-
Net cash used in operations	<u>214,533</u>	<u>(575,125)</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024 £	2023 £
Cash in hand	2,122	2,906
Notice deposits (less than 3 months)	337,218	324,007
Cash deposit on Fixed Asset Investment	<u>1,006</u>	<u>1,303</u>
Total cash and cash equivalents	<u>340,346</u>	<u>328,216</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.23 £	Cash flow £	At 31.3.24 £
Net cash			
Cash at bank and in hand	<u>326,913</u>	<u>12,427</u>	<u>339,340</u>
	<u>326,913</u>	<u>12,427</u>	<u>339,340</u>
Debt			
Debts falling due within 1 year	(17,872)	(27,993)	(45,865)
Debts falling due after 1 year	<u>(2,581,906)</u>	<u>45,865</u>	<u>(2,536,041)</u>
	<u>(2,599,778)</u>	<u>17,872</u>	<u>(2,581,906)</u>
Total	<u>(2,272,865)</u>	<u>30,299</u>	<u>(2,242,566)</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 2024****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 2022. 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

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

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

2. ACCOUNTING POLICIES - continued

Tangible fixed assets and depreciation

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

At each reporting date, tangible fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the statement of comprehensive income.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment is recognised immediately in the statement of comprehensive income.

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.

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

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

2. ACCOUNTING POLICIES - continued

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.

Going concern

The society has made operating deficits in the last four years and now sees itself in a net current liability position at the year end. Despite the poor performance, the society remains in a net asset position. During this period the society suffered a high level of voids at both its Westfield Drive and Ingleside House properties. In addition, wages for care staff and agency labour nearly doubled. Both voids and labour costs increased significantly following the inspection carried out by the Care Quality Commission (CQC) in September 2023 where the society received an overall rating of "inadequate". Separate inspections were carried out by the Leicestershire County Council (LCC) just a few days later as part of their contract monitoring visits and they too identified contract compliance points to be actioned.

Following the CQC inspection in September 2023, the society were suspended from accepting any more residents until their recommendations were implemented and overall rating was boosted at the next inspection visit in February 2024. This did not prevent the society from continuing to care for the residents already in its care during the intervening six month period. The society were also informed that they were understaffed and needed more care staff per shift to care for residents.

The society subsequently improved their overall rating with the CQC to "requires improvement" in February 2024. The society also addressed all contract compliance points raised by the LCC. However, occupancy levels have been slow to pick up since the inspections carried out in September 2023.

The society's forecasts and plans to return to an operating surplus were based on achieving sufficient occupancy at both Ingleside House and at its Westfield Drive Property. Whilst another operating deficit is expected for the next financial year, the society is optimistic that results can be turned around. From January 2025, the society are aiming to improve occupancy by two residents at each house each month. In addition, the society have temporarily closed the upper floor at Ingleside House to reduce operating costs whilst continuing to provide an adequate standard of care to residents.

If the society is unsuccessful in achieving budgeted occupancy levels, then this could seriously impact its ability to continue. The society disposed of all remaining investments after the year end and with significant operating deficits being incurred, there is a risk that the society runs out of sufficient working capital to continue.

Furthermore, should the society receive another inadequate rating from the CQC, this is listed as a default event on the society's loan with the Charity bank and therefore could result in the loan referred to in note 16 becoming repayable in addition to any future breaches of loan covenants that are not waived by the bank. The trustees are committed to maintaining an adequate standard of care for residents with the goal of regaining the CQC rating of "good". The trustees believe they have the senior practice management team in place to ensure that the standard of care continues to improve. For this reason, the financial statements have been prepared on the going concern basis as this is still considered appropriate by the trustees.

There are though as a result of the above material uncertainties related to events or conditions that may cast doubt on the entity's ability to continue going concern for the foreseeable future and, therefore the society might be unable to realise its assets and discharge its liabilities in the normal course of business.

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.

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024****3. TURNOVER**

	2024 £	2023 £
Rents received	3,925,858	2,274,598
Void losses	(856,282)	(616,017)
Amortised government grants	<u>8,558</u>	<u>8,563</u>
Net income from residential charges	<u>3,078,134</u>	<u>1,667,144</u>

4. OTHER OPERATING INCOME

	2024 £	2023 £
Grant	<u>-</u>	<u>45,220</u>

Other operating income relates to income received in the prior year 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.

5. EXCEPTIONAL ITEMS

	2024 £	2023 £
Provision for grant repayment	271,209	-
Impairment of tangible fixed assets	<u>426,939</u>	<u>-</u>
Exceptional items	<u>698,148</u>	<u>-</u>

The society changed the purpose of one of their housing properties from supported housing to dementia care. This resulted in historic grants from Homes England relating to the housing property becoming repayable in the year.

Impairment losses in respect of tangible fixed assets arose following a professional valuation being performed for freehold property in May 2023 based on a current assessment of market value as a fully equipped operational entity. The number of units impacted by the impairment loss is two. The carrying value of these assets prior to the recognition of the impairment loss was £5,626,939 (2023: £5,640,617).

6. INVESTMENT INCOME

	2024 £	2023 £
Income from listed investments	17,972	25,461
Profit/(loss) on disposal of listed investments	4,364	(47,062)
Bank interest	<u>6,595</u>	<u>1,752</u>
	<u>28,931</u>	<u>(19,849)</u>

7. MOVEMENT IN FAIR VALUE OF FINANCIAL INSTRUMENTS

	2024 £	2023 £
Movement in fair value of Fixed Asset investments	<u>33,176</u>	<u>(42,204)</u>

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024****8. SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES**

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

	2024	2023
	£	£
Depreciation - owned assets	129,839	82,917
Impairment of tangible fixed assets	426,939	-
Auditor's remuneration for audit	25,680	10,680
Grants released to income	(8,558)	(8,563)
Provision for grant repayment	<u>271,209</u>	<u>-</u>

The auditors remuneration shown in 2024 includes a £7,680 under-provision relating to the 2023 audit.

9. TRUSTEES' REMUNERATION AND BENEFITS

Key management personnel neither received or waived any remuneration during the year (2023: nil).

No remuneration was received by non-executive board members (2023: nil).

Trustees' expenses

There were £478 trustees' expenses paid during the year ended 31 March 2024 (2023: £338).

10. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	1,728,920	1,010,848
Social security costs	112,093	65,751
Other pension costs	<u>19,972</u>	<u>15,453</u>
	<u>1,860,985</u>	<u>1,092,052</u>

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

	2024	2023
Administration	4	4
Care staff	<u>83</u>	<u>47</u>
	<u>87</u>	<u>51</u>

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

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

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

11. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 April 2023	6,172,510	8,124	677,751	6,858,385
Additions	<u>48,212</u>	<u>-</u>	<u>71,747</u>	<u>119,959</u>
At 31 March 2024	<u>6,220,722</u>	<u>8,124</u>	<u>749,498</u>	<u>6,978,344</u>
DEPRECIATION				
At 1 April 2023	531,893	3,894	326,537	862,324
Charge for year	61,890	163	67,786	129,839
Impairment	<u>426,939</u>	<u>-</u>	<u>-</u>	<u>426,939</u>
At 31 March 2024	<u>1,020,722</u>	<u>4,057</u>	<u>394,323</u>	<u>1,419,102</u>
NET BOOK VALUE				
At 31 March 2024	<u>5,200,000</u>	<u>4,067</u>	<u>355,175</u>	<u>5,559,242</u>
At 31 March 2023	<u>5,640,617</u>	<u>4,230</u>	<u>351,214</u>	<u>5,996,061</u>

All freehold properties held for letting are completed properties and there are none under construction. Total accumulated impairments of £Nil are recognised in the opening position.

12. FIXED ASSET INVESTMENTS

	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 1 April 2023	575,264	1,303	576,567
Disposals	(97,075)	-	(97,075)
Revaluations	33,176	-	33,176
Cash movement	<u>-</u>	<u>(297)</u>	<u>(297)</u>
At 31 March 2024	<u>511,365</u>	<u>1,006</u>	<u>512,371</u>
NET BOOK VALUE			
At 31 March 2024	<u>511,365</u>	<u>1,006</u>	<u>512,371</u>
At 31 March 2023	<u>575,264</u>	<u>1,303</u>	<u>576,567</u>

There were no investment assets outside the UK.

Cost or valuation at 31 March 2024 is represented by:

	Listed investments £	Cash and settlements pending £	Totals £
Valuation in 2024	<u>511,365</u>	<u>1,006</u>	<u>512,371</u>

The historical cost of these investments is £388,092 (2023: £466,876).

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.

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED

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

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Residential charges due and unpaid	20,484	37,576
Other debtors	1,514	1,405
Prepayments	<u>25,482</u>	<u>16,247</u>
	<u>47,480</u>	<u>55,228</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Bank loans and overdrafts (see note 17)	45,865	17,872
Trade creditors	156,531	112,622
Payments received on account	50,046	27,817
Social security and other taxes	27,716	18,149
Other creditors	10,381	10,728
Accruals and deferred income	<u>139,696</u>	<u>81,162</u>
	<u>430,235</u>	<u>268,350</u>

The average number of days between receipt and payment of purchase invoices is 45 (2023: 10) days.

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

	2024	2023
	£	£
Bank loans (see note 17)	2,536,041	2,581,906
Deferred capital grants	<u>-</u>	<u>581,959</u>
	<u>2,536,041</u>	<u>3,163,865</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2024	2023
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>45,865</u>	<u>17,872</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>50,437</u>	<u>45,183</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>176,039</u>	<u>157,941</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instalments	2,309,565	2,378,782

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

The society is required to repay the capital and interest on the loan by monthly instalments up until the final repayment date. The interest rate is set at 2.65% above the bank base rate.

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024****16. LOANS (continued)**

During the year the society breached one loan covenant clause relating to debt service cover. Due to this breach, the bank is contractually entitled to request immediate repayment of the outstanding loan amount shown above. However, the bank has agreed not to take any further action as a result of this breach. Therefore, it has not been deemed necessary to reclassify the bank loan as fully owing within one year. The society will be required to comply with the loan covenants going forward.

17. SECURED DEBTS

The following secured debts are included within creditors:

	2024	2023
	£	£
Bank loans	<u>2,581,906</u>	<u>2,599,778</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.

18. PROVISIONS FOR LIABILITIES

	2024	2023
	£	£
Provisions for grant repayment	<u>830,608</u>	<u>-</u>

The society changed the purpose of one of their housing properties from supported housing to dementia care. This resulted in historic grants of £830,608 from Homes England relating to the housing property becoming repayable in the year.

Homes England have allowed the deferral of the grant repayment until there is an improvement in the society's financial position such that repayment of the grant is possible and appropriate. The trustees are unable to estimate when the society will be in a financial position to repay the grant and for this reason the provision has not been discounted for the effect of the time value of money. Instead the provision is recognised at the face value of the amount agreed with Homes England to settle the obligation.

19. 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 £19,972 (2023: £15,453).

20. OTHER FINANCIAL COMMITMENTS

The company has the following commitments due as follows:

	2024	2023
	£	£
Due in less than one year	44,402	26,341
Due between two and five years	70,245	70,272
Due in more than five years	<u>640</u>	<u>5,741</u>
	<u>115,287</u>	<u>102,354</u>

THE ABBEYFIELD LOUGHBOROUGH SOCIETY LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024****21. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 March 2024.

22. EVENTS AFTER THE REPORTING DATE

Following the year-end, the society disposed of all of its listed investments for £516,022.

The Charity Bank extended their available loan facility to the society by £100,000 after the year-end.

23. FINANCIAL INSTRUMENTS

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

	2024 £	2023 £
Financial assets		
Measured at fair value through the statement of comprehensive income:		
- Fixed asset investments (note 12)	<u>511,365</u>	<u>575,264</u>
	<u>511,365</u>	<u>575,264</u>

Income and expense

	2024 £	2023 £
Financial assets measured at fair value through comprehensive income	33,176	(42,204)

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 (2023: £Nil) and £197,763 (2023: £131,591) respectively.

Impairment losses recognised on tangible fixed assets totalled £426,939 (2023: £Nil).

24. 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 had a future obligation to recycle such grants once the properties are disposed of. At 31 March 2024, the value of grants received in respect of these properties that had not been disposed of was £830,608 (2023: £858,142).

The amount of recycled capital grant at 31 March 2024 is £Nil (2023: £36,673).

The society changed the purpose of one of their housing properties from supported housing to dementia care. This resulted in historic grants from Homes England becoming repayable and the right of the society to recycle the grant funds was withdrawn. The £830,608 value shown above has been recognised within provisions at the year end as there is a probable outflow of economic resources to Homes England but the timing of this outflow is uncertain.

25. ACCOMMODATION IN MANAGEMENT

At the year-end, the society owned two housing units for older people.

The number of rooms under management was 64 (2023: 64).

26. 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 2024

27. RESERVES

	Balance at 1 April 2023 £	Income £	Expenditure £	Balance at 31 March 2024 £
Unrestricted funds	(1,744,432)	2,927,315	3,930,622	(2,747,739)
Designated funds				
Capital expenditure reserve	30,000	71,747	71,747	30,000
Housing property repair reserve	100,000	-	-	100,000
General charitable reserve	74,098	7,185	6,062	75,221
Property fixed asset reserve	5,062,888	141,179	-	5,204,067
	<u>3,522,554</u>	<u>3,147,426</u>	<u>4,008,431</u>	<u>2,661,549</u>
	Balance at 1 April 2022 £	Income £	Expenditure £	Balance at 31 March 2023 £
Unrestricted funds	(259,904)	259,118	1,743,646	(1,744,432)
Designated funds				
Capital expenditure reserve	30,000	324,831	324,831	30,000
Housing property repair reserve	100,000	-	-	100,000
General charitable reserve	68,066	13,601	7,569	74,098
Property fixed asset reserve	3,996,526	1,066,362	-	5,062,888
	<u>3,934,688</u>	<u>1,663,912</u>	<u>2,076,046</u>	<u>3,522,554</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. In previous years, the deferred capital grant was deducted from this reserve. During the year, the capital grant has been transferred to provisions and is no longer deducted from the property fixed asset reserve.