THE EXTRACARE CHARITABLE TRUST

England & Wales · Charity number 327816

Details

Other names	CCHA EXTRA CARE LIMITED, EXTRA CARE LIMITED, SHERBOURNE EXTRA CARE LIMITED
Status	Registered
Legal form	Charitable company
Company number	02205136
Registered	1988-05-31
Register	View on the Charity Commission register

Contact

Address	7 Harry Weston Road Binley Business Park Binley Coventry CV3 2SN
Phone	02476506011
Email	privacy@extracare.org.uk
Website	www.extracare.org.uk

Downloaded from opencharities.uk/ew/327816

Activities

Objects: THE OBJECTS OF THE COMPANY SHALL BE TO CARRY ON: (A) THE BUSINESS OF PROVIDING (DIRECTLY OR INDIRECTLY) AND MANAGING THE PROVISION OF: (I) HOUSING, SOCIAL HOUSING AND OTHER ACCOMMODATION (INCLUDING, WITHOUT LIMITATION, NURSING HOMES, SHELTERED HOMES, HOSTELS AND CARE HOMES), AND (II) ASSISTANCE TO HELP HOUSE PEOPLE, AND (III) ASSOCIATED FACILITIES AND AMENITIES OR SERVICES, FOR PEOPLE WHO ARE POOR, OR FOR PEOPLE WHO ARE IN NEED BY REASON OF THEIR AGE, PHYSICAL DISABILITY, MENTAL DISABILITY, LEARNING DISABILITY, MENTAL ILLNESS OR CHRONIC SICKNESS. (B) THE PROVISION OF CARE, WELFARE, MEDICAL, NURSING, COMMUNITY AND OTHER SERVICES, AND ASSOCIATED FACILITIES AND AMENITIES, FOR PEOPLE WHO ARE POOR, OR FOR PEOPLE WHO ARE IN NEED BY REASON OF THEIR AGE, PHYSICAL DISABILITY, MENTAL DISABILITY, LEARNING DISABILITY, MENTAL ILLNESS OR CHRONIC SICKNESS. (C) THE RELIEF OF SICKNESS AND THE PRESERVATION AND PROMOTION OF HEALTH OF PEOPLE WHO ARE POOR, OR OF PEOPLE WHO ARE IN NEED BY REASON OF THEIR AGE, PHYSICAL DISABILITY, MENTAL DISABILITY, LEARNING DISABILITY, MENTAL ILLNESS OR CHRONIC SICKNESS. (D) THE RELIEF OF FINANCIAL HARDSHIP AMONGST ELDERLY PEOPLE. (E) ANY OTHER CHARITABLE OBJECT NOT PROHIBITED FOR A COMPANY REGISTERED WITH THE REGULATOR AS A NON-PROFIT PRIVATE REGISTERED PROVIDER.

Activities: To provide accommodation, an active lifestyle and an independent, safe and secure future for older people in need of a stimulating and supportive environment through the development and operation of a network of inspirational communities in supported housing schemes and retirement villages.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Sponsors Or Undertakes Research
- **What:** The Advancement Of Health Or Saving Of Lives, Accommodation/housing
- **Who:** Elderly/old People

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£69,907,000	£74,784,000	£355,098,000	1278
2024-03-31	£65,957,000	£83,170,000	£334,421,000	1282
2023-03-31	£53,911,000	£67,195,000	£311,583,000	1238
2022-03-31	£47,524,000	£53,850,000	£282,922,000	1312
2021-03-31	£41,684,000	£49,381,000	£265,674,000	1293

Downloaded from opencharities.uk/ew/327816

Trustees

Name	Role	Appointed
Nicholas Towe	Chair	2024-03-11
Gary Swabel		2023-01-30
Gemma De Brito		2024-03-11
Janet Patricia Houlis		2023-01-30
Kim Wootton		2021-11-10
Mark Andrew Richard Chamberlain		2023-01-30
Mark Jeffery		2024-11-06
Pamela Anne Stacey		2026-03-01
Richard Byrne		2021-06-21
Saqhib Ijthehad Ali		2026-03-01
Yvonne Leishmann		2026-06-01

Downloaded from opencharities.uk/ew/327816

THE EXTRACARE CHARITABLE TRUST

England & Wales - Charity number 327816

Accounts

ExtraCare
Charitable Trust

Annual Report and Accounts

31 March 2025



Creating sustainable communities

Providing homes older people want, lifestyles they can enjoy, and care if it's needed

> We settled in from day one. Our children were very pleased for us because they just want us to be happy, and we are very happy.

Jeff and Jean
Earlsdon Park Village



ExtraCare
Charitable Trust

Contents

Key facts	4
Statement from our Chair	6
Foreword by our Chief Executive	8
Legal and administrative information	10
Report of the Board	12
Section 172(1) Statement	23
Strategic report	25
The Board's responsibilities in preparation of accounts	49
Independent auditor's report to the Members of The ExtraCare Charitable Trust	50
Consolidated statement of comprehensive income	54
Statement of financial position	55
Statement of changes in reserves	56
Consolidated statement of cash flows	57
Notes to the financial statements	58

Key facts

3,778
Homes for older people

1,278
Staff working to a shared goal

14
Villages



4,329
Residents living better lives



3
More awards this financial year

Best Gym UK 2024
Heart & Soul Awards

The Palliative Care Manager
Palliative and End of Life Awards

Best Supporting Advice category
Retirement Living Awards



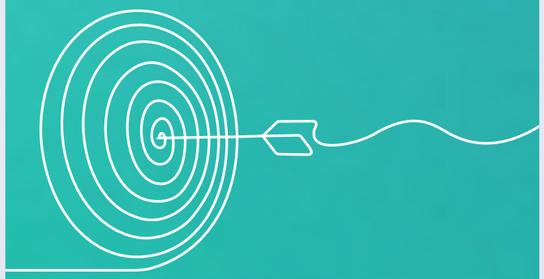
4
Schemes



£68.9m
Turnover

£20.7m
Total comprehensive income

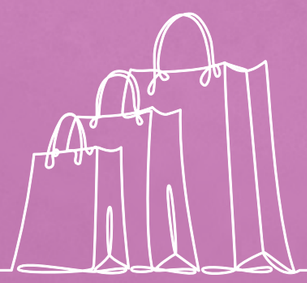
£355.1m
Reserves



2,002
Volunteers supporting our Charity



36
Charity retail shops



81
The average age of our residents



I am pleased to present our Annual Report for 2024/25.

This year has been one of consolidation and improvement for our Charity, as we continue to fulfil our mission to create sustainable communities that provide homes older people want, lifestyles they can enjoy and care if it's needed.

Reflecting on the past year, the absence of any new village development has allowed us to focus even more on enhancing the quality of life for our residents and the wellbeing of our staff. We have worked diligently to enhance our services, ensuring that our communities are not only places to live but places to thrive. Our focus has been on creating communities where our residents and staff feel valued, supported, and engaged, which is a key pillar of our new Belonging at ExtraCare Strategy, developed during the year.

I am incredibly proud of the progress ExtraCare has made this year in strengthening our culture of care, inclusion, and recognition. Achieving the Investing in Volunteers (IiV) standard is a testament to the value we place on our volunteers and the vital role they play in our Charity.

In response to the ongoing cost-of-living challenges, we have continued to subsidise our resident property charges despite the reduction in the cost of utilities from their recent peak, to help ensure that our residents can continue to afford their homes. These actions, while affecting our financial surplus, underscore our commitment to prioritising the wellbeing of our residents and ensuring the long-term sustainability of our communities.

Our financial performance has been strong, enabling us to reinvest in our communities and improve our facilities. We have commenced our largest ever programme of modernisation at Shenley Wood Village, with modernisation work at Hagley Road Village starting in 2025.

Alongside our investment into modernisation, our maintenance programmes have continued to maintain and enhance our villages for our residents. These improvements are a testament to our commitment to providing the highest standards of living.

Investment into new systems and ways of working is a key theme of the year, with all our communities now using our new Care Delivery and Rostering system in helping to deliver care. We have also launched our new Digital and IT Strategy as well as making a commitment to implement a new Housing Management System that will impact almost all colleagues around the Charity in some way.

I extend my gratitude to our Trustees for their dedication and contribution to the Charity. Their vision and leadership have been instrumental in our achievements this year. Our colleagues and volunteers deserve special recognition for their exceptional efforts in delivering outstanding services, and I am grateful to all who donate to our Charity.

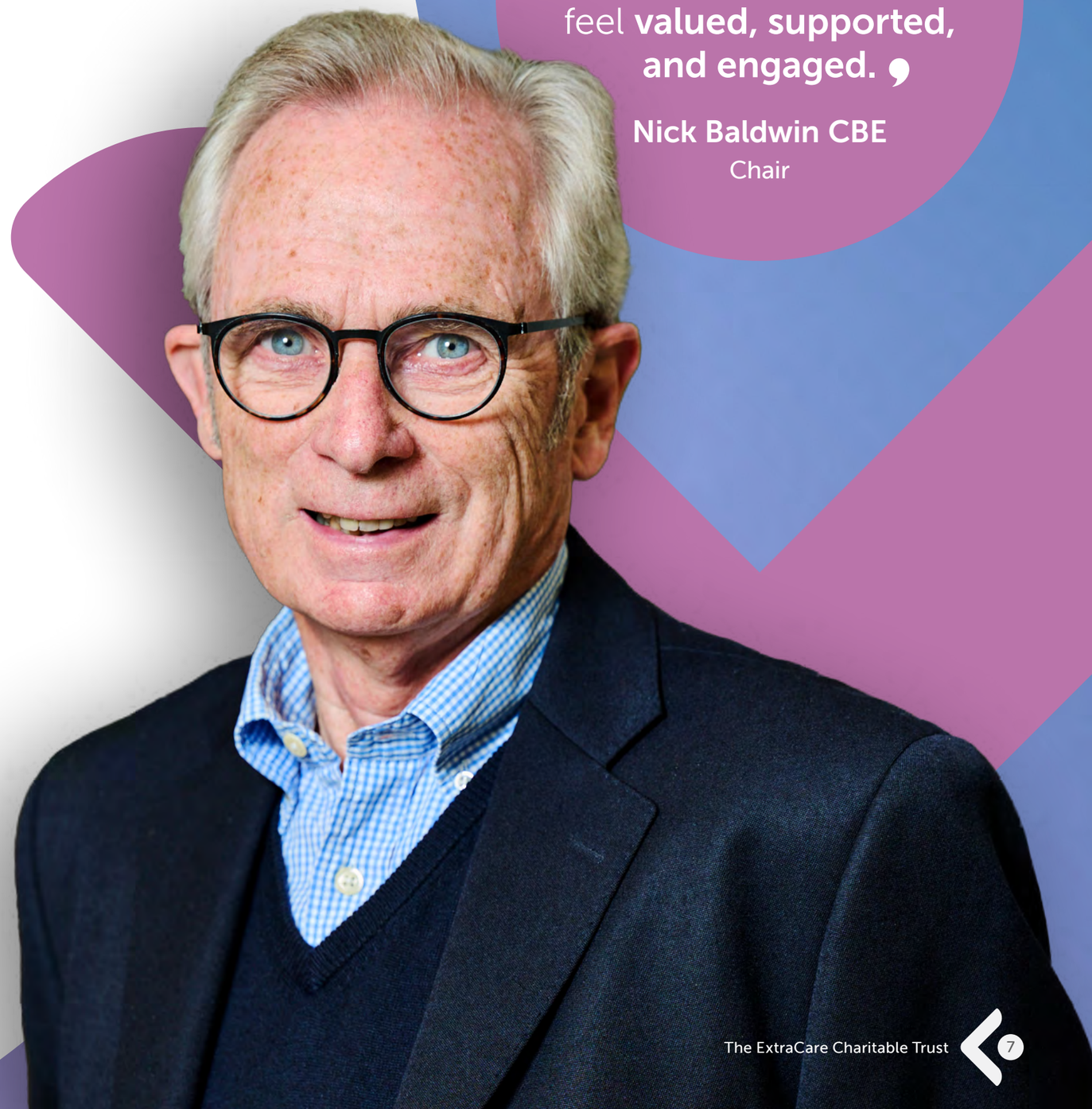
A heartfelt thank you goes to our residents, whose invaluable engagement and support have been instrumental in our success.

In closing, I am filled with optimism and confidence. The dedication of our team, the support of our Trustees, and the engagement of our residents ensures that our Charity and its communities will continue to thrive. Together, we will continue to deliver better lives for older people, creating communities where they can flourish and live fulfilling lives.

Finally, it is with sadness that I say that this is my final Annual Report and Accounts as Chair of ExtraCare. I am due to step down from my role at the next Annual General Meeting, but I feel proud of what has been achieved by the Charity during my time as Chair, and it is in an excellent position to thrive going forwards. I would like to extend my heartfelt thanks to all residents and colleagues for your continued support over my time as Chair for this extraordinary Charity, and I wish everybody well for the future.

> ‘Our focus has been on creating environments where our residents and staff feel **valued, supported, and engaged.**’

Nick Baldwin CBE
Chair



> We have maintained strong performance and **we remain committed to investing in our communities.**

Mick Laverty
Chief Executive



It has been another year of achievement for our Charity, that would not be possible without the dedication and hard work of our colleagues, residents, volunteers and partners. I extend my thanks to each of you for your commitment. The charity sector faces challenging times, compounded further by the recent increase in the cost of Employers National Insurance, but our unique model of 'homes, lifestyle and care' continues to benefit our residents and the communities we serve. Despite the challenging macro-economic environment, we have maintained strong performance and we remain committed to investing in our communities, so they continue to thrive as dynamic and inclusive communities into the future.

Our feature in the BBC documentary Rose Ayling-Ellis: Old Hands, New Tricks was a proud moment and a powerful reminder of the transformative impact of community, connection, and inclusion. The documentary featured residents at our Hughenden Gardens village embracing British Sign Language and, in doing so, rediscovering purpose, tackling loneliness, and building meaningful relationships.

Our vision for the future remains clear: to expand our reach and enhance quality of life for older people. Within our Corporate Plan, we set ourselves a number of targets, six of which we identified as key. These are outlined below, alongside our performance and updates against them:

- **Develop one new village and undertake two village extensions, delivering 400 new homes**
  - A prospective new village site has been identified, and progress has been made with initial designs. Whilst an exercise was completed to appoint construction partners for our planned extensions at Shenley Wood and Bedford Wixams villages, recent (unprecedented) construction inflation has resulted in neither site currently being financially viable. We will revisit these opportunities when market conditions become more favourable.
- **Achieve a resident experience rating of 80% or above in all villages and 90% or above in all schemes by the end of the corporate plan period.**
  - Resident satisfaction in our villages was 92% and in our schemes was 96%.
- **Each location will achieve a minimum CQC 'good' rating overall, with at least a third of our locations achieving 'outstanding' overall by the end of the corporate plan period.**
  - Whilst all communities completed pre-inspection information requests from the CQC, no communities were inspected in the year.
- **Maintain staff satisfaction scores: 75% of our employees will be satisfied with ExtraCare as an employer, and 90% of our employees will be fully committed to our vision.**
  - 84% of our employees were satisfied with us as an employer, and 94% are fully committed to our vision.
- **Ensure we are capable of achieving a G1, V2 rating from the Regulator of Social Housing (RSH).**
  - With the new regulated Consumer Standards, we have undertaken work to ensure we meet these standards. Compliance with regulation is regularly monitored and reported to the Board.
- **Generate a total surplus in excess of £10m each year, with our operating deficit progressively reducing, reaching break-even in year 4.**
  - Our total surplus for the year was £20.7M (2023/24: £22.8M) and our management accounts operating deficit reduced from £9.6M last year, to £3.0M for the year.

I am delighted with the performance against our six key targets, which demonstrates our commitment to achieving our ambitions set out in the Corporate Plan. On behalf of the Executive Leadership Team, I would like to thank our residents, colleagues and volunteers for your efforts and dedication this year.

In my closing comments I would like to give a special thanks to our former colleagues at Brunswick Gardens and Reeve Court, communities that were transferred into the full ownership of Your Housing Group during the year. I am grateful to the ExtraCare staff at these communities who continued to provide support to residents up until the point of transfer. I am sorry to lose these communities, and we wish them well for the future.

Legal and administrative information

Charity Name	The ExtraCare Charitable Trust		
Governing Instrument	The Charity is a company limited by guarantee and not having share capital. As such it is governed by its Memorandum and Articles of Association, which were last amended on 7 August 2024. It was incorporated on 11 December 1987.		
Registered Charity Number	327816		
Registered Social Landlord	4706		
Company Registered Number	2205136		
Members	Made up of the Directors of the Charity and other such persons admitted to membership of the company under the Articles. There are currently 26 members (the permitted number of members is unlimited).		
Board of Trustees		Formally appointed	Retired/Resigned
(also referred to as Directors of the Company for the purpose of Company law):	Nick Baldwin CBE (Chair)	11 November 2020	-
	Harpal Baines	21 June 2021	6 November 2024
	Richard Byrne	21 June 2021	-
	Mark Chamberlain	30 January 2023	-
	Richard Clarke (Senior Independent Director)	14 November 2018	-
	Gemma De Brito	11 March 2024	-
	Adrian Eggington	01 March 2020	-
	Andy Hardy	21 June 2021	-
	Janet Houlis	30 January 2023	-
	Mark Jeffery	6 November 2024	-
	Gary Swabel	30 January 2023	-
	Nick Towe	11 March 2024	-
	Kim Wootton	10 November 2021	-

Committee Memberships	(Includes all Trustee members - current ● and former ○)			
Trustees	**Audit & Assurance**	**Development**	**Nominations & Remuneration**	**Operations**
Nick Baldwin CBE (Chair)		●	●	○
Harpal Baines		○		○
Richard Byrne	●			Chair
Mark Chamberlain			●	●
Richard Clarke	Chair		●	
Gemma De Brito	●			●
Adrian Eggington	●			● Former Chair
Andy Hardy	●	●		
Janet Houlis			Chair	●
Gary Swabel*				●
Nick Towe	●	Chair		
Kim Wootton		●		●

* Gary Swabel is also the Trust representative on the Board of ExtraCare Retail Limited.

Company Secretary	Angela Carpenter	
Executive Leadership Team (principal members of staff and key management personnel as defined by the Companies Act)	Mick Laverty	Chief Executive
	Angela Carpenter	Executive Director Governance and Compliance
	Matt Rickards	Interim Executive Director Operations – From 06.01.2024 Executive Director Operations – From 17.06.2024
	Chris Skelton	Executive Director Corporate Resources
Registered and principal office	7 Harry Weston Road, Binley Business Park, Coventry CV3 2SN	
Principal Bankers	Lloyds Banking Group Plc	
Primary solicitors	Shakespeare Martineau, Pinsent Masons	
Auditors	RSM UK Audit LLP	

Our Board of Trustees



Nick Baldwin CBE
(Chair)



Harpal Baines



Richard Byrne



Mark Chamberlain



Richard Clarke
(Senior Independent Director)



Gemma De Brito



Adian Eggington



Andy Hardy



Janet Houlis



Mark Jeffery



Gary Swabel



Nick Towe



Kim Wootton

The Board presents The ExtraCare Charitable Trust's ('ExtraCare') Annual Report and the audited financial statements for the year ended 31 March 2025.

Charitable objectives and public benefit

ExtraCare was incorporated in 1987 to provide services to older people. This is explicit in our Vision to deliver 'Better Lives for Older People' and our Mission 'Creating sustainable communities that provide homes older people want, lifestyles they can enjoy and care if it's needed.'

We are a registered charity and as such must carry out charitable purposes for the public benefit. Our charitable purposes ('Objects') are set out in our Articles of Association and include:

- The provision of care, welfare, medical, nursing, community and other services, and associated facilities and amenities, for people who are poor, or for people who are in need by reason of their age, physical disability, mental disability, learning disability, mental illness or chronic sickness;
- The relief of financial hardship amongst elderly people;
- The relief of sickness and the preservation and promotion of health of people who are poor, or of people who are in need by reason of their age, physical disability, mental disability, learning disability, mental illness or chronic sickness;
- Any other charitable object not prohibited for a company registered with the Regulator as a non-profit, private, registered provider; and
- The business of providing (directly or indirectly) and managing the provision of housing, social housing and other accommodation (including, without limitation, nursing homes, sheltered homes, hostels and care homes), and assistance to help house people, and associated facilities and amenities or services, for people who are poor, or for people who are in need by reason of their age, physical disability, mental disability, learning disability, mental illness or chronic sickness.

Our public benefit is reflected in the strands of our model. **As a charity which pioneered retirement communities**, we still believe our model is unique by virtue of:



We are a charity, and our surpluses are all re-invested in the charitable activities.



Our diverse tenure mix, which makes us affordable for people from a range of backgrounds and circumstances and reflects and supports the diversity of our communities.



Our villages are typically made up of 260+ apartments, housing 300-400 residents. We offer an array of communal facilities (such as restaurants and gyms) at an affordable price to residents.



Our model of Homes, Lifestyle and Care is proven to benefit residents' physical and mental health and reduce pressure on the health and social care system.

Equality Act

The Equality Act 2010 generally prohibits discrimination on the grounds of a characteristic such as age. It does, however, allow charities to limit the group of people they help to those with a protected characteristic. This is provided the limitation is clearly stated in their objects and the benefits are provided in a proportionate way.

Our Board, having considered the governing documents of our Charity, are satisfied that the activities of our Charity fall within this exemption due to the following factors:

- The provision of quality one and two-bedroom homes for older people releases their previous homes for families;
- The provision of safe and secure communities with a wide range of activities reduces loneliness and isolation increasingly faced by older people; and
- The promotion of wellbeing and healthy lifestyles improves the health of the individual and reduces their impact on the NHS and other publicly funded services.

In making these statements, the Trustees have had due regard to the Equality Act guidance published by the Charity Commission.

Homes older people want

In 2021/22, we conducted a comprehensive review of our properties to understand how our offerings are evolving. This study also examined sector demands and continues to guide our thinking around future projects. The findings provided valuable insights into the design of our current villages, external factors impacting the sector as well as environmental considerations.

We operate 14 retirement villages and four smaller housing schemes, two of which we operate on behalf of our Partner, Rooftop Housing Group, offering a mix of one or two-bedroom homes for lease, shared ownership, or social rent.

We ensure that our homes and communal areas are visually appealing, comfortable, and adaptable to the changing needs of our residents, which includes pursuing the integration of smart technology to support independence and improve quality of life.

Lifestyles they can enjoy

Our communities feature a variety of communal amenities designed to promote healthy, active, and fulfilling lifestyles. These include a restaurant, gym, craft room, greenhouse, and games room. Each community has an Activities Coordinator who organises diverse programmes for residents.

Over 950 of our residents volunteer with ExtraCare, helping to deliver essential services that might otherwise be unaffordable, while offering direct support to our residents. The benefits of volunteering extend beyond the services provided, enriching the lives of the volunteers themselves and the wider retirement community. Volunteering remains an essential part of the ExtraCare model and is one of our unique features. Volunteering can be of great benefit for residents' physical and mental wellbeing, as well as providing a sense of purpose and opportunity to give something back to their community.

Our award-winning wellbeing service, alongside our healthcare student placement programme supports residents in most of our communities, through physiotherapy, occupational therapy, nursing, and speech and language.

Our student programme is highly appreciated by both students and residents and is a vital part of our intergenerational activities.

Our Wellbeing Advisors use a Resilience Tool, developed with Aston University and Lancaster University, to assess residents' frailty. This tool identifies those at risk, allowing for early intervention to prevent incidents like falls. It also helps advisors recommend activities that promote physical and mental health, ensuring residents remain healthy for longer.



Care if it's needed

In all our communities, we offer personal care and support to residents who need it, whether their care is funded by the local authority or self-funded.

Our Dementia and Mental Wellbeing Programme, which is mainly funded by ExtraCare through charitable donations and partially by local authorities, supports residents with dementia and related conditions.

Twelve of our locations have earned Platinum accreditation and four locations have earned Gold accreditation from the Gold Standards Framework (GSF) for end-of-life care, providing reassurance to residents and their families that we can deliver the necessary care for as long as required.

Sustainable finance model

Offering desirable homes for older people, along with an active and enjoyable lifestyle and care when needed, increases the value of our properties. This, together with our lease buyback model, forms the financial foundation that sustains our communities and supports our vision. By guaranteeing to buy back the leases from our residents this means we retain control over our communities and avoid our properties being empty for long periods of time, as empty (void) properties can affect the vibrancy of an integrated retirement community.

Corporate governance

ExtraCare is a registered charity and a private company limited by guarantee. We have no shareholders, and any surpluses are reinvested back into the Charity. We are led by a Board of Trustees, all of whom are directors for the purposes of the Companies Act 2006. We are monitored and supervised by external regulators including the Regulator of Social Housing (RSH), the Care Quality Commission (CQC), the Charity Commission, the Health and Safety Executive and the Information Commissioner's Office. We are members of relevant trade associations including the National Housing Federation and the Associated Retirement Community Operators (ARCO).

ExtraCare members and our Board of Trustees

The Board of Trustees is collectively accountable to ExtraCare's members and other stakeholders for ensuring the long-term success of the Charity. The Board is responsible for defining the vision, mission, and values of the Charity, and for holding the Chief Executive and Executive Directors accountable for the Charity's performance, standards of conduct, and corporate governance. Additionally, the Board ensures compliance with all relevant legislative and regulatory requirements.

ExtraCare's Members consist of past and current Trustees, some former Executive Directors, and the Chair and Vice Chair of the Residents' Forum. New Members may be appointed by the Board in accordance with the Charity's Articles of Association.

Trustees serve in a non-executive capacity, as stipulated in the Articles of Association, meaning they are not compensated for their services and cannot be employees of the Charity.

Board composition, tenure, and renewal

The number of Trustees is limited by the Charity's Articles of Association to 12. Board members are appointed on a systematic basis in accordance with our Board Recruitment and Succession Policy. Appointment as a Trustee is for a term of office of three years and limited to two consecutive terms of office in normal circumstances.

Our Trustees have varied backgrounds, including charities, public bodies, the housing sector, and the private sector. In 2024 we appointed our first Trustee who is a resident (Mark Jeffery). Trustee biographies are provided on the Charity's website (https://www.extracare.org.uk/about-the-charity/our-trustees-directors/). Details of Trustee appointments can be found on page 10 and 11 of this report.

Chair of Trustees

Nick Baldwin CBE is due to stand down from his role at the 2025 AGM, following five successful years as Chair of Trustees.

Board Committees

Throughout the year, the work of our Board was supported by four Board Committees:

- Audit and Assurance Committee;
- Development Committee;
- Nominations and Remuneration Committee; and
- Operations Committee.

In the 2024/25 financial year, three Committees convened four times while the Nominations and Remuneration Committee met twice.

Committees are composed of four to nine Trustees, including Committee Chairs, with membership determined based on individual skills and experience. Committee Chairs submit written assurance reports to the Board detailing their activities, and Committee minutes are available to all Board members.

The Board maintains a formal schedule of matters reserved exclusively for its approval, which cannot be delegated. Specific responsibilities have been assigned to Committees, and these are clearly defined within each Committee's Terms of Reference.

Trustee attendance at Board and Committee meetings is detailed below:

Trustee	Board meetings	Committee meetings	AGM
Nick Baldwin CBE (Chair)	4 of 4	7 of 8	0 of 1
Harpal Baines [1]	0 of 2	0 of 4	0 of 1
Richard Byrne	4 of 4	6 of 8	1 of 1
Mark Chamberlain	4 of 4	4 of 6	0 of 1
Richard Clarke	4 of 4	6 of 6	1 of 1
Gemma De Brito	4 of 4	6 of 8	1 of 1
Adrian Eggington	4 of 4	8 of 8	0 of 1
Andy Hardy	2 of 4	5 of 8	0 of 1
Janet Houlis	4 of 4	6 of 6	1 of 1
Mark Jeffery [2]	2 of 2	4 of 4	1 of 1
Gary Swabel	4 of 4	4 of 4	0 of 1
Nick Towe	4 of 4	8 of 8	1 of 1
Kim Wootton	3 of 4	7 of 8	1 of 1

[1] Stepped down 6 November 2024
[2] Appointed 6 November 2024

Board meetings

The powers of the Trustees are defined in the Charity's Articles of Association. The Board is authorised to exercise all powers granted by the Articles, in compliance with the Companies Act 2006, the Charities Act 2011, and other relevant legislation. During the 2024/25 financial year, our Board held four scheduled meetings.

Audit & Assurance Committee

The Committee gives assurance to the Board on the effectiveness of the Charity's internal control systems, risk management, financial reporting, and regulatory compliance. Its purpose is to guarantee these areas are well-managed and that both internal and external audit functions are robust.

As part of its work, the Committee holds private meetings with our internal and external auditors, who also attend every Audit & Assurance Committee meeting.

Development Committee

The Committee ensures the Board is involved in the assessment of development opportunities and strategy. This includes proposing specific opportunities to the Board for their endorsement, including developments, extensions and modernisations.

Furthermore, the Committee verifies that the evaluation framework used to explore new development opportunities is suitable for its intended use. It oversees the procedures for awarding construction contracts, and examines the scope and standard of the sales and resales performance and initiatives.

Nominations & Remuneration Committee

The Committee is responsible for the Trustee and Executive appointment process, which includes recruitment, skills assessment, succession strategies, and performance reviews. The Committee also advises on a remuneration and performance structure for the Executive Team to aid in their recruitment, motivation, and retention.

Operations Committee

The Committee assures the Board on the provision of our core housing, lifestyle, and care model across all communities alongside having oversight over operational performance, risk and resource management.

Additionally, the Committee is involved in the development and approval of operational policies and strategies, as well as supporting key areas such as Consumer Standards and Complaints.

Governance arrangements

In 2021 ExtraCare adopted the National Housing Federation's updated Code of Governance 2020. The Board annually assesses compliance with its Code of Governance to gain assurance that the Charity remains compliant and to identify areas for improvement. The code adopts a 'comply or explain' approach, recognising that there may be instances with sound reasons for non-compliance. We comply with all provisions of the Code except as detailed below where the Board has agreed to provide an explanation:

Code of governance standard	Explanation
Where an organisation has subsidiaries, which have not adopted this Code, the reasons for this are given.	The Code is not applicable to the retail subsidiary as it is not a registered provider nor a registered charity. Nominee 1 Limited and Nominee 2 Limited are not relevant as they are both dormant subsidiaries related to loan agreements.
There is a policy and procedure setting out how disputes and grievances involving members of the Board can be raised and responded to.	An additional policy is not required as escalation to the Chair, Senior Independent Director or via the Whistleblowing policy are sufficient.

We have evaluated our Charity against all Standards set by the Regulator of Social Housing (RSH) and confirm our full compliance. This includes the Consumer Standard and RSH Governance and Financial Viability Standard, which require an annual self-assessment and certification of compliance with the standard to be cited within our annual accounts. As part of this Standard, registered providers must have governance structures that guarantee conformity with all pertinent laws.

Our Charity is satisfied it possesses the necessary measures for legislative and regulatory compliance, and the Board takes suitable steps to gain assurance in this area.

Future developments

Whilst construction costs are currently a prohibitive factor for new developments, our Charity is committed to continue seeking new opportunities for development, striking a balance between enhancing our existing operations and driving strategic growth for the benefit of older people.

Our financial foundation is strong, with sufficient cash reserves and loan facilities in place to support our development and village modernisation plans. As we move forward, we're exploring innovative approaches to village development, including the potential for urban village models that prioritise sustainable brownfield sites over traditional greenfield developments. This approach not only reduces our environmental footprint but also allows us to bring our unique brand of supportive community living to a wider range of locations.



> ‘An ExtraCare retirement village is a much better place to be because there's always someone keeping an eye out. On some days, I need that little bit of support.’

John
Wixams Village



Going concern

The Charity's financial statements are fully compliant with all relevant statutory requirements and the Charity's Articles of Association. Our accounting practices and reporting procedures are designed to provide transparency and accuracy, ensuring that stakeholders have a clear understanding of our financial position.

As part of our commitment to responsible financial management, we conduct regular stress testing exercises to assess our resilience in the face of potential risks and challenges. These tests measure our ability to withstand major events or market changes, such as fluctuations in the housing market, inflationary pressures, and the impact of infectious diseases. The results of these exercises inform our financial planning and decision-making, ensuring that we are well-equipped to navigate uncertainties and maintain our long-term sustainability.

We will continue to monitor developments around the Government's Leasehold and Freehold Reform Act 2024, as it contains changes that will impact ExtraCare as well as the wider Independent Retirement Community (IRC) sector. It is still unclear when the Act will be implemented but we will continue to follow its progress and remain an active voice in consultations and discussions around the topic.

Our 30-year financial plan is built on prudent assumptions and incorporates a range of scenarios to ensure we can adapt to changing circumstances. The plan includes the requirement to hold a minimum of £30m in liquid assets, providing a robust buffer against potential risks and uncertainties. This financial foundation enables us to confidently invest in new village developments when opportunities arise, as well as continuing to invest in our existing estate while ensuring that we have sufficient resources to support our ongoing operations.

The Board plays a critical role in overseeing our financial planning and decision-making. Our annual budget is submitted for review in December and approval in March, providing the Board with an opportunity to scrutinise our financial plans and ensure that they align with our strategic objectives.

Plans for new developments will only proceed if we have secured access to sufficient funds to support both the development and ongoing operational costs.

This prudent approach ensures that we can maintain our financial stability while also delivering on our charitable mission.

In concluding that the Charity is viable as a going concern, the Board has considered a range of factors, including our financial performance, stress testing results, and potential liabilities. We are confident the Group has adequate resources to continue operating for the foreseeable future, with a strong foundation for long-term sustainability. This confidence is underpinned by our robust risk management framework, which enables us to identify and mitigate potential risks, ensuring that we can continue to deliver high-quality services to our residents while maintaining our financial stability.

Financial viability

The Charity's financial position is robust, with a strong foundation that will enable us to confidently pursue future development opportunities. Our funding arrangements are in place to support our long-term objectives, including term and revolving credit facilities with Lloyds Bank plc. Our term loan was renegotiated during the year, securing funding to February 2030.

A key aspect of our financial management is our approach to investment.

We have invested in accessible investment funds, which are managed by external fund managers. Although the value of these investments is not immune to the impact of economic events, we remain optimistic that they will continue to deliver value for the Charity.

The desirability of our properties is also reflected in our sales results as demand for our properties remains high for both initial and resale properties. This strong demand, combined with our robust financial position, gives us confidence in our ability to continue delivering on our mission.

The Board is satisfied that we are meeting our covenant requirements as agreed with our funders.

Our cautious approach to new developments ensures that we only commence projects when we have secured sufficient funding. This approach enables us to manage risk effectively and maintain our financial stability, even in uncertain economic conditions.

As of the year end, we held £51M in cash reserves (including our liquid investment portfolio), an increase of £6M from March 2024, providing a significant buffer against potential risks.

Health and safety management

Our approach to health and safety is built on a foundation of robust risk management. As part of our risk management framework, we identify health and safety (H&S) and fire safety as key risks, which are regularly monitored by our Audit and Assurance Committee. Our comprehensive H&S policy framework is designed to mitigate these risks, with our appointed H&S Manager serving as the competent person under Regulation 7 of the Management of Health and Safety at Work Regulations 1999.

To ensure that our buildings are safe and well-managed, we have implemented a range of measures. Our Head of Property & Environment is responsible for ensuring property compliance across our portfolio, with a particular focus on the 'Big 6' areas, which includes gas servicing, lift maintenance, water hygiene, fire safety servicing/ fire risk assessments, and communal asbestos surveys. We are pleased to report that we have maintained compliance in these critical areas, providing a safe and secure environment for our residents and staff.

We also recognise the importance of regular inspections and assessments to identify potential risks and take proactive measures to mitigate them. Our programme of Fire Risk Assessments provides for our locations to be inspected every two years (or sooner if there is a change in use), with more frequent inspections undertaken annually at our 'higher risk' locations as a result of increasing building safety requirements. Our retail shops are inspected every three years.

Our partnership with the West Midlands Fire Service Primary Authority Scheme is a key aspect of our approach to fire safety.

This partnership provides us with access to expert advice and support on fire safety matters, helping us to stay up to date with the latest legislative changes and industry best practices. The partnership has been instrumental in helping us prepare for key developments, including the Fire Safety Act and the Building Safety Act, as well as the sweeping regulatory changes arising from the Hackitt Review and the subsequent Grenfell Inquiries.

Through our Corporate H&S Group, Building Safety Group, and Fire Focus Group, we have established a robust framework for managing health and safety across the Trust and Retail subsidiary.

These groups work together to provide assurance around safety, ensuring that we are taking a proactive and comprehensive approach to mitigating risks and protecting our residents and staff.



Staff engagement

At ExtraCare, we recognise the importance of developing a positive and inclusive work environment that supports the wellbeing and success of our employees. As part of this commitment, we have implemented a range of initiatives to promote employee engagement, communication, and development.

Our annual staff survey is an important tool for measuring employee satisfaction and engagement. This year's survey results, with an overall response rate of 71%, exceeded our targets with 84% of employees expressing satisfaction with the Charity as an employer and 94% being committed to our vision and values. We use the feedback from this survey to inform our decision-making and develop action plans to address areas for improvement.

Our regular internal communications ensure staff remain informed and up to date on important matters relating to their employment, as well as the Charity's strategic direction. This includes daily 'line-up' meetings for staff in locations, weekly email updates with important news and announcements, and monthly 1-2-1 work planning meetings between staff and line managers. Additionally, we host annual roadshows, where members of the Executive Leadership Team meet with staff and residents in each community to discuss key issues and provide updates.

We utilise digital platforms to facilitate communication and collaboration across the Charity. Our 'Workplace by Facebook' online platform provides a corporate communication portal for important announcements, vacancies, and publications, and is accessible to staff from any device. In October 2024 we started the development of our new staff intranet to further enhance our digital capabilities for the benefit of our employees.

To ensure that all employees have a voice and can contribute to our decision-making processes, we have established several feedback mechanisms, including directorate meetings, line-up meetings and one-to-ones, that provide our employees opportunities to suggest areas for improvement and share ideas. We also hold regular staff meetings, including our staff forum, which meets every two months and provides a platform for senior managers and staff ambassadors to exchange views and information.

As an Investors in People (IIP) Gold employer, we are committed to maintaining the highest standards of people management and development. We will be undertaking a reaccreditation in the coming year.

During the year, we developed our new Belonging at ExtraCare Strategy for 2025-28 which is designed to cultivate a culture of equity, diversity and inclusion, which aims to ensure that everyone who interacts with our Charity feels a genuine sense of inclusion and belonging.

This strategy encourages diversity, inclusive behaviours and accessibility. It establishes clear commitments and actions, providing a framework for continuous review and improvement.

Finally, we believe in recognising and rewarding the outstanding contributions of our staff and volunteers.

We are looking at introducing a new staff award event in 2025/26 in addition to our annual 'Liz Taylor Awards' that celebrates those who have gone above and beyond in their role and provides an opportunity for us to thank and acknowledge the hard work and dedication of our team.

Employees who have a disability

At ExtraCare, we are committed to creating an inclusive and supportive work environment that values diversity and promotes equal opportunities for all employees. We recognise that disabilities come in many different forms; physical, mental, sensory, cognitive, and more. We are committed to creating an inclusive and supportive workplace where all individuals feel valued and empowered. We understand that not all disabilities are visible, and we strive to create an environment that accommodates a wide range of needs through empathy, flexibility, and proactive support.

As part of this commitment, we strive to ensure that our recruitment processes are accessible and fair for all applicants, including those with disabilities.

To achieve this, we offer support and reasonable adjustments to applicants invited for interview, such as access to accessible buildings or assistance with tests.

We believe that everyone should have an equal chance of success, regardless of their abilities, and we are dedicated to making our recruitment processes as inclusive as possible.

In addition to our recruitment efforts, we are committed to supporting employees who become disabled whilst working with us. We recognise that disabilities can arise at any time, and we want to ensure that our employees have the support they need to continue in their roles.

Where possible, we provide additional training or adaptations to enable individuals to continue working with us.

If an individual's disability means they can no longer perform their original job duties, we would offer alternative options, such as retraining for a different role within the Charity. We believe that everyone deserves the opportunity to contribute to our Charity, and we are committed to finding ways to make this possible.

To support employees with disabilities, we also work closely with them to identify suitable adjustments and provide access to support resources or specialist equipment through the 'Access to Work' scheme, a publicly funded employment support programme. Our Charity contributes towards the costs of this scheme, demonstrating our commitment to enabling employees with disabilities to thrive in their roles

Currently, 3.49% of our workforce has declared a disability, although we acknowledge that this number may not reflect the true prevalence of disabilities amongst our staff, as declaration is voluntary under the Equality Act. Nevertheless, we are committed to continuing our efforts to create a more inclusive and supportive work environment, where everyone can reach their full potential and contribute to the success of our Charity.

Fundraising

Our Charity relies on the generosity of individuals who contribute their time, resources, and financial support to help us deliver essential services that improve the lives of older people. We are grateful for the diverse range of donations we receive, which enable us to provide vital care and support to those who need it most.

Our donations come from a variety of sources, including:

- ExtraCare Retail Limited, our wholly-owned commercial subsidiary, which operates our charity shops and generates significant income;
- Trusts, foundations, challenge appeals, legacies, and corporate donations, which provide valuable financial support for our activities;
- Fundraising initiatives led by our dedicated residents and staff members, who work together with local communities to raise vital funds; and
- The selfless contributions of our internal and external volunteers, who donate their time and skills to support our charitable objectives.

We estimate that the value of our volunteers' contributions is worth over £6 million in 2024/25, which is a testament to the dedication and commitment of our volunteer community.

As a registered charity, we are committed to upholding the highest standards of fundraising practice.

We are registered with the Fundraising Regulator and adhere to its Code of Fundraising Practice, which ensures that our fundraising activities are transparent, accountable, and respectful of our donors. We also comply with all relevant regulation governing charity fundraising activities. During the year, we appointed a new Fundraising Manager and launched a new fundraising strategy in February 2025 in recognition that we can make further progress in this area.

Our Board of Trustees oversees our fundraising endeavours, ensuring that they are aligned with our charitable objectives and conducted in a responsible and ethical manner. We take pride in maintaining the trust and confidence of our donors and stakeholders, and we are pleased to report that we did not receive any complaints regarding our fundraising activities during the year (2023/24: nil).

Capital Structure

Incorporated on 11 December 1987, our Charity is a company limited by guarantee and does not have share capital. As such it is governed by its Memorandum and Articles of Association, most recently amended in August 2024. At 31 March 2025, the Charity had £355.1M of legally undistributable reserves which create a permanent capital base which is equivalent in quality to shares in a company limited by shares.

Treasury Policy

Our Treasury Management Policy provides the framework for managing our investments and borrowings, and underpins our Treasury Management Strategy, which is aligned with our Corporate Plan ambitions.

We have a £30 million revolving credit facility with Lloyds Bank, our principal lender, which is currently undrawn. This facility enables us to proceed with our plans to expand our development portfolio when advantageous opportunities arise.

Our approach to treasury management is focused on building resilience and mitigating risk.

Our Treasury Management Policy outlines our plans to incrementally build our liquidity headroom, primarily through holding liquid assets, to protect against future unexpected events.

In addition to managing our liquidity, we also invest surplus funds responsibly to maximise returns. Our accessible investment funds can be utilised at short notice, and our liquid holdings provide a key risk mitigation tool. This approach enables us to balance our need for financial flexibility with our commitment to responsible investment practices.

By generating strong cash flows and maintaining a robust liquidity position, we are well-placed to achieve our strategic objectives and deliver long-term value for our stakeholders.

Internal Financial Control

The Charity has a robust system of internal control in place to ensure the effective management of financial, governance, and operational risks. The Board receives an Annual Assurance Statement, signed by the Chief Executive and the Executive Director Corporate Resources, which provides comfort that our internal control systems are adequate and effective.

The Audit & Assurance Committee plays a crucial role in overseeing the adequacy and effectiveness of our internal control systems. With the support of a rolling internal audit programme, the Committee can identify areas for improvement and provide recommendations for enhancing our internal control framework.

Our appointed internal audit provider, Forvis Mazars LLP, works closely with the Committee to undertake this work.

The outcome of our annual internal audit review for 2024/25 was that our framework of governance, risk management, and control was deemed to be "Moderate" in its overall adequacy and effectiveness. This assessment is based on the work undertaken by Forvis Mazars during the year and provides a benchmark for future improvements.

Our external auditor, RSM, provide assurance through their interim and final audit visits, as well as through the provision of an audit report and management letter. We maintain regular communication with our external auditors to ensure they are informed of changes within the Charity and to discuss strategic and technical matters.

This collaborative approach enables us to ensure that our financial reporting is accurate and transparent.

To monitor performance against our strategic priorities, targets and commitments, we use a corporate Balanced Scorecard. This tool provides the Board and its Committees with detailed information on our progress against the objectives outlined in our 2024/25 Annual Business Plan.

Statement as to disclosure of information to auditors

In so far as each of the Directors is aware:

- There is no relevant audit information of which the Group's auditor is unaware; and
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the Trustees:

Nick Baldwin CBE
Chair
23 September 2025



S172(1) of the Companies Act 2006 requires a director of a company to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and in doing so have regard, amongst other matters, to:

A) The likely consequences of any decision in the long-term.

Our residents are our key stakeholders. Reports submitted to our Board for consideration include the requirement to outline any impact on our residents and any consultation that has taken place or is planned; this includes consultation requirements on the short-term impact and the longer-term implications of decisions. The consultation then informs the decisions and business planning.

B) The interests of the company's employees.

For further information on how we as a charity have engaged with our employees during the year, please see section 'Staff Engagement' on pages 19 to 20.

C) The need to develop the company's business relationships with suppliers, customers and others.

Our residents are our key customers. Engagement with residents is overseen by a quarterly Resident Forum, offering residents an opportunity to challenge and engage with us to build trust and encourage transparency. Relationships with our other stakeholders, such as our lenders, are developed through regular meetings and communications, and with suppliers through engagement from our procurement team, and wider colleague base. For further information on how we engage with our stakeholders, please see section 'Social Value' on page 33.

D) The impact of the company's operations on the community and the environment.

Our Charity invests in technology to help improve our residents' quality of life and we also consider the impact of our operations on the environment and wider communities. See pages 42-44 for further information on environmental considerations and actions taken in the year, and page 47 for People, IT and Digital. Our Trustees consider both short-term and long-term implications of decisions made, along with the impact we have on the community and environment in the way we build and operate our locations.

E) The desirability of the company maintaining a reputation for high standards of business conduct.

We remain an accredited 'Investors in People' Gold Award employer. Our attitude to creating the right culture is reflected in the results of our annual staff survey. In addition, we operate within a risk management and control framework, which includes whistleblowing, to ensure the highest levels of conduct and standards.

F) The need to act fairly between members of the company.

Each year we have an annual general meeting (AGM), where our Members come together and receive updates on the Charity's performance, activities and any necessary voting matters. As a charity, all our Members are treated equally and fairly. Our Trustees believe that, individually and together, they have acted in the way that they consider, in good faith, would be most likely to promote the success of the Charity for the benefit of its beneficiaries, having regard to the stakeholders and matters set out in Section 172(1) (a-f) of the Companies Act 2006 in the decisions taken during the year.

> It's great for me as a granddaughter, because I get to see my Nan in her element. It's like she's 21 again.

Mildred & Candace
Hughenden Gardens Village



The Integrated Retirement Communities (IRC) sector has changed significantly since the formation of ExtraCare.

Sector outlook

The Integrated Retirement Communities (IRC) sector has undergone significant changes since ExtraCare was established. The UK's demographic trends are shifting towards an ageing population, with males born in 2023 expected on average to live to the age of 86.7, and females to the age of 90.*

As a result, our sector continues to look poised for growth, and we aim to be a market leader in developing and operating integrated retirement communities that enable better lives for older people. Our unique model of quality housing, combined with an active lifestyle and optional care, remains in high demand. This is evidenced by our consistent sales performance, which has remained strong throughout the year.

Despite the opportunities for growth, the sector continues to face challenges, particularly with regards to staffing. Recruitment difficulties are widespread, especially for care roles, with recent changes to government policy resulting in possible reductions in the availability of care workers remaining a concern. To mitigate this, we will continue to take steps to support our colleagues, ensuring that pay remains fair and competitive and that the wellbeing of our staff remains an area of utmost focus.

In addition to supporting our staff, we have also recognised the need to support our residents. During the year, we applied a charitable subsidy to their property charges, totalling approximately £3.7M, provided for in our 2023/24 Annual Report and Accounts, which has helped to support our residents through a period of volatility in the cost of living.

Another area of focus for the sector is the Leasehold and Freehold Reform Act 2024, introduced by the previous Conservative government which received Royal Assent in May 2024. Although not yet fully in force, it included changes that will impact ExtraCare and the wider IRC sector, which we will continue to assess and monitor as the Act is implemented. Similarly, we are tracking the current government's leasehold and commonhold proposals, again to assess their potential impact on us.

Our commitment to providing a high-quality lifestyle for older people is reflected in our sales performance and waiting lists. We have active waiting lists for our communities, and our open days have proven valuable in attracting customers and showcasing our offering. To sustain our model, it is essential that our homes remain desirable and provide a lifestyle that meets the needs and aspirations of older people.

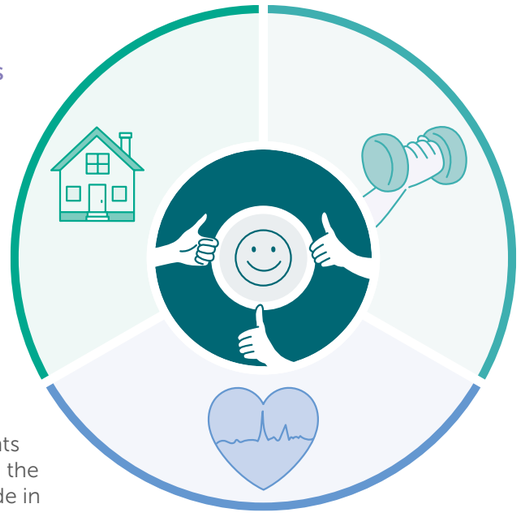
To achieve this, we are dedicated to continuously improving and adapting to meet the evolving needs of our residents. We are committed to understanding our market and customers better, refining our services, and protecting our unique approach. By doing so, we can ensure that our communities remain attractive to older people, providing them with the quality housing, lifestyle, and care they need to thrive.

*(Office for National Statistics (ONS), released 14 February 2025, ONS website, statistical bulletin, Past and projected period and cohort life tables: 2022-based, UK, 1981 to 2072).

Our Integrated Model

Our mission is "creating sustainable communities that provide homes older people want, lifestyles they can enjoy and care if it's needed".

We believe our model to be unique.
It is based on Homes, Lifestyle and Care:



Homes

Our locations typically offer high-quality apartments for the over 55s; each home is accessible with its own front door, hallway, living room, typically one or two bedroom(s), kitchen and shower room. Most will have a balcony or patio. We aim to 'future proof' our properties by always learning from previous developments and modernisation programmes. This includes assessing the environmental impact of any components that we include in our design brief.

At 31 March 2025, 32% of our properties are for social rent, in contrast to 62% in 2010 and 94% in 2000. This trend towards having fewer social rent properties is indicative of how significantly our operating model has shifted over time. We have also consciously moved away from managing property on behalf of other Registered Providers, having exited two partner communities in the year, to create a mix of social rented, shared ownership and full ownership homes: providing diverse integrated retirement communities that are available to all.

Lifestyle

At ExtraCare, we are committed to creating vibrant social hubs that promote a healthy lifestyle and provide opportunities for social interaction. Our villages are designed to support the physical and emotional wellbeing of our residents, with a range of leisure facilities that cater to diverse interests. These typically include a bistro, café-bar, gym, greenhouse, craft and hobby rooms, and village hall.

Our activity programme is equally varied, with options such as Zumba, choir singing, wheelchair aerobics, digital skills workshops, sociable outings, and other entertainment. We believe that these activities play a vital role in fostering a sense of community and belonging amongst our residents, and we encourage them to participate in activities that bring them joy and fulfilment.

To ensure that our approach is effective, we aim to conduct regular wellbeing assessments with our residents. These assessments enable us to identify areas where individuals may need additional support, such as exercise frequency, loneliness, or social networks.

By comparing data from these assessments, we can tailor our services and activities to meet the evolving needs of our residents.

Volunteering is at the heart of our Charity's ethos, and we offer a range of opportunities for people to get involved and make a positive impact on our communities. Our volunteers, who include both residents and external supporters, play a crucial role in helping to run activities and facilities, supporting fundraising efforts, and providing companionship to our residents. We recognise the value of volunteering and have a dedicated team of volunteer organisers who work to recruit, retain, and reward our volunteers.

Our villages are designed to be welcoming and inclusive, with plenty of opportunities for visitors from the wider community to get involved. We have partnerships with local schools, universities, and community groups, and offer affordable membership options for people who want to use our facilities, such as our gyms.

Care

Each of our communities offer care services using on-site care teams, delivered through both the day and night. Our care services are registered and inspected by the CQC and are predominantly delivered by our own staff, although residents can choose external providers if they prefer.

Wellbeing Service

Our award-winning wellbeing service is operated by a team of dedicated Wellbeing Advisors, who provide preventative health advice and encourage healthy life choices amongst our residents. To ensure we can offer tailored support, each resident undergoes a comprehensive baseline assessment using our innovative wellbeing app before moving in. This assessment enables us to gain a deeper understanding of their unique health and social care needs.

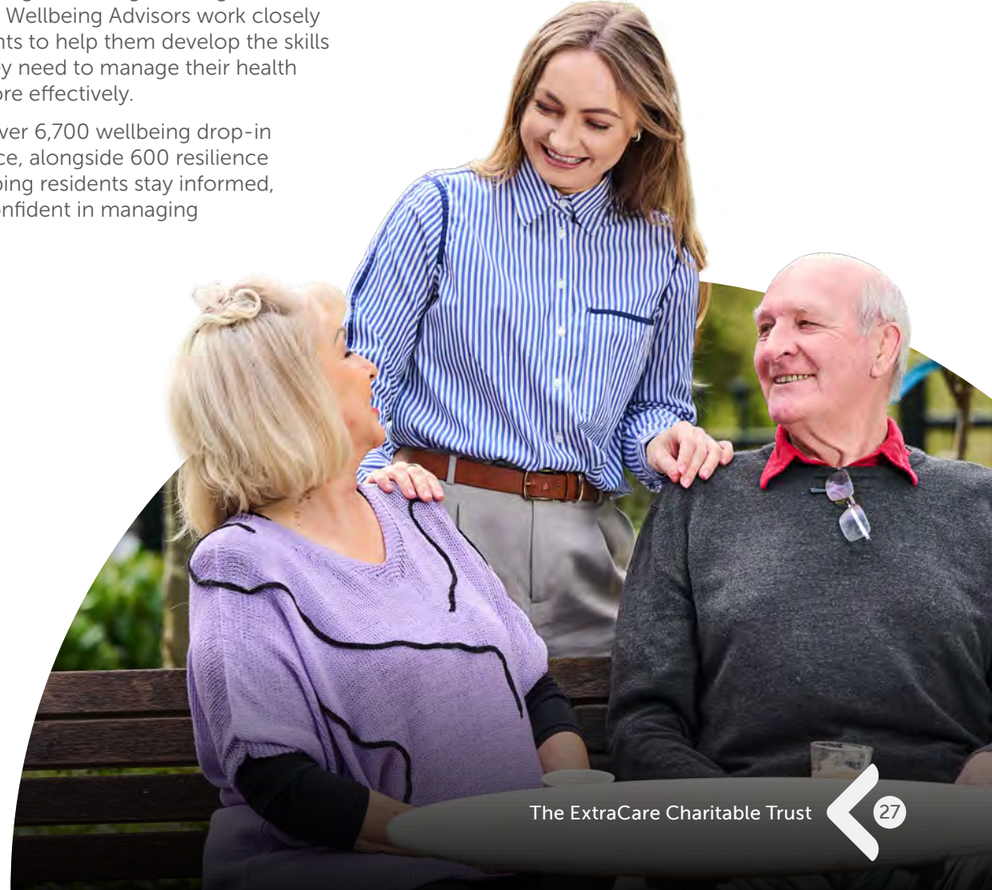
In addition, our resilience tool, developed in partnership with Aston and Lancaster Universities, allows us to re-assess residents who have been identified as frail and provide them with individualised support to build their personal resilience. Through goal-setting and targeted interventions, our Wellbeing Advisors work closely with these residents to help them develop the skills and strategies they need to manage their health and wellbeing more effectively.

During the year over 6,700 wellbeing drop-in sessions took place, alongside 600 resilience assessments, helping residents stay informed, supported and confident in managing their health.

Dementia and Mental Wellbeing Service

Our Dementia and Mental Wellbeing Service provides specialist support for residents living with dementia, cognitive impairment, or common mental health conditions. Delivered by specially trained staff, this service offers tailored guidance and care to help reduce the impact of dementia and improve overall wellbeing.

This year we began research into a Best Housing Assessment, which is designed to reduce unnecessary or delayed transitions of care for residents living with dementia whose needs may exceed that of an independent setting. Currently there is no recognised method for determining when a resident should transition out of ExtraCare settings, so this research is to work towards ensuring any move is timely, planned and dignified.



Progress against our Annual Business Plan key targets

Our 2024/25 Annual Business Plan contained several targets for the financial year with progress for each of these targets being captured in our corporate Balanced Scorecard reported to our Board and Committees. Targets are set alongside our 5-year Corporate Plan (2022-27), that was approved by our Board in the year (and therefore marks year three of the five year Corporate Plan).

Six of these were key targets and, overall, we achieved five of the six key targets, with one target not achieved. Our self-assessed performance against them is shown below:

Corporate Plan: Key target	Annual Business Plan 2024/25: Target and progress
Develop one new village and undertake two village extensions during the life of this corporate plan* delivering 400 new homes. (*subject to funding)	**Start on site with both Shenley Wood (SW3) and Bedford Wixams (BW2) extensions and secure agreement from the Board for our next development.** • **Not achieved:** Tender exercises to appoint construction partners were undertaken, but unfortunately bids were significantly more than budget for both SW3 & BW2. Despite value engineering, recent construction inflation has resulted in neither extension being financially viable at present; and • A new village site has been progressed: a design is completed and an exclusivity deal signed. A land purchase agreement is currently being drafted for consideration and approval.
Achieve a resident experience rating of 80% or above in all villages and 90% or above in all schemes by the end of the corporate plan period.	**Achieve or exceed the target.** • **Achieved:** Villages rated 92% and Schemes rated 96%.
Each location will achieve a minimum CQC 'good' rating overall – with at least a third of our locations, by the end of this corporate plan period, having achieved 'outstanding' overall.	**Achieve CQC 'Good' or 'Outstanding' for all locations inspected during the year.** • **Achieved:** Whilst all communities completed pre-inspection information requests from the CQC (PIR returns), no communities were inspected in the year.

Corporate Plan: Key target	Annual Business Plan 2024/25: Target and progress
Maintain the following staff satisfaction scores: 75% of our employees will be satisfied with ExtraCare as an employer and 90% of our employees will be fully committed to our vision.	**Achieve or exceed the target.** • **Achieved:** Staff satisfaction score was 84% (up from 80% in 2023 and 79% in 2022); and • Committed to our vision score was 94% (consistent with 94% in 2023 and 91% in 2022). (NB: Staff survey response rate was 72%, up from 61% in 2023 and 53% in 2022).
Ensure we are capable of achieving a G1, V2 rating from the Regulator of Social Housing (RSH).	**Review our approach to our annual self-assessment against the Standards and ensure we are compliant with the new Consumer Standards.** • **Achieved:** Compliance with regulations is regularly monitored and reported to the Board. A new self-assessment template has been developed, to include the new the new Consumer Standards.
Generate a total surplus in excess of £10m each year and our Operating deficit will progressively reduce, reaching break-even in year 4.	**Achieve or exceed the Board-approved total surplus budget and operational deficit.** • **Achieved:** Total surplus was £20.7M against a budget of £6.5M; and • **Achieved:** Operating deficit* – The management accounts operating deficit was £3.0M against a budgeted deficit of £3.4M.

* These figures are based upon our year-end management accounts and not the statutory financial statements.
Operational performance in the management accounts measures the performance of our locations, rather than the overall operating performance.

Financial performance

Our financial performance for this year, and the previous three years is reflected below. These ratios are our financial Key Performance Indicators (KPIs), with operational performance indicators being shown within the 'ExtraCare VfM metrics, targets, & performance indicators' section on page 32.

	2024/25	2023/24	2022/23	2021/22
Operating deficit	**(£0.3M)**	(£12.3M)	(£8.0M)	(£1.3M)
Total comprehensive income	**£20.7M**	£22.8M	£28.7M	£17.2M
Turnover	**£68.9M**	£65.1M	£53.7M	£47.0M
Reserves	**£355.1M**	£334.4M	£311.6M	£282.9M

Our financial performance remains strong and reflects the resilience of our Charity, with turnover increasing to £68.9 million, up from £65.1 million last year, demonstrating continued demand for our services. Most notably, we achieved a significant reduction in our operating deficit, from £12.3 million last year to just £0.3 million this year. This exceptional result is a testament to the strength of our operational management and our commitment to efficiency, particularly through effective cost control and a reduced cost of utilities compared to the 23/24 year. Our continued focus on reducing our operating deficit will ensure we remain well-positioned to continue delivering safe, supportive homes and vibrant communities for older people across the country.

The combined value of our cash and current asset investments has increased to £51.3M, compared to £45.4M at 31 March 2024, further strengthening the Charity's balance sheet. The value of provisions has reduced by £4.3M to £0.4M (2023/24: 4.7M), primarily reflecting a lower level of subsidisation of resident charges in 2025/26, resulting from the reduced cost of utilities. No indicators of impairment have been identified in 2024/25 in relation to our schemes and villages, which are considered to be separate Cash Generating Units (2023/24: Three locations identified, resulting in a total impairment of £1.4M).

The Board considers all properties with granted leases, including full and part equity leases, to be investment properties held for capital appreciation.

As such, these properties are re-valued at their fair value at each balance sheet date, with any changes in fair value recognised in the Statement of Comprehensive Income for the relevant period. Our innovative lease buyback model enables us to convert these revaluation gains into cash, providing a sustainable source of funding that supports our financial model throughout the home ownership cycle.

In contrast to our investment properties, rented properties held for social housing purposes are accounted for on a different basis. These properties remain on the balance sheet at their historic cost and are depreciated over their estimated useful life.



Value for Money (VfM)

VfM informs how we plan, manage, and operate our Charity to ensure that we make the best use of our resources to deliver our vision of better lives for older people now and into the future.

We define VfM as getting the right balance of inputs, process and outcomes, as described by the 3 'E's:

- Economy: achieving the best price for what goes into providing a quality of service, minimising the resources required focusing on cost saving, cost avoidance or income generation;
- Efficiency: to accomplish something with the best use of time and effort; and
- Effectiveness: the relationship between the intended and actual results.

VfM strategy (2022-27)

Our strategy provides the direction to ensure the 3 'E's identified above are embedded in our decision making and that a 'VfM mindset' is encouraged throughout the Charity. It provides the framework for how we will deliver our VfM targets and has an associated action plan, comprising 10 specific actions which will help us achieve greater VfM. The strategy can be summarised, simply as: ***'Working collaboratively in delivering our corporate objectives by spending our money wisely.'***

The key drivers of the strategy have been greater sharing of best practice, defining key performance indicators (KPIs) which best represent the priorities of our Charity and our residents. We do not define Value for Money as being the cheapest option, but rather the option that adds most value, quality, and cost benefit.

Regulator of Social Housing (RSH) VfM metrics, targets and performance indicators (PIs)

Our performance against the RSH metrics is shown below.

RSH VfM – metrics, targets & PIs	2023/24 Actual	2024/25 Target	2024/25 Actual	2025/26 Target
1. Reinvestment	0.9%	0.5%	1.2%	1.5%
2. New Supply				
- Social Housing	0.0%	0.0%	0.0%	0.0%
- Non-Social Housing	0.0%	0.0%	0.1%	0.0%
3. Gearing	14.1%	15.0%	12.4%	12.0%
4. EBITDA MRI*	-111.8%	25.0%	28.2%	30.0%
5. Headline Social Housing Cost per unit**	£13,157	£9,000	£13,069	£10,000
6. Operating Margin				
- Overall	-18.9%	-2.0%	-0.5%	0.0%
- Social Housing	-10.3%	25.0%	28.8%	30.0%
7. Return on Capital Employed (ROCE)	-2.4%	0.0%	-0.1%	0.0%

* Earnings before interest, taxation, depreciation, amortisation, major repairs included, interest cover %

** Includes the cost of subsidising resident property charges in 2023/24 and 2024/25.

Our Reinvestment percentage of 1.2% is slightly higher than our target of 0.5% reflecting our additional investment into our modernisation and maintenance programmes. As part of our modernisation programme, we review the use of existing space and repurpose this where appropriate to make them more engaging to our community. Our modernisation at New Oscott Village has facilitated an increase in our non-social housing stock by a further two units.

Our Headline Social Housing Cost per unit has improved year-on-year but is still higher than our targeted levels. This is driven by the impact of our decision to subsidise our residents' property charges, and the rolling programme of modernisation and maintenance investment into our properties. Without these investments, we would have further improved against our target and prior year metrics. The level of subsidy applied to resident charges for 2025/26 is £0.4M which is lower than the £4.7M applied in 2024/25, reflected in the lower value of provision, detailed in note 23 of the accounts.

ExtraCare VfM metrics, targets & performance indicators

In addition to the mandatory RSH metrics above we set our own internal VfM targets. These were chosen based on areas of activity which directly impact VfM or where a need to enhance performance had been identified.

ExtraCare VfM – metrics, targets & performance	2023/24 Actual	2024/25 Target	2024/25 Actual
1. Arrears (reduce value of payments due)	3.3%	2.5%	3.0%
2. Rental Voids (reduce average period for re-let)	26 weeks	20 weeks	22.7 weeks
3. Operations Surplus/(Deficit)	(£8.9M)	(£3.4M)	(£3.0M)
4. Loan to Value	39.1%	<45%	36.1%
5. CQC rating Good or Outstanding	95%	95%	94%*
6. Resident satisfaction rating at villages	90% villages 98% schemes	80% villages 90% schemes	92% villages 96% schemes
7. Reduce energy usage (overall intensity)	2.90 tonnes CO_2e resident/ year	2.52 tonnes CO_2e resident/ year	2.87 tonnes CO_2e resident/ year

* The reduction in CQC rating Good or Outstanding, from 95% last year to 94% is a result of the transfer of Reeve Court and Brunswick Gardens to Your Housing Group in January 2025. The CQC ratings for the remaining locations have not changed.

- **Arrears:** have reduced slightly but are still above our target of 2.5%. We will continue to work with residents to provide information around the support we can offer as a charity, as well as support that is available from the government. This will be underpinned by the hard work and dedication of our Welfare Benefits Team that have generated £5.4M of new benefit entitlements for residents during the year.
- **Rental voids:** we have seen a significant reduction in void turnaround times during the year, but we still fell slightly short of our target. Our Operations colleagues have worked hard to improve the processes and develop the relationships we hold with nominating authorities, and we will continue to make progress with reducing our voids turnaround throughout 2025/26.
- **Operations deficit:** we have made excellent progress in reducing our Operations deficit as we continue towards our target of ensuring all our communities remain financially sustainable. The introduction of our Operational Blueprint and focus on standardisation is expected to make further progress in this area.

Benchmarking

Our Finance Team plays a crucial role in monitoring income and expenditure across our communities. To support this process, we have developed our internal reporting to enable us to benchmark performance between communities. This allows us to drive a culture of value for money throughout our Charity, ensuring that budget holders are empowered to make informed decisions to optimise the use of resources.

Our annual budgeting process is subject to rigorous scrutiny and approval, with multiple layers of sign-off from budget holders to Board level. This ensures that our financial plans are thoroughly reviewed and validated, providing a solid foundation for strategic planning and resource allocation. By setting meaningful targets and comparisons, we are able to drive performance and achieve our objectives.

The collaboration between our Finance Business Partners, Regional Operations Managers, and Location Managers is essential to the success of our budgeting process. By working together, we are able to identify areas for improvement and implement changes that enhance our overall financial performance.

Social value

As a charity dedicated to enhancing the lives of older people, we recognise the importance of delivering social value alongside our core objectives. Social value refers to the positive impact that organisations can have on the economy, communities, and society as a whole. Our focus is on creating value for our residents and local communities through our procurement activities and partnerships with suppliers.

To achieve this, our Procurement and Wellbeing teams work collaboratively to ensure that our initiatives are targeted effectively towards our resident community. This includes ensuring that our procurement processes consider our suppliers' ability to deliver social value, which can encompass a range of areas, including promoting equity, diversity, and inclusion (EDI), sustainability, and supporting our vision of creating better lives for older people.

To ensure we remain at the forefront of innovation and best practice, we will maintain a close working relationship with our suppliers. This will enable us to stay informed about emerging initiatives and technologies within the sector, and to harness positive changes that support our mission to create sustainable communities. By doing so, we can continue to deliver social value and make a meaningful difference to the lives of our residents.

Procurement

The Charity is committed to achieving Value for Money (VfM) in all its procurement activities, whilst ensuring that contractual and commercial terms are robust and risk mitigation strategies are in place. To achieve this, we have developed a comprehensive Procurement Category Management framework, which enables us to continually assess and improve our procurement practices.

We also ensure that all our procurement activities are compliant with the Public Contracts Regulations 2015 and the Procurement Act 2023, as well as keeping pace with the evolving focus on Environmental, Social Governance (ESG) considerations.

As we move forward, we will continue to work closely with our supply base to embed ESG principles and practices, ensuring that our procurement activities not only deliver value for money but also contribute to a more sustainable and responsible future. By doing so, we can maintain the trust and confidence of our stakeholders, whilst also supporting the Charity's vision to create better lives for older people.



Managing key risks and uncertainties

Effective risk management is deeply embedded in our governance arrangements, enabling us to make informed decisions that support the delivery of our Corporate Plan. Our risk management process plays a vital role in identifying and mitigating potential risks, thereby adding value to our decision-making processes.

In March 2022, our Board undertook a comprehensive review of its risk appetite, which informed the development of our Corporate Plan 2022-27.

Recognising that a uniform approach to risk management may not be suitable for our diverse business activities, our Board has established a risk appetite framework that considers various generic risk categories. This tailored approach enables us to manage risks in a way that is proportionate to the specific needs and complexities of our operations, supporting the delivery of our Corporate Plan.

Risk Appetite				
Averse	Minimalist	Cautious	Open	Hungry
Compliance - Health & Safety	Compliance	Development	Fundraising and Retail	Sales
		People and Culture	Operational	Technology
		Financial	Reputational	

We have reviewed and updated our Risk Management Policy and Risk Management Strategy during the year, alongside continuing to evolve our risk reporting. This helps us to manage our risks, secure the right opportunities and deliver sustainable strategic priorities. We have early warning indicators for each of our strategic risks.

Our Board consider the strategic risks faced by the Charity to be:

Risk Appetite	
Legal & Regulatory Compliance	Averse to Minimalist

Serious/major non-compliance with legal and regulatory requirements results in reportable breaches/incidents, potential investigations/sanctions/fines, reputational damage, and a weakened ability to deliver Corporate Plan objectives, targets and commitments.

Mitigation and management measures include:

- Strategies and supporting policies and procedures/ work instructions;
- Training, awareness and evaluation of ExtraCare staff;
- External/Third Party visits/inspections/reviews/advice; and
- Internal compliance processes and related procedures

People and Culture	Cautious

Failure to align our people and culture (as a shared set of values, beliefs, systems, practices, underlying assumptions, attitudes and behaviours) undermines delivery of strategic goals and Corporate Plan objectives, targets and commitments (e.g. if key employees become disengaged/dissatisfied and leave, behaviours slide, clarity and mission is lost).

Mitigation and management measures include:

- Culture reinforced internally (amongst personnel and residents) and externally (through outward/public facing channels);
- Structure and succession planning;
- Belonging at ExtraCare Strategy;
- People Strategy; and
- Independent/third party review and assurance provided (e.g. Investors in People).

Risk Appetite	
Financial – Operations	Cautious

Marked adverse variance to budgeted performance at locations, due to reductions in location income without a corresponding decrease in expenditure, or unbudgeted expenditure without corresponding income, resulting in increased deficits and a reduced ability to deliver the Charity's activities to meet the charitable purpose and deliver the Corporate Plan.

Mitigation and management measures include:

- Strategies for care & support;
- Charging and arrears policies for resident charges; and
- Financial performance and budget management.

Financial – Cash flow	Cautious

Financing secured through borrowing and sales/resales, insufficient to support our funding needs, and or no satisfactory renegotiation of loan financing. This could result in failure to meet the development programme, a lack of key stakeholder confidence, a poor regulatory viability grading and impact delivery of the Business Plan and/or Corporate Plan objectives, targets and commitments.

Mitigation and management measures include:

- Holding a minimum of £30 million in liquid balances;
- Funding in place to provide adequate total facilities;
- Regular review of cashflow requirements;
- Active treasury management supplemented by specialist advice; and
- Regular reporting to Executive Leadership Team, Audit and Assurance Committee, and Board.

Financial – Property Market Sales	Open

A significant or sustained deterioration in the housing market (falling property prices/economic pressures/stagnation) or other factor affecting demand (for our properties) produces reduced levels of sales (new stock) and resales (existing stock) limiting the income (from sales) and surplus (from resales) realisable in support of debt financing, reinvestment and achievement of Business Plan and/or Corporate Plan objectives, targets and commitments.

Mitigation and management measures include:

- Holding a minimum of £30 million in liquid balances;
- Demand measures including introduction of incentives, increasing levels of shared ownership and rentals;
- Headroom maintained between available facilities and borrowings; and
- An agreed mitigation plan which can be invoked when required.

Development	Cautious

Challenges in suitable site locations/land and/or financing/cost, combined with uncertainty in the housing market/demand/economy/ construction industry causes delays in the construction/opening/extension or refurbishment of villages. Impacting sales income, cashflow, resident satisfaction, reputation and delivery of Business Plan and/or Corporate Plan objectives, targets and commitments.

Mitigation and management measures include:

- Development appraisal model in place which is refined for "lessons learnt" after each development;
- Approval required from Board of Trustees for new village developments;
- Regular review of cashflow requirements; and
- Contract management processes.

Infectious Disease (epidemic/pandemic)	Cautious

Failure to plan adequately for risk management of epidemic or pandemic infectious disease outbreaks (both established e.g. influenza or emerging/novel e.g. COVID-19) impacts significantly on ExtraCare's operations and corporate activities, threatens delivery of corporate and operational objectives, plans and targets and jeopardises the Charity's continued viability.

Mitigation and management measures include:

- Governance team formed in response to COVID-19 pandemic – could be re-mobilised upon need;
- Maintenance of funding and cashflow management, with cash holding significantly increased as a key mitigation; and
- Evidence, feedback, and lessons learned demonstrates organisational agility, resilience, and effectiveness of response to COVID-19.

Internal audit

We have outsourced our internal audit function to Forvis Mazars, a specialist and independent provider. In accordance with an approved Internal Audit Plan, our internal auditors conduct a thorough assessment of the design and effectiveness of our risk management and internal controls, providing regular reports to our Audit & Assurance Committee.

On the basis of their audit work, their opinion on the framework of governance, risk management and control was Moderate in its overall adequacy and effectiveness for 2024/25.

To ensure that any identified weaknesses or areas for improvement are addressed, we maintain a tracking process for Internal Audit recommendations, with ongoing oversight provided by the Audit & Assurance Committee. This enables us to monitor progress and implement necessary changes, to enhance the overall effectiveness of our governance, risk management, and internal control framework. We have improved our recommendation implementation rate in 2024/25.

Risk summary

Our Board of Trustees has:

- Considered the major risks and uncertainties to which the Charity is exposed;
- Satisfied themselves that systems or procedures are established to manage and mitigate these;
- Sought independent assurance from internal audit; and
- Recognised that controls will be strengthened as audit recommendations are implemented.



Developing villages

Developing high-quality, accessible, and attractive villages is crucial to the success of our Charity. The income generated from property leases and rentals is a significant contributor to our overall surplus, which enables us to deliver a range of charitable services and maintain our buildings to a high standard. This approach not only preserves the value and demand for our properties but also sustains our unique model.

We had previously planned to extend our Bedford Wixams Village and Shenley Wood Village, but unfortunately, the level of cost inflation in the construction industry has made it necessary to postpone these plans. Despite exploring ways to reduce costs through value engineering, the projects are not currently financially viable. We will continue to monitor the situation and revisit these opportunities when market conditions become more favourable.

In the meantime, we remain committed to identifying new development opportunities that align with our charitable objectives. We work closely with local authorities, developers, housebuilders, and construction partners to explore potential village sites and extension opportunities. Our mission is to create sustainable communities that provide homes older people want, lifestyles they can enjoy and care if it's needed, and we will continue to pursue this mission while ensuring that our development plans are financially sustainable and responsible.

Construction and building innovation

We will continue to evolve and improve our approach to construction, and explore innovative methods that can enhance efficiency, reduce disruption, and minimise environmental impact. Our focus is on adopting Modern Methods of Construction (MMC) such as panelised and modular build techniques, which have the potential to significantly reduce construction time on site and decrease noise and disruption to existing residents.

We anticipate that future developments will incorporate MMC, with a likely combination of modular build and offsite pod construction.

This approach will enable us to deliver high-quality buildings that meet the needs of our customers while also reducing our environmental footprint.

Our strategic approach is underpinned by two key frameworks: our Research and Innovation Strategy and our Energy and Sustainability Strategy. The Research and Innovation Strategy drives change and innovation across our communities, ensuring that our buildings remain relevant and responsive to the needs of current and future residents. Meanwhile, our Energy and Sustainability Strategy sets a clear expectation that all new developments will meet or exceed the Future Homes Standard, as well as ensuring that there is a focus on reducing our carbon emissions, both during the development phase and in the ongoing operation of our villages.

Modernisation

Our ongoing modernisation programme is dedicated to investing in our existing villages, ensuring they remain desirable and vibrant throughout their lifespan. A key aspect of this programme is our commitment to listening to the needs and aspirations of our residents, who are at the heart of everything we do. We engage in extensive consultation with them during the planning and design stages, guaranteeing that their voices are heard, and their feedback is incorporated into our modernisation plans.

The modernisation programme is guided by four core objectives:

- Creating a more outward-looking village environment that fosters connections with the wider community;
- Optimising space utilisation within the village to enhance the overall resident experience;
- Developing a more environmentally friendly village that minimises its impact on the planet; and
- Harnessing technology to create a smart and connected village that supports the wellbeing of our residents.

In 2024/25, we successfully completed the modernisation programme at our New Oscott Village and commenced work to modernise our Shenley Wood Village.

Due to the planned extension to our Shenley Wood Village, we committed to residents to undertake our largest modernisation to date, alongside the extension development.

Despite the postponement of the extension, we remain committed to completing the modernisation. During the year, planning and consultation was undertaken for the modernisation of our Hagley Road village, for commencement in 2025. By committing to these ambitious programmes, we are demonstrating our dedication to providing living environments that meet the evolving needs and expectations of our residents.



Initial property leases (initial sales)

Initial sales units remain at two of our locations; Solihull Village and Bedford Wixams Village. The remaining units at Bedford Wixams Village were being intentionally held until the completion of our Phase 2 extension, but since the extension postponement have been marketed for sale.

The progress on sales of our new village locations is as follows on 31 March 2025:

Village	Opened	Initial leases granted in 2024/25	Total leases granted	Total initial leases available	% granted
Bedford Wixams	June 2019	0	177	184	96%
Solihull	January 2021	21	174	209	83%

Subsequent property leases (resales)

As our villages mature, we experience an increase in resale activity, driven by a consistent and strong demand for our unique product offering. Our resales performance continues to be robust, with a steady stream of transactions that contribute significantly to our cash reserves. Income from resales plays a crucial role in supporting our future development plans, including the creation of new villages and the modernisation of existing ones.

The growth of our resales programme over recent years is illustrated in the table below, which highlights the increasing volume of resale activity and its positive impact on our financial position. With a strong demand for our properties and a well-established resales process in place, we are confident that this trend will continue, providing a stable source of funding to support our operational and development initiatives.

	2024/25		2023/24		2022/23		2021/22		2020/21	
	£M	No.	£M	No.	£M	No.	£M	No.	£M	No.
Resales	66.3	222	62.1	219	58.2	216	41.2	160	34.5	121
Surrenders	(48.1)	(227)	(45.2)	(234)	(38.7)	(211)	(35.6)	(191)	(25.1)	(140)
Total	18.2	(5)	16.9	(15)	19.5	5	5.6	(31)	9.4	(19)

“Knowing Mum’s safe and surrounded by people makes a huge difference. We don’t worry anymore, she has a new lease of life.”

Bridget, Alyson & Corynda

Sunley Court



Operating our communities

Operating our communities effectively is key to our residents enjoying an active and fulfilling lifestyle, reassured by the knowledge that they can access good quality care when needed, in the comfort of their own home.

Engaging customers/resident satisfaction

We're committed to creating thriving communities where residents feel valued, heard, and empowered. To achieve this, we offer a range of engagement opportunities that enable residents to shape their community and influence our services. Locally, residents can get involved in various ways, including:

- Participating in Residents' Associations;
- Providing feedback through our 'We're Listening' surveys and Annual Residents' Survey;
- Joining recruitment panels;
- Attending monthly street meetings; and
- Engaging with local groups and volunteering initiatives.

During the year, we were delighted to feature in the BBC documentary Rose Ayling-Ellis: Old Hands, New Tricks, which aired in March and April 2025. The documentary followed Strictly Come Dancing Winner Rose Ayling-Ellis and British Sign Language (BSL) instructor Marios Costi as they introduced a group of residents, aged 65 to 95, to BSL at our Hughenden Village.

The show quickly became more than a lesson in language. Residents connected deeply, rediscovered purpose and tackled loneliness, showcasing the value that ExtraCare and its focus on wellbeing can provide to its residents.

At a corporate level, our Residents' Forum plays a crucial role in shaping ExtraCare's policies and strategic direction. As the primary representative body for residents, the Residents' Forum provides a platform for consultation on key issues such as service delivery, performance, and strategic plans. The Chair and Vice-Chair of the Residents' Forum are voting Members of ExtraCare, ensuring that resident perspectives are represented at the highest level.

By working in partnership with our residents, we aim to create strong, cohesive communities that foster a positive living experience.

Our collaborative approach is built on mutual respect, trust, and open communication, empowering residents to take an active role in shaping their community and ensuring that their needs are met and exceeded.



Care Quality

The initial rollout of our new Care Delivery and Rostering system (Birdie) was completed in February 2025, meaning that all locations are now using the system in helping to deliver care, with circa 14,000 care visits and 98,000 care delivery tasks being digitally managed and recorded each week. We have already seen efficiency gains and improved reporting from the implementation, and most importantly, our care staff are able to spend more quality time with residents as the administration and paperwork processes are reduced.

There were no inspections undertaken by the CQC during 2024/25. We remain very proud that at the 31 March 2025, 17 of the 18 inspected locations were currently rated 'Good' or 'Outstanding' by the CQC.

- Three 'Outstanding' overall: Hagley Road, Lovat Fields and Shenley Wood Villages;
- 14 'Good' overall: Bournville Gardens Village, Earlsdon Park Village, Hughenden Gardens Village, Humber Court, Lark Hill Village, Longbridge Village, New Oscott Village, Rosewood Court, Stoke Gifford Village, St Oswalds Village, Sunley Court, Solihull Village, Bedford Wixams Village and Yates Court. Four of the 14 rated 'Good' overall were rated outstanding in one domain; and
- One rating of 'Requires Improvement' at Pannel Croft Village (inspection carried out in June 2019). Whilst we can't improve on this rating until the next inspection, we will continue with an internal inspection programme to review the quality of our services.

Farewell to Reeve Court and Brunswick Gardens

With sadness, we ended the partnership with Your Housing Group at Brunswick Gardens in Sheffield and Reeve Court in St Helens in January 2025. The communities therefore reverted to the full ownership of Your Housing Group. We are grateful to the ExtraCare staff in these communities who continued to provide support to residents up until the point of transfer. We were sorry to lose these communities, and we wish them well for the future.

Location surpluses

Our Corporate Plan 2022-27 outlines a clear goal: to ensure all our locations break even by 2027. Despite challenges, including the cost-of-living crisis and exceptional energy costs in recent years, we remain committed to improving financial performance without compromising on quality.

The service we deliver to residents is at the very heart of our new Operational Blueprint, that defines how we will operate our villages in accordance with our mission, vision and values.

Greater standardisation of operational and commercial processes across our locations will ensure that we continue to deliver our services to the highest standard whilst ensuring that each village remains financially sustainable.

Our Operational Blueprint focuses on five key operational areas, each with set objectives for enhancing the experience of our residents and staff. These are:

- Assets: we will maintain our assets to the highest possible standard to ensure our homes and communities remain safe, secure and desirable to current and prospective residents;
- Financial: we will ensure consistent and effective financial management, ensuring a focus on value for money and financial sustainability;
- Lifestyle: our lifestyle services and activities will help to build thriving communities and support and improve the wellbeing of our residents;
- Engagement: we will have a consistent approach to resident engagement across our communities, ensuring that all resident voices are heard; and
- Staff: our staff will have the right skills, remuneration and support to excel in their roles, to ensure staff and resident satisfaction and reduce staff turnover.

Streamlined energy and carbon reporting

Our Charity is committed to improving its environmental performance and reducing our carbon footprint – we have set ourselves an ambitious target of achieving carbon net-zero by 2045. Reports submitted to our Committees and Board include the requirement to evaluate any environmental considerations.

Energy and Sustainability Group

As our progress towards achieving net-zero continues, we have implemented a new Environment and Sustainability Strategy for 2025–28 and expanded the scope and purpose of our Energy Group. Now operating as the Energy and Sustainability Group, this cross-functional team plays a central role in supporting the Charity's broader environmental ambitions. The group has evolved to reflect a more integrated approach to delivering sustainable services, energy efficiency, and environmental compliance while continuing to support our residents.

During the development of our new Environment and Sustainability Strategy, we re-evaluated our carbon net-zero target to ensure it remains realistic and achievable but also ambitious. We are redesigning our Energy and Sustainability Dashboards to include additional detail and insight, to help us identify further opportunities to reduce consumption.



Emissions, waste & recycling

We impact on our environment directly through the operation of our properties and indirectly through activities which support our Charity such as business travel, purchasing of goods and services, and strategic actions such as building new villages. Whilst our retail subsidiary helps raise valuable funds for our Charity, it also adds value to our recycling contribution and the prevention of usable goods making their way to landfill.

In line with Government Environmental Reporting Guidance and the Streamlined Energy and Carbon Reporting (SECR) requirements, we have assessed the organisational boundary and scope/type of emissions as follows (overleaf):

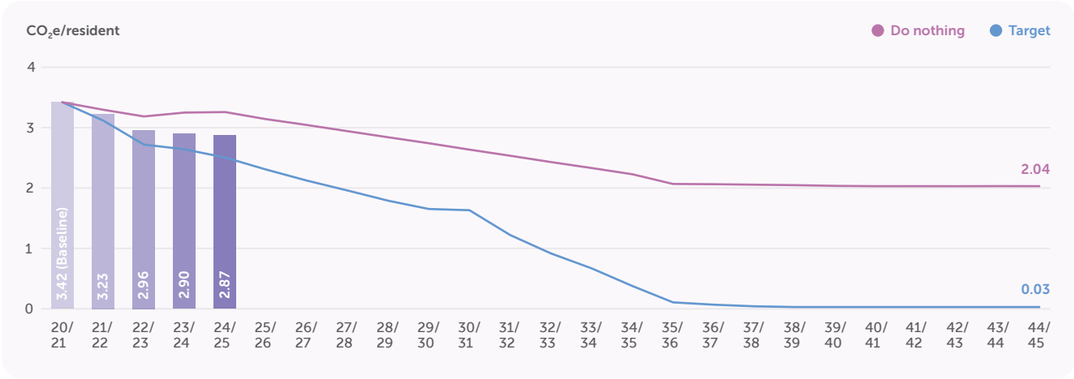
- **Reporting Boundary:** this report aims to identify and quantify the energy use and environmental impacts that occur owing to the operation of the villages and schemes owned by ExtraCare, the head office building in Coventry and all retail sites that were in operation throughout 2024/25 as well as travel activities of staff in supporting the Charity and subsidiary.
- **Scope of Emissions:** this report aims to identify and quantify the following types of emissions:
  - Scope 1 Direct Emissions - emissions due to the use of natural gas in boilers to provide heating, hot water, laundry equipment and catering within buildings;
  - Scope 2 Energy Indirect Emissions - emissions due to the use of electricity to provide lighting, catering, hot water and power for electrical equipment within buildings; and
  - Scope 3 Other Indirect Emissions - emissions due to the consumption of water within buildings and the disposal of liquid and solid waste.

Emission Type	Emission Source	Current Reporting Year			Previous Year			% change	
		Amount	Unit	Emissions (tCO_2e)	Amount	Unit	Emissions (tCO_2e)	Unit	Emissions (tCO_2e)
Scope 1	Gas	42,495,318	kWh	7,772.4	42,569,949	kWh	7,787.3	-0.2%	-0.2%
Scope 2	Electricity	18,016,806	kWh	3,730.4	18,125,355	kWh	3,753.3	-0.6%	-0.6%
Scope 3	Water	189,581	m^3	29.0	212,792	m^3	37.6	-10.9%	-22.8%
	Waste – Liquid	179,546	m^3	33.3	201,410	m^3	40.5	-10.9%	-17.8%
	Waste – Solid	103	Tonnes	0.7	91	Tonnes	32.1	14.1%	-97.9%
	Travel	281,242	Miles	75.5	222,585	Miles	55.8	26.4%	35.5%
Total Scope 1,2,3				11,641.4			11,706.6		-0.6%

- The emissions include Scope 1 (gas used in buildings), Scope 2 (electricity use in buildings) and a proportion of Scope 3 (water, waste and business travel). These are the emissions that are to some extent under the direct control and influence of ExtraCare and for which data was available to calculate emissions;
- The other major Scope 3 emissions are those relating to purchasing of goods and services by the Charity, for which further work will be needed with suppliers to quantify;
- The calculated Scope 1, 2 and 3 emissions for ExtraCare (gas, electricity, water, waste and business travel) have decreased by 0.6% compared to last year;
- The 2024/25 intensity ratio for ExtraCare is 2.87 tonnes CO2e/resident/year (including water, waste and staff travel), which is 16.0% below the 2020/21 baseline; and
- The long-term target for ExtraCare is to be net-zero carbon for the stated emissions by 2045, the trajectory of which is shown for scope 1 & 2 emissions in the graph below. The target reduction by 2024/25 was 26.3% compared to the 16.0% achieved.



Intensity ratio against target



Intensity ratio

We provide services for residents and hence the most appropriate metric to use is the emissions per resident, per year. This will allow for comparisons over time and eventually between villages.

	Current Reporting Year	Previous Reporting Year	% change
Number of residents	4,050	4,038	0.3%
Overall intensity (CO_2e/resident)	2.87	2.90	-0.9%
Building energy (CO_2e/resident)	2.84	2.86	-0.6%

Methodology used

The key processes in compiling this report were as follows:

- Energy and water data for the villages, head office and retail were collated based on supplier invoices;
- Waste and recycling data was provided by the contracted waste provider data portal and is based on transfer note data (NB: Waste figures do not cover retail sites which have minimum waste disposal);
- Travel data was based on staff expense claims;
- Intensity ratio was based on our average resident population during 2024/25;
- All conversion factors were based on 2023 UK Government Conversion Factors for greenshouse gas (GHG) reporting; and
- Carbon factors for re-use and recycling were not available for 2024, so the most similar available factor was used.

Efficiency actions

- This year ExtraCare have partnered with an energy consultancy to produce a Net-Zero Roadmap, which will inform our decarbonisation strategy over the next 5-10 years.
- We have produced our Environment and Sustainability Strategy to outline key themes and projects over the next three financial years, 2025-28, to reduce our energy consumption and carbon emissions. Some key actions taken over this year include:
  - A programme for lighting upgrades;
  - Building Management System (BMS) and Heating, Ventilation and Air Conditioning (HVAC) controls optimisation;
  - Increased resident and staff engagement to promote behavioural changes; and
  - Implementation of Eco Stations in locations to promote recycling.

Supporting our communities

At the heart of our charitable underpinning is a commitment to using our resources to make a positive impact on the lives of our residents. We achieve this by generating surpluses from certain areas of activity and using them to subsidise vital care and wellbeing services. This approach enables us to deliver affordable and accessible support to all our residents, regardless of their background or circumstances.

Our ability to provide these services is made possible by the dedication, generosity, and support of our donors, residents, staff, community volunteers, and external supporters. Their contributions are essential to our operations, and we're grateful for their dedication and generosity. By working together, we can continue to grow and improve our services, ensuring that they remain high-quality and effective in supporting the health and wellbeing of our residents.

As a charity, we're proud that every pound we generate gets reinvested in making a real difference to the lives of our residents. Our goal is to provide services that are tailored to the needs of our residents, and to ensure that everyone has access to the support they need to thrive.

Volunteering

Our ExtraCare communities flourish thanks to the dedication and enthusiasm of over 2,000 active volunteers, with around half of these being residents themselves. These volunteers play a vital role in various areas of activity, including our charity shops, events and community facilities such as gyms and bistros.

Volunteering with us brings numerous benefits to individuals, from improving mental and physical wellbeing to gaining new skills and experiences. We strive to support each volunteer in achieving their goals while they help us realise our vision and mission.

During the year we were delighted to achieve the Investing in Volunteers (IiV) standard; an award that highlights how much the Charity values volunteers and demonstrates our commitment to volunteering in the Charity.

In recognition of our staff and volunteers we host multiple annual awards, including our 'Liz Taylor Awards' and Heart of ExtraCare awards, which provide an opportunity for us to acknowledge the hard work and achievements of our team.

In addition to individual volunteering opportunities, we also provide valuable placements and work experience for students, as well as corporate volunteering opportunities for organisations seeking to give back to the community. By working together, we create a supportive and inclusive environment that benefits everyone involved.

ExtraCare charity shops

In 2024/25 our retail activities, through our charity shops, generated a total pre-tax profit of £117K (2023/24: £271K).

The past year has been particularly challenging for the wider retail sector with increasing costs and low consumer confidence applying pressure on delivering against budgeted expectations. Many retailers have had to reorganise themselves to remain in a rapidly changing landscape. However, as charity retailers we have unique advantages. Through the sale of donated goods, we can compete on price and are uniquely placed to respond to changing attitudes towards fast fashion and sustainability.

Our new Retail Strategy was launched in 2024 with a continued focus on improving the profile of the business. Driving engagement at local level we will make it convenient for supporters to donate and volunteer with us. We will continue to assess our shop locations and renegotiate leases to secure more favourable terms, in addition to opening new shops where there is an opportunity to further enhance our retail portfolio.

Fundraising activity

We're delighted to report that we have generated £131K through fundraising in 2024/25 (2023/24: £42K). Our residents, trusts, foundations, challenge appeals, and corporate donors have all contributed to this success. With the appointment of our new Fundraising Manager and the launch of our new Fundraising Strategy 2025-28, there is a renewed focus on strengthening our fundraising capabilities. We are hopeful that these developments will lead to further growth in fundraising income in the coming years.

Research and innovation

We were delighted that our Research and Innovation team was named a finalist in the 'Supported Housing Innovation' category at the National Housing and Care Awards 2024. This recognition reflects our ongoing commitment to finding better ways to support independent, fulfilling later life through research-led practice. We believe that greater use of technology has the potential to make a positive impact on the lives of our residents, which is why we're committed to exploring innovative technologies to support our residents in their daily lives. By embracing digital innovation, we aim to enhance their independence, improve their digital skills, and boost their overall wellbeing.

One of the ways we've achieved this is through our innovative 'Smart Market' initiative. This unique platform gave residents the opportunity to test and explore a wide range of cutting-edge technologies before deciding whether to adopt them in their own homes. By partnering with external organisations, we were able to extend this offering to residents who might not have otherwise had access to it, providing them with technology and broadband access that can help bridge the digital divide. Our Innovation Apartment at Solihull Village has become a hub for showcasing the latest technologies, allowing residents and visitors to see firsthand how they can be used to enhance daily life.

Our partnerships with universities remain a key aspect of our innovation strategy. These collaborations enable residents to participate in high-quality research studies that focus on creating better lives and overcoming barriers. For our staff, these partnerships provide opportunities for professional development, allowing them to learn from academics and adapt their practice to meet the evolving needs of our residents. At the same time, we're able to share our expertise and insights with researchers, helping to inform the development of new technologies and care models that can benefit people as they age.



People, processes and technology

People

We are dedicated to creating an environment that supports the wellbeing and happiness of our residents, workforce and volunteers. We believe that by fostering a positive and inclusive culture, we can deliver exceptional care and services that truly make a difference to the lives of those we support.

To achieve this, we have prioritised a focus on training as well as investing in the development, wellbeing, and job satisfaction of our workforce, recognising that they are essential to delivering high-quality care and services. Our 2024-2027 People Strategy outlines our commitment to attracting, retaining, developing, and engaging with our people, ensuring that they feel valued, supported, and empowered to provide outstanding services to our residents.

During the year we developed our new Belonging at ExtraCare strategy, which was created through open dialogue with key stakeholders and approved by the Board of Trustees. This strategy follows on from our previous Equality, Diversity and Inclusion Strategy and aims to ensure that residents, staff, and volunteers feel valued, included and empowered.

Our commitment to excellence in people management has been recognised through our Gold Award accreditation from Investors in People (IiP). We are proud to pay the Real Living Wage as a minimum to all Trust staff, recognising the impact of increases in the cost-of-living in recent years. We also provide a range of benefits, including increased employer pension contributions, extra annual leave for long-serving staff, improved bank holiday arrangements, and enhanced maternity, paternity, and adoption pay.

In addition, we continue to focus on attracting and retaining a high-quality workforce by regularly reviewing our employee benefits to ensure they remain competitive and attractive, enabling us to create a work environment that supports the growth, wellbeing, and job satisfaction of all our staff.

Our 2024 staff survey showed that:

- **84% of our employees are satisfied** with ExtraCare as an employer - our target was 75%; and
- **94% of our employees remain fully committed** to our vision and values - our target was 90%.

IT and digital

We continue to progress with our digital transformation. A new updated three-year strategy, with resident input and consultation was approved by the Board this financial year. Resources have been increased to support delivery of that strategy with a focus on the new digital skills we need.

Following a thorough procurement exercise we have signed a contract for a new Housing Management System (HMS), known internally as 'Project Connect'. This will be our largest system implementation to date, impacting most of our colleagues in some way. To ensure a seamless rollout, a dedicated programme team has been established to carefully review and analyse our current business processes and data, laying the groundwork for a successful implementation.

Our IT department has rolled out over 280 new desktop and laptop computers to our locations, enhancing the efficiency and digital experience of our colleagues. We have also completed the migration to Windows 11, ready for the discontinuation of Windows 10. New data connectivity (CD-WAN) has been deployed to all sites increasing bandwidth and resilience. This provides a sound foundation for the increase in devices and usage as we further digitalise.

Cyber security remains a priority with a focus this year on the "respond" and "recover" areas of our Cyber Security Strategy. We have adopted the National Institute of Standards & Technology (NIST) Cyber Security Framework to plan and track our cyber security preparedness. We have strengthened our incident response procedures and improved our recovery planning in addition to the routine addition and strengthening of security controls.

On behalf of the Trustees:
Nick Baldwin CBE
Chair

23 September 2025



> Living in an ExtraCare village, where there is care on hand if you need it, gives you complete peace of mind.

Mark & Tina
Hughenden Gardens Village



The Board's responsibilities in the preparation of accounts

The Board of Trustees (who are also the Directors of The ExtraCare Charitable Trust for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company, housing and charity law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the income and expenditure of the Group for that period. In preparing the Group and Company financial statements, the Trustees, as Directors, are required to:

A. Select suitable accounting policies and then apply them consistently;

B. Observe the methods and principles in the Statement of Recommended Practice 'Accounting by Registered Housing Providers Update 2018';

C. Make judgements and estimates that are reasonable and prudent;

D. State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

E. Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the ExtraCare Charitable Trust website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



To the members of the ExtraCare Charitable Trust

Opinion

We have audited the financial statements of The ExtraCare Charitable Trust (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Comprehensive Income, the Group and Charity Statement of Financial Position, the Group and Charity Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2025 and of the group's 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 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent 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 Board with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Board's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Strategic Report and the Board's report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Board's report.

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

- Adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of the Board's remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 49, the Board is 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 Board determines 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 Board is responsible for assessing the group's and parent 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 Board either intends to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- Obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- Inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- Discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019 and tax compliance legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that may have an indirect impact on the financial statements are Health and Safety at Work Act 1974 and Regulator of Social Housing Regulatory Standards (both Economic and Consumer standards), compliance with the Care Quality Commission requirements and the General Data Protection Regulations as set out in the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the Group is in compliance with these laws and regulations and inspected correspondence with licensing or regulatory authorities.

The Group audit engagement team identified the risk of management override of controls and the completeness, valuation and cut off risk for retail and all income except social housing rental as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and substantive and controls testing along with data analytics for income.

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

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. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Anna Spencer-Gray
Senior Statutory Auditor
For and on behalf of RSM UK Audit LLP
Statutory Auditor Chartered Accountants

103 Colmore Row
Birmingham
B3 3AG

25 September 2025



Consolidated statement of comprehensive income
For the year ended 31 March 2025

		2025	2024
	Note	£'000	£'000
Turnover	3	68,915	65,105
Operating expenditure	3	(69,264)	(77,402)
Operating deficit	8	**(349)**	**(12,297)**
Interest receivable	-	992	852
Interest and financing costs	5	(5,520)	(5,768)
Increase/(Decrease) in fair value of listed investment	16	775	1,218
Increase in fair value of investment properties	12	24,421	40,065
Surplus before tax		**20,319**	**24,070**
Taxation	28	-	-
Surplus for the year		**20,319**	**24,070**
Other comprehensive pension income/(expenditure)	22	-	(1,232)
Defined benefit pension costs recognised in other comprehensive income	22	358	-
Total comprehensive income for the year		**20,677**	**22,838**

The results for both years are wholly attributable to continuing activities.

The notes on pages 58 to 87 form part of these financial statements.

Statement of financial position
As at 31 March 2025

		Group		Charity	
		2025	2024	2025	2024
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	9	512	533	512	533
Tangible fixed assets	10, 11	134,685	135,213	134,685	135,213
Investment properties	12	878,953	851,457	878,953	851,457
		1,014,150	**987,203**	**1,014,150**	**987,203**
Current assets					
Stocks and assets held for disposal	14	60	63	-	-
Trade and other debtors	15	6,660	7,839	6,650	7,886
Current asset investments	16	21,037	20,262	21,037	20,262
Cash and cash equivalents		30,282	25,160	30,212	25,031
		58,039	**53,324**	**57,899**	**53,179**
Creditors: Amounts falling due within one year	17	(554,130)	(534,506)	(553,990)	(534,361)
Net current liabilities		**(496,091)**	**(481,182)**	**(496,091)**	**(481,182)**
Total assets less current liabilities		**518,059**	**506,021**	**518,059**	**506,021**
Creditors: Amounts falling due after more than one year	18	(157,570)	(160,278)	(157,570)	(160,278)
Defined benefit pension liability	22	(4,990)	(6,624)	(4,990)	(6,624)
Other provisions	23	(401)	(4,698)	(401)	(4,698)
Total net assets		**355,098**	**334,421**	**355,098**	**334,421**
Capital & reserves:					
Restricted reserves	25	6,412	6,376	6,412	6,376
Revenue reserves		348,686	328,045	348,686	328,045
		355,098	**334,421**	**355,098**	**334,421**

Company registration number: 02205136

These financial statements were approved by the Board of Directors on 23 September 2025 and signed on its behalf by:

Nick Baldwin CBE
Chair

Richard Clarke
Trustee

Statement of changes in reserves
As at 31 March 2025

	Group		Charity	
	Restricted reserve	Income and expenditure reserve	Restricted reserve	Income and expenditure reserve
	£'000	£'000	£'000	£'000
At 1 April 2023	6,423	305,160	6,423	305,160
Surplus for the year	-	22,838	-	22,838
Transfer (from)/to restricted reserves	(47)	47	(47)	47
As at 31 March 2024	**6,376**	**328,045**	**6,376**	**328,045**
At 1 April 2024	6,376	328,045	6,376	328,045
Surplus for the year	-	20,677	-	20,677
Transfer (from)/to restricted reserves	36	(36)	36	(36)
As at 31 March 2025	**6,412**	**348,686**	**6,412**	**348,686**

Consolidated statement of cash flows
For the year ended 31 March 2025

	Note	2025	2024
		£'000	£'000
Net Cash outflow from operating activities	**33**	(4,789)	(11,598)
Cash flow from investing activities			
Purchase of fixed assets		(8,554)	(7,954)
Interest received		992	852
Net cash used in investing activities		**(7,562)**	**(7,102)**
Cash flow from financing activities			
Interest paid		(5,010)	(5,438)
New secured loans		-	26,660
Repayments of borrowings		(2,195)	(28,816)
Payments received on property leases		72,740	73,486
Settlement of property repurchase liability		(48,062)	(45,158)
Net cash used in financing activities		**17,473**	**20,734**
Net change in cash and cash equivalents		5,122	2,034
Cash & cash equivalents at beginning of the year		25,160	23,126
Cash & cash equivalents at end of the year		**30,282**	**25,160**

1. Legal status

The ExtraCare Charitable Trust is a private company limited by guarantee registered and incorporated in England and is an English registered social housing provider. The address of ExtraCare's registered office and principal place of business is 7 Harry Weston Road, Binley Business Park, Coventry, CV3 2SN. The principal activities are providing housing and care to older people.

2. Principal accounting policies

Basis of accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the requirements of the Companies Act 2006, including the provisions of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008. They are prepared under the historical cost convention modified to include certain financial instruments at fair value and according to the Housing SORP 2018 'Statement of Recommended Practice for Registered Housing Providers'. They also comply with the Accounting Direction for Private Registered Providers of Social Housing 2019. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Public Benefit Entity

The Charity is a Public Benefit Entity, as defined within FRS 102 as "an entity whose primary objective is to provide goods or services for the general public, community or social benefit and where any equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members".

Basis of consolidation

The group accounts consolidate the accounts of the Charity and its subsidiary undertaking. Intra group transactions, balances and profits are eliminated on consolidation. The consolidation is carried out on a line by line basis and each entity has coterminous year end dates.

The accounts for the Charity include recharges with a subsidiary undertaking which runs charity shops to raise charitable funds.

The recharges are based on resources used and payments made. The parent Charity has taken advantage of the exemption from presenting its unconsolidated Statement of Comprehensive Income under Section 408 of the Companies Act 2006. The Company has taken advantage of the exemption from disclosing the following information in its company only accounts, as permitted by the reduced disclosure regime within FRS 102:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures.

Going concern

Our 30-year financial plan is based on robust assumptions and includes a target headroom of £30M in liquid asset reserves to allow us to withstand a range of potential risks.

Following stress testing the Board agreed for prudent assumptions around the net cash inflow from granting of subsequent property leases to be factored into our business plan to mitigate our market risk exposure to factors such as a declining property market.

Our balance sheet shows a net current liabilities position of £496M (2024: £481M), which is expected given our property buyback model. The Board are comfortable with this, seeing a continually strong demand for our sales properties.

We model the risk of any movement within our cashflow forecasting, stress testing and medium and long term business planning models.

The Board recognises that the covenants in place with funders are appropriate to making an assessment of our financial position and are satisfied that covenant calculations for the loans disclosed in note 19 of the financial statements are compliant with those agreed by both our funders.

Our financial statements comply with all the current statutory requirements and with the requirements of the Charity's Articles of Association. After making all reasonable enquiries, the Board have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from sign off of these financial statements.

Notes to the financial statements
For the year ended 31 March 2025

2. Principal accounting policies (continued)

In coming to this decision, the Board have considered on-going financial performance data, stress testing of the cashflow, and any actual or potential future liabilities. The Board are therefore confident in confirming that the Charity is viable as a going concern.

Turnover

Turnover is measured at the fair value of the cash consideration received or receivable. The Charity generates the following material income streams:

- Rental income receivable (after deducting lost rent from empty properties available for letting); and
- Invoiced amounts receivable from the delivery of care and health services.

Rental income is recognised from the point when properties under development reach practical completion and are let. Grants, donations, legacies and similar income are accounted for as soon as their amount and receipt are certain. In the case of unsolicited donations, this is usually only when they are received, while fundraising results are accounted for when the commitment is made by the donor, subject to fulfilment. Grants, where entitlement is not conditional on the delivery of a specific performance by the Charity, are recognised when the Charity becomes unconditionally entitled to the grant.

Turnover is included on an accruals basis.

The income from goods donated for resale in the Charity shops is included in the accounts when those goods are sold. No value is placed on any stock of such goods. Donated services and facilities are included at the value to the Charity where this can be quantified.

Investment income is included when receivable by the Group.

The largest source of cash generated by the Group is not shown within turnover, as it relates to the granting (and subsequent regranting) of property leases subject to a buyback liability.

Service charges

Where schemes are on fixed service charges, income is recognised in the financial statements in line with the amounts charged to the occupant.

Certain villages operate variable service charges. Where there is any difference between the estimated cost recovered from tenants and leaseholders and the actual cost incurred, any such shortfall or surplus arising is carried forward and either collected or refunded against the future year's charge.

Any shortfall or surplus arising is shown in the statement of financial position within debtors or creditors as appropriate.

Intangible fixed assets

Capitalised IT software expenditure is initially recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Capitalised IT software expenditure is amortised on a straight-line basis over its useful life which is 3 years.

Taxation

The parent Charity is exempt from corporation tax as a registered charity. The trading subsidiary is subject to corporation tax on any profits not distributed by gift aid to the parent Charity.

VAT

The parent Charity is partially exempt for VAT purposes, and consequently VAT incurred cannot be fully recovered. Where VAT is not recoverable the expenditure is shown inclusive of VAT.

Impairment (excluding investment properties)

Fixed assets are reviewed for impairment following an assessment at each reporting date if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-inuse, are recognised as impairment losses in the Consolidated Statement of Comprehensive Income.

2. Principal accounting policies (continued)

Capitalisation of interest

Interest incurred up to the time that identifiable major capital projects are ready for service is capitalised as part of the cost of the assets and shown within fixed assets, based on interest charged on loans relating to each project.

Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal.

Restricted reserves

These are reserves that can only be applied for specified purposes. The reserve is held for the purpose as specified by the donor. This is usually for a specific appeal. Incoming reserves are accounted for on receipt but with reference to certain performance criteria within an agreement. Where cash has been received but performance criteria have not yet been met, such income is deferred and released to the Consolidated Statement of Comprehensive Income on achievement of such criteria.

Management of housing property for other social landlords

Where the Charity has been appointed as an agent by a Housing Association partner to provide support to the service users and the support contract with the Commissioning Authority is held (and carries the financial risk), the Consolidated Statement of Comprehensive Income includes only that income and expenditure which relates solely to the Charity.

Retirement benefits

The Charity provides its employees with retirements benefits under three different policies.

Defined contribution pension scheme
This is a flexible retirement plan operated by The Pensions Trust. It is the plan offered to all new employees.

The amount charged to the Consolidated Statement of Comprehensive Income is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Defined benefit pension scheme
Some of the Charity's employees are members of the Social Housing Pension Scheme (SHPS). This plan is no longer open for new employees, although remains active for those who had historically signed into it. For the SHPS, retirement benefits to colleagues of the Company are funded by contributions from all participating employers and employees in the Scheme. Payments are made to a fund operated by the Pensions Trust, an independent trust providing superannuation benefits for employees of voluntary organisations. These payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating Companies taken as a whole.

Actuarial assumptions are applied to determine each company's share of liabilities. The assumptions are updated at the year end, and the changes to the position go through the 'Other Comprehensive Income' statement. Calculations are carried out annually and independently of the pension triennial valuation.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

The Charity also still retains a small liability for a growth plan operated by The Pensions Trust (being the SHPS managers). For the Growth Plan, contributions are recognised in expenditure in the period to which they relate as there is insufficient information available to use defined benefit accounting. A liability is recognised for contributions arising from an agreement with the multiemployer plan that determines how the Charity will fund a deficit. Contributions are discounted when they are not expected to be settled wholly within 12 months of the period end.

Tangible fixed assets - housing properties

Housing properties are properties for the provision of social housing and are principally properties available for rent and are stated at cost less depreciation.

Notes to the financial statements
For the year ended 31 March 2025

2. Principal accounting policies (continued)

Cost includes the cost of acquiring land and buildings, development costs,interest charges incurred during the development period and expenditure incurred in respect of improvements.

Improvements are works to existing properties, and component replacements which have been treated separately for depreciation purposes, which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property in the business. Only the incremental direct overhead costs associated with new developments or improvements are capitalised. Direct overhead costs comprise the costs of staff time, including salary costs and other apportioned direct costs, incurred on the developments from the date from which it is reasonably likely that the development will go ahead, to the date of practical completion.

Investment properties

The classification of properties as investment property or property, plant and equipment is based upon the intended use of the property. Mixed use property is separated between investment property and property, plant and equipment.

Investment properties are initially measured at cost and subsequently measured at fair value annually with any change recognised in the Statement of Comprehensive Income. This calculation is based on the lease price achieved for a property, or on the average price of a similar archetype (location, property size, and other design specifications).

Each investment property is measured based upon active secured prices, impaired if there are known factors that are likely to affect them going forward. These factors may include the impact of prices being discounted or to account for other indications of lower market value. Where there is an interest held by one of our partners, we reflect the terms of the contractual agreement in the presentation of the fair value movement. Investment properties are not depreciated. Investment properties are leased through an upfront payment, equivalent in value (for the proportion of the property leased) to a commercial outright purchase.

When a lease is terminated, the Charity has a contractual obligation to refund the payment, less a 1% per annum deduction (to a maximum of 10%).

At the end of any lease the Trust could take the decision to lease the property under different terms, including removing the obligation to repurchase. It would be at this point that any capital appreciation would be realised as a capital gain. Such choice is within the powers of Trustees to make at a time when priorities may suggest it would better support the Charity's activities.

Donated land

Where land is transferred by local authorities and other public bodies for consideration below market-value, the difference between the market value and the consideration given is added to cost at the time of the donation and included within the Statement of Financial Position as a liability, in accordance with treatment as a non-government grant.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment, losses or reversals of impairment losses are recognised immediately in profit or loss. The Charity considers individual schemes to be separate Cash Generating Units (CGU's) when assessing for impairment of housing properties held for letting, in accordance with the requirements of FRS 102 and the Housing SORP 2018.

Government grants

Government grants include grants receivable from Homes England, local authorities and other government bodies. Social Housing Grant (SHG) is a government grant made to the Charity towards the cost of acquiring and/or building additional housing for rent.

No Grant is receivable in respect of Investment Properties.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

2. Principal accounting policies (continued)

Government grants received for social housing properties are recognised in income over the useful economic life of the structure of the asset (excluding land) under the accruals model.

Government grants relating to revenue are recognised as income over the periods when the related costs are incurred once reasonable assurance has been gained that the Charity will comply with the conditions and the funds will be received.

Other grants

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

Depreciation

Assets costing more than £1,000 are capitalised at cost. Assets under construction for social housing are not depreciated until brought into operational use.

Depreciation of fixed assets is charged by equal instalments commencing with the date of acquisition at rates estimated to write off their cost or valuation less any residual value over the expected useful lives which are as follows:

Freehold land	not depreciated
Freehold buildings - Social housing	
Main Fabric	100 years
Roof & Covering	70 years
Electrics	40 years
Windows & External Doors	30 years
Bathroom & WC	30 years
Mechanical Systems	30 years
Lift	28 years
Kitchen	20 years
Freehold buildings - Investment properties	not depreciated
Leasehold property	over period of lease
Furniture and equipment	over 2 to 6 years
Motor vehicles	over 3 years

Current asset investments policy

The Group's current asset investments are classified as financial instruments and accounted for at fair value through profit or loss, in accordance with the accounting policy set out under Financial Instruments below.

Operating leases

All leases are operating leases and the annual rental costs are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument, and are offset only when the Charity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets – debtors
Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Rent debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a rent debtor constitutes a financing transaction, the debtor is initially and subsequently measured at present value of future payments discounted at a market value rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Comprehensive Income for the excess of the carrying value of the rent debtor over the present value of the future cash flows discounted using the original effective interest rate.

Notes to the financial statements
For the year ended 31 March 2025

2. Principal accounting policies (continued)

Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Comprehensive Income.

Financial assets – trade investments
Trade investments are equity investments over which the Group has no significant influence, joint control or control and are initially measured at transaction price.

Transaction price includes transaction costs, except where trade investments are measured at fair value through profit or loss when transaction costs are expensed to profit or loss as incurred.

Trade investments are measured at fair value through profit or loss. The fair value of trade investments quoted on a recognised stock exchange is the quoted bid price.

The fair value of unlisted investments is measured using valuation techniques which include turnover multiple, earnings multiple, net assets or discounted cash flows, as appropriate, based on the nature and circumstances of the investment.

Financial liabilities – lease buyback
The Directors have considered the buy-back obligation contained within property leases granted by the Charity and concluded that it meets the definition of a financial liability under FRS102.

The liability is ultimately triggered by residents leaving their homes at which point it becomes payable after a short period depending on the exact terms of the relevant lease. Overall this results in the payment of the obligation being spread over several years, however, in accordance with FRS 102 it has been presented within creditors: amounts falling due within one year to reflect the on demand feature contained within each of the individual contractual arrangements.

Financial liabilities - trade creditors (including amounts due to contractors)
Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at the market rate of interest for a similar instrument.

Financial liabilities - borrowings
Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Provisions
The Group recognises provisions where it has an obligation at the reporting date as a result of a past event, which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and financing costs.

Critical accounting estimates and areas of judgement

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Residual value of social housing assets
The Charity considers the fabric of buildings in Social Housing Assets it owns to retain a value at the end of their useful life. It reviews annually its estimate of the residual value, taking a precautionary approach and recognising reductions from changing market conditions and impairment.

2. Principal accounting policies (continued)

Defined benefit pension assumptions

The discount rate and inflation rate are considered to be key estimates in calculating the defined benefit liability and sensitivities have been disclosed within Note 22.

Long term leases

The Charity grants long term leases to residents for an upfront payment equivalent to the commercial price for an outright purchase. This is subject to an obligation for the holder of the lease to retransfer their rights in the property to the Charity when the lease terminates (for example on the death of a resident) at the upfront price less a 1% per annum deduction (subject to a 10% cap). No additional rent is payable.

As a result of the transaction the resident benefits from the right to occupy the property and participate in the amenities offered by the village or scheme. The Charity retains the benefits of managing the future occupancy of the villages and schemes to maintain their vibrancy, secure its long term financial viability and retains the long term financial benefits of investing in the property. The transaction is classified as a financial instrument under the applicable accounting standard (FRS 102).

As the Charity has significant financial rewards and risks in the leased properties in the judgement of the management the upfront payment does not meet the accounting definition for treatment as the proceeds of a sale. Accordingly the funds received are not included in Comprehensive Income in turnover.

The entitlement to reacquire the interests in the leased properties arises operationally over several years however the contractual obligation is to pay for the acquisition within a period of less than twelve months when the lease terminates.

Notwithstanding in practice terminations and payments take place over a number of years, it is the judgement of the management that under existing accounting standards the obligation must be classified as a financial instrument payable within 1 year.

Long term leases are not granted over properties which are Social Housing and no Social Housing Grant is received in relation to these assets.

As the financial risks and rewards of the leased properties remain with the Charity it is the judgment of management that these should be categorised as Investment Assets in the financial statements.

Accounting standards require Investment Assets to be valued annually at fair value. A number of grants of new leases take place in each accounting period creating a dataset of transactions of actual market transactions.

In the judgment of the management this dataset of actual market prices is the best information available to assess fair value which is determined using average prices for a similar property (based on the specific location, property size and design specification of the property concerned). There has been no valuation by an independent valuer.

It is the judgement of the management that there is no market for properties which are incomplete. These are recorded as Housing Properties Held Under Construction within Fixed Assets at the historic cost figure.

Impairment

The Charity considers individual schemes to be separate Cash Generating Units (CGU's) when assessing for impairment of housing properties held for letting, in accordance with the requirements of FRS 102 and the Housing SORP 2018.

Provisions

Provisions are only recognised where the Charity has an obligation to incur future expenditure as a result of a past event.

The provision is measured based on the best estimate of the amounts required to settle the obligation and is recognised as a liability in the Statement of Financial Position.

> ‘It’s the best thing you’ll ever do in your life. I sometimes sit at night and think how lucky I am to be living here.’

Elsie
Wixams Village



3. Operating income, operating costs and operating surplus - Group

	2025			2024		
	Turnover	Operating Costs	Operating Surplus/ (Deficit)	Turnover	Operating Costs	Operating Surplus/ (Deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Social Housing lettings (Note 4)	**13,059**	**(9,299)**	**3,760**	**11,895**	**(13,117)**	**(1,222)**
Other Social Housing activities						
Development services	-	(1,441)	(1,441)	-	(812)	(812)
Housing related support contract income	-	(2)	(2)	-	(2)	(2)
Management services	2,758	(2,890)	(132)	2,916	(2,719)	197
Other Social Housing Activities	**2,758**	**(4,333)**	**(1,575)**	**2,916**	**(3,533)**	**(617)**
Non Social Housing lettings						
Residential property income	27,468	(19,683)	7,785	25,462	(26,747)	(1,285)
Other rent	304	(5)	299	360	(40)	320
Non Social Housing lettings	**27,772**	**(19,688)**	**8,084**	**25,822**	**(26,787)**	**(965)**
Other non Social Housing activities						
Development services	-	(2,926)	(2,926)	-	(1,692)	(1,692)
Care and health services	11,416	(15,704)	(4,288)	10,952	(16,970)	(6,018)
Community services	3,879	(4,443)	(564)	3,696	(2,818)	878
Other	5,645	(8,989)	(3,344)	5,327	(8,653)	(3,326)
Retail	2,825	(2,709)	116	2,941	(2,670)	271
Donations	1,561	(1,173)	388	1,556	(1,162)	394
Other non Social Housing activities	**25,326**	**(35,944)**	**(10,618)**	**24,472**	**(33,965)**	**(9,493)**
Total	**68,915**	**(69,264)**	**(349)**	**65,105**	**(77,402)**	**(12,297)**

The largest source of our cash income is from the granting (and subsequent re-granting) of property leases. This is not shown in our turnover and appears as a financial liability, due to our obligation to re-purchase properties prior to the re-granting of a new lease.

In addition to the income and costs of providing care to our residents, "Care and Health Services" includes the income and costs relating to the Dementia and Wellbeing Programmes. "Community Services" represents income and costs of activities provided for our residents and "Other" includes the income and costs of services such as restaurants and gym facilities at our retirement schemes and villages.

4. Income and expenditure from Social Housing lettings - Group

	2025	2024
	Supported Housing and Housing for Older People	Supported Housing and Housing for Older People
	£'000	£'000
Rent receivable and maintenance charge net of identifiable service charges	6,765	6,031
Service charge income	4,783	4,475
Amenity income	1,037	915
Amortised government grant	474	474
Turnover from Social Housing lettings	**13,059**	**11,895**
Management	3,596	3,455
Service charge costs	2,823	5,166
Routine maintenance	919	899
Planned maintenance	327	282
Depreciation of housing properties	1,634	1,914
Impairments	-	1,401
Operating Costs on Social Housing lettings	**9,299**	**13,117**
Operating (Loss)/Surplus on Social Housing lettings	**3,760**	**(1,222)**
Void losses included in the figures above	533	579

5. Interest and financing costs - Group

	2025	2024
	£'000	£'000
Bank loans	2,879	3,113
Other loans	2,355	2,368
Defined benefit pension charge	286	287
	5,520	**5,768**

No interest was capitalised in the year ending 31 March 2025 as no new construction activity has taken place in the year (2024:£Nil).

6. Board members and Executive Directors - Group and Charity

Members of the Board are the directors and trustees of the Charity, and act in an unpaid capacity. A total of £2,494 was reimbursed to Board members for travel expenses (2024: £2,729) in respect of seven trustees who claimed expenses (2024: four).

Key management personnel are defined on page 10.
Expenses paid to the senior management team in the year totalled £5,671 (2024: £4,111).

	2025	2024
	£'000	£'000
Aggregate Emoluments payable to key management personnel (including benefits in kind, but excluding pension contributions)	729	826
Emoluments (including benefits in kind, but excluding pension contributions) payable to the Chief Executive who was also the highest paid member of the senior management team	245	265

The Chief Executive is a member of the defined contribution scheme. No enhanced or special terms apply to this or any other pension arrangement. For the year ending 31 March 2025 contributions paid into the company's pension fund were £18,768 (2024: £10,026) in line with the increase in employer pension contributions offered to all employees.

There are no key management personnel in the defined benefit pension scheme (2024: Nil) and four in the defined contribution scheme (2024: four).

7. Employee information - Group and Charity

	Group		Charity	
	2025	2024	2025	2024
	Number	Number	Number	Number
Average number of employees				
Executive Directors	4	4	4	4
Care services	983	972	983	972
Administration, fundraising and publicity	291	306	199	219
	1,278	**1,282**	**1,186**	**1,195**
Full time equivalents				
Executive Directors	4	4	4	4
Care services	556	564	556	564
Administration, fundraising and publicity	255	258	188	187
	815	**826**	**748**	**755**

Full-time equivalents are calculated on the basis of a 37.5 hours week.

7. Employee information - Group and Charity (continued)

	Group		Charity	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Staff Costs (For the persons on previous page)				
Wages & Salaries	28,863	28,102	26,999	26,270
Social Security Costs	2,411	2,365	2,273	2,212
Other Pension Costs	1,659	926	1,565	868
	32,933	**31,393**	**30,837**	**29,350**

The pension cost charge represents contributions payable to the pension fund, and are analysed below.

	Group		Charity	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Defined benefit schemes	-	(28)	-	(28)
Defined contribution schemes	1,659	954	1,565	896
	1,659	**926**	**1,565**	**868**

Details of the Group's pension schemes are detailed in Notes 22, 23 and 24.

Remuneration ranges for all employees (excluding directors) earning over £60,000 (including salaries, performance related pay, payments in lieu of pension, benefits in kind and compensation for loss of office, but excluding contributions to company pension funds):

Remuneration Range	2025	2024
	Number	Number
£260,001 to £270,000	-	1
£240,001 to £250,000	1	-
£200,001 to £210,001	-	1
£180,001 to £190,000	1	-
£160,001 to £170,000	-	2
£150,001 to £160,000	1	-
£140,001 to £150,000	1	-
£130,001 to £140,000	-	1
£110,001 to £120,000	-	2
£100,001 to £110,000	4	1
£90,001 to £100,000	4	4
£80,001 to £90,000	3	1
£70,001 to £80,000	7	9
£60,001 to £70,000	18	22
	40	**44**

Contributions to the company's pension fund in respect of the above employees totalled £255,372 (2024: £148,017).
Two higher paid employees are accruing benefits under the defined benefit pension scheme (2024: three).
Thirty eight of the Forty higher paid employees are accruing benefits under the defined contribution scheme (2024: Forty three of forty four).

8. Operating deficit - Group

	2025	2024
	£'000	£'000
The operating deficit is arrived at after charging/(crediting):		
Trustee indemnity insurance	13	13
External Auditor's remuneration:		
In respect of the audit of the Charity's Financial Statements	133	90
In respect of other services:		
The audit of the charity's subsidiary Financial Statements	13	15
Taxation services	35	48
Audit-related assurance services	28	28
Other services	-	-
Operating leases		
Rent payable on buildings	1,156	1,151
Other	6	7
Depreciation of owned tangible fixed assets	3,688	4,024
Impairments of fixed assets	-	1,401
Amortisation of intangible fixed assets	130	59
Amortisation of deferred Social Housing Grant	(486)	(486)

Amortisation of grants in the Income and Expenditure is split between management service (note 3) and amortised government grants (note 4).

9. Intangible assets - Group and Charity

	£'000
Cost:	
At 1 April 2024	1,725
Additions	109
At 31 March 2025	**1,834**
Depreciation:	
At 1 April 2024	1,192
Charged in the year	130
At 31 March 2025	**1,322**
Net Book Value	
At 31 March 2025	**512**
At 31 March 2024	533

Intangible Assets represent investment in software.

10. Fixed assets - housing properties - Group and Charity

	Housing properties for lettings or lease	Housing properties under construction	Leasehold land and buildings	Total
	£'000	£'000	£'000	£'000
Cost:				
At 1 April 2024	147,391	2,102	417	149,910
Additions	2,421	612	-	3,033
Schemes completed	559	(559)	-	-
Write off	(93)	(2,155)	-	(2,248)
Change of tenure	437	-	-	437
At 31 March 2025	**150,715**	**-**	**417**	**151,132**
Depreciation:				
At 1 April 2024	20,234	-	91	20,325
Depreciation charged in the year	1,896	-	4	1,900
Eliminated on write off	(51)	-	-	(51)
At 31 March 2025	**22,079**	**-**	**95**	**22,174**
Net Book Value				
At 31 March 2025	**128,636**	**-**	**322**	**128,958**
At 31 March 2024	127,158	2,102	324	129,584

Housing Properties include sixteen units currently leased under a Shared Ownership lease. Their Original Cost is £2,884K, Depreciation £172K and Net Book Value £2,712K (2024: £2,860K).

	2025	2024
	£'000	£'000
Expenditure on works to existing properties		
Components capitalised/improvements	2,421	883
Amounts charged to the statement of comprehensive income	1,246	1,181
	3,667	**2,064**
Finance Costs		
Aggregate amount of finance costs included in the cost of housing properties	4,148	4,148
Aggregate amount of finance costs included in the cost of properties under construction	-	-
	4,148	**4,148**

Impairment
The Charity considers individual schemes to be separate Cash Generating Units (CGU's) when assessing for impairment of housing properties held for letting, in accordance with the requirements of FRS 102 and the Housing SORP 2018. During the current year the Charity has not identified any impairment losses (2024: Three locations for £1,094K).

11. Other tangible fixed assets - Group and Charity

	Furniture and Other Equipment
	£'000
Cost:	
At 1 April 2024	17,455
Additions	1,900
Wite Off	(99)
At 31 March 2025	**19,256**
Depreciation:	
At 1 April 2024	11,826
Charged in the year	1,788
Eliminated on write off	(85)
At 31 March 2025	**13,529**
Net Book Value	
At 31 March 2025	**5,727**
At 31 March 2024	5,629

12. Fixed assets - investment properties - Group and Charity

	Investment properties
	£'000
Fair Value:	
At 1 April 2024	851,457
Additions	3,512
Change of tenure	(437)
Movement in fair value	24,421
At 31 March 2025	**878,953**

Impairment

During the current year the Charity has not identified any impairment losses in relation to any locations (considered separate Cash Generating Units - CGUs) (2024: Three locations for £6,885K).

	2025	2024
	£'000	£'000
Historic Cost		
Investment properties measured under the historic cost convention	401,025	397,950

Included within the above is £12,736K of capitalised interest (2024: £12,736K).

13. Fixed asset investments - Group and Charity

	2025	2024
	£'000	£'000
Investment in group companies (Note 32)	2	2

The parent company holds the whole of the equity share capital of the following group companies:

Name of subsidiary undertaking	Country of incorporation	Class of share	Nature of business
ExtraCare Retail Limited	England	Ordinary	Charity retail operation
ExtraCare Nominee 1 Limited	England	Ordinary	Dormant
ExtraCare Nominee 2 Limited	England	Ordinary	Dormant

All subsidiaries are registered at 7 Harry Weston Road, Binley Business Park, Coventry, CV3 2SN.

14. Stocks

	Group		Charity	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Goods for resale	60	63	-	-

15. Debtors

	Group		Charity	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Rent and service charges receivable	2,573	2,367	2,573	2,367
Less: provision for bad and doubtful debts	(477)	(512)	(477)	(512)
Net rent arrears	**2,096**	**1,855**	**2,096**	**1,855**
Value Added Tax	-	-	-	-
Amount owed by subsidiary undertaking	-	-	273	305
Prepayments and accrued income	2,404	2,679	2,160	2,451
Variable service charges debtor	2,076	3,265	2,076	3,265
Other Debtors	84	40	45	10
	6,660	**7,839**	**6,650**	**7,886**

16. Current asset investments - Group and Charity

	2025	2024
	£'000	£'000
At 1 April	20,262	19,044
Invested in the period	-	-
Withdrawn in the period	-	-
Movement in fair value	775	1,218
At 31 March	**21,037**	**20,262**

The historical cost of the above investments is £20M (2022: £20M).
The fair value, based on the current bid price, of the investments above are:

	2025	2024
	£'000	£'000
Fixed interest bonds	2,753	2,697
UK equities	1,465	1,990
Overseas equities	4,177	3,405
Alternatives	1,465	1,515
Cash	454	495
Sterling short duration credit fund	10,722	10,160
	21,036	**20,262**

17. Creditors: amounts falling due within one year

	Group		Charity	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Loans (note 19)	2,156	2,156	2,156	2,156
Trade creditors	3,408	2,088	3,401	2,068
Rent and Charges received in advance	342	472	342	472
Other taxation and social security costs	54	505	45	496
Deferred capital grant (note 21)	487	487	487	487
Accruals and deferred income	6,882	8,075	6,758	7,959
Lease buyback liability (see analysis below)	540,771	520,723	540,771	520,723
Variable service charge creditor	30	-	30	-
	554,130	**534,506**	**553,990**	**534,361**

17. Creditors: amounts falling due within one year (continued)

Analysis of lease buyback liability

	Group		Charity	
	2025	2024	2025	2024
	£'000	£'000	No. of leases	No. of leases
At 1 April	520,723	496,903	2,479	2,452
Arising on initial lease of new property	6,465	6,658	23	41
Payments made on lease terminations	(48,062)	(45,157)	(227)	(234)
Cash received from regranting leases	66,275	66,827	222	220
Released to Non Social Housing Lettings Income	(4,630)	(4,508)	-	-
At 31 March	**540,771**	**520,723**	**2,497**	**2,479**

18. Creditors: amounts falling due after more than one year - Group and Charity

	2025	2024
	£'000	£'000
Loans (note 19)	114,917	117,128
Deferred income (note 20)	14	25
Deferred capital grant (note 21)	42,639	43,125
	157,570	**160,278**

19. Loan analysis - Group and Charity

	2025	2024
	£'000	£'000
Due within one year		
Bank loans	2,156	2,156
Due after more than one year		
Other loans	57,500	57,500
Bank loans	58,100	60,295
	115,600	**117,795**
Less: Issue Costs	(683)	(667)
	114,917	**117,128**

Security
Loans are secured on the properties disclosed within housing properties (Note 10) and investment properties (Note 12). Loans are secured on both freehold and leasehold properties.

At 31 March 2025 there are 126 unencumbered completed units (2024: 126).

19. Loan analysis - Group and Charity (continued)

Terms of repayment and interest rates
Bank and other loans are repayable in instalments, at rates of interest between 3.25% and 5.19% per annum (2024: 3.25% and 6.44% per annum).

The final instalments fall to be repaid between 2029 and 2040.

The Charity has fixed interest rates to guard against future rate movements - these are embedded within the loans and do not have a separate fair value.

Based on the lender's earliest repayment date, borrowings are repayable as follows:

	2025	2024
	£'000	£'000
Within one year or on demand	2,156	2,156
One year or more but less than two years	2,156	2,156
Two years or more but less than five years	55,944	58,139
Five years or more	57,500	57,500
	117,756	**119,951**

As at 31 March 2025 the Charity has £30M undrawn Development loan facilities (2024: £30M).

20. Deferred income - Group and Charity

Deferred income will be credited to the Consolidated Statement of Comprehensive Income:

	2025	2024
	£'000	£'000
Within one year	14	18
Between one and two years	14	23
Between two and five years	-	2
	28	**43**
Lease premiums receivable, credited to the Consolidated Statement of Comprehensive Income over the period of the lease (up to twenty five years)	-	3
Other Care income	-	2
Care for Life income, amortised over life expectancy of plan holder	28	38
	28	**43**

Deferred income relates to lease premiums receivable £Nil (2024: £3K) and income relating to Care for Life £28K (2024: £38K) which will be released to income over the assumed life expectancy of the resident who has taken out the plan.

21. Deferred capital grant income - Group and Charity

	2025	2024
	£'000	£'000
Balance at 1 April	43,612	44,098
Released to income in the year	(486)	(486)
Balance at 31 March	**43,126**	**43,612**
	£'000	£'000
Amounts to be released within one year	487	487
Amounts to be released in more than one year	42,639	43,125
	43,126	**43,612**

The total of capital grants received at 31 March 2025 was £48,730K (2024: £48,730K).

22. Retirement benefits - Group and Charity

Social Housing Pension Scheme (SHPS)
The Charity participates in the Social Housing Pension Scheme ('the scheme'), a multi-employer scheme which provides benefits tosome 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the FinancialReporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a deficit of £693M. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The scheme is classified as a 'last-man standing arrangement'. Therefore the Charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

The Charity has been notified by the Trustee of the Scheme that it has performed a review comparing the benefits provided to scheme members over recent years with the requirements of the Scheme documentation. Due to uncertainty as to the effect of some benefit changes, the Trustee has been advised by lawyers to seek clarification from the Court on potential changes to the pension liability. It is recognised that this could potentially impact the value of Scheme liabilities, but until the outcome of the ongoing Court process is known (which is currently expected to be late 2025), it is not possible to calculate the impact on the liabilities of this issue with any accuracy, particularly on an individual employer basis, for the purposes of the 31 March 2025 financial statements. Accordingly, no adjustment has been made in these financial statements in respect of this potential issue.

The Charity is aware that the Court of Appeal has upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained. On the 5 June 2025, the Government announced its intention to introduce legislation to give affected pension schemes the ability to retrospectively obtain written confirmation that historical benefit changes met the necessary standards. However, details of the legislation have not been announced. Subject to the entity being able to comply with the legislation and the pension scheme obtaining the required written actuarial confirmation, the valuation of the scheme liabilities is not expected to change.

22. Retirement benefits - Group and Charity (continued)

Key results

The estimated position at 31 March 2025 shows a deficit of £4,990K (2024: £6,624K deficit).

The number of scheme members employed by the Group at 31 March 2025 was 6 (2024: 7). The charge to the Group for the year was £ Nil (2024: reduction of £28K).

Calculation method

The figures at 31 March are based on projecting forward the results of the last actuarial valuation of the Fund as at 30 September 2023.

Key assumptions

	2025	2024
Discount Rate	5.77%	4.89%
Inflation (RPI)	3.11%	3.17%
Inflation (CPI)	2.78%	2.77%
Salary Growth	3.78%	3.77%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

	Life expectancy at age 65 Years
Male retiring in 2024	20.5
Female retiring in 2024	23
Male retiring in 2044	21.7
Female retiring in 2044	24.5

Defined benefit costs recognised in Statement of Comprehensive Income

	2025
	£'000
Current service cost	-
Expenses	43
Net interest expense	286
	329

Defined benefit costs recognised in Other Comprehensive Income

	2025
	£'000
Experience on plan assets (excluding amounts included in net interest cost) - loss	(2,117)
Experience gains and losses arising on the plan liabilities - loss	(1,041)
Effects of changes in demographic assumptions underlying the present value of the defined benefit obligation - gain	-
Effects of changes in financial assumptions underlying the present value of the defined benefit obligation - gain	3,516
Total actuarial loss	**358**

22. Retirement benefits - Group and Charity (continued)

Present values of defined benefit obligation, fair value of assets and defined benefit liability

	2025	2024
	£'000	£'000
Fair value of plan assets	28,220	28,957
Present value of defined benefit obligation	(33,210)	(35,581)
Defined benefit liability to be recognised	**(4,990)**	**(6,624)**

Reconciliation of opening and closing balances of the defined benefit obligation

	2025
	£'000
Defined benefit obligation at start of period	35,581
Current service cost	-
Expenses	43
Interest expense	1,700
Contributions by members	60
Actuarial losses due to Scheme experience	1,041
Actuarial gains due to changes in demographic assumptions	-
Actuarial gains due to changes in financial assumptions	(3,516)
Benefits paid and expenses	(1,699)
Defined benefit obligation at end of period	**33,210**

Reconciliation of opening and closing balances of the fair value of plan assets

	2025
	£'000
Fair value of plan assets at start of period	28,957
Interest income	1,414
Experience on plan assets (excluding amounts included in interest income) - loss	(2,117)
Employer contributions	1,605
Contributions by members	60
Benefits paid and expenses	(1,699)
Fair value of plan assets at end of period	**28,220**

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2024 to 31 March 2025 was a reduction of £703K.

22. Retirement benefits - Group and Charity (continued)

The analysis of the Scheme assets at the reporting date were as follows:

	2025	2024
	£'000	£'000
Global Equity	3,161	2,885
Absolute Return	-	1,131
Distressed Opportunities	-	1,021
Credit Relative Value	-	949
Alternative Risk Premia	-	919
Liquid Alternatives	5,233	-
Emerging Markets Debt	-	375
Risk Sharing	-	1,695
Insurance-Linked Securities	87	150
Property	1,414	1,163
Infrastructure	5	2,925
Private Equity	25	24
Real Assets	3,378	-
Private Debt	-	1,139
Opportunistic liquid credit	-	1,132
Private Credit	3,454	-
Credit	1,079	-
Investment Grade Credit	869	-
High Yield	-	4
Cash	383	571
Long Lease Property	8	187
Secured Income	471	865
Liability Driven Investment	8,547	11,784
Currency hedging	45	(12)
Net Current Assets	61	50
Total assets	**28,220**	**28,957**

Analysis of the sensitivity to the principal assumptions of the present value of the defined benefit obligation

	Change in assumption	Change in liabilities
		£'000
Discount rate	Increase of 0.1% p.a.	(371)
Rate of inflation (CPI)	Increase of 0.1% p.a.	256
Rate of salary growth	Increase of 0.1% p.a.	-

The sensitivities shown above are approximate. Each sensitivity considers one change in isolation. The inflation sensitivity includes the impact of changes to the assumptions for revaluation, pension increases and salary growth where appropriate.

Notes to the financial statements
For the year ended 31 March 2025

23. Other provisions - Group and Charity

	2025	2024
	£'000	£'000
The Pensions Trust's Growth Plan	7	2
Provision for Charitable Subsidy	394	4,696
Total Other Provisions	**401**	**4,698**

The Pensions Trust's Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 521 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9m, liabilities of £531.0m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

- £2.1M per annum. From 1 April 2025 to 31 January 2028 (payable monthly):

Note that the scheme's previous valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3M, liabilities of £831.1M and a deficit of £31.6M. To eliminate this funding shortfall, the Trustee had asked the participating employers to pay additional contributions to the scheme as follows:

- £3.3M per annum. From 1 April 2022 to 31 January 2025 (payable monthly and increasing by 3.0% each year on 1st April):

The recovery plan contributions are allocated to each participating employer in line with their estimated share of Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and the Charity has agreed to a deficit funding arrangement it recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provision

	2025	2024
	£'000	£'000
Present value of provision	7	2

23. Other provisions - Group and Charity

Reconciliation of opening and closing provisions

	2025	2024
	£'000	£'000
Provision at start of period	**2**	**5**
Unwinding of the discount factor (interest expense)	-	-
Deficit contribution paid	(2)	(3)
Remeasurements - impact of any change in assumptions	-	-
Remeasurements - amendments to the contribution schedule	7	-
Provision at end of period	**7**	**2**

Income and expenditure impact

	2025	2024
	£'000	£'000
Interest expense	-	-
Remeasurements – impact of any change in assumptions	-	-
Remeasurements - amendments to the contribution schedule	7	-
Costs recognised in income and expenditure account	**7**	**-**

Assumptions

	31-Mar-25	31-Mar-24	31-Mar-23
	% per annum	% per annum	% per annum
Rate of discount	4.84	5.31	5.52

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Provision for Charitable Subsidy

Following increases in fuel costs in the last few years, residents charges were due to rise substantially. The Charity has sought to mitigate the impact on its residents by agreeing a cap to Utilities Charges. Costs have reduced sharply and the level of Charitable Subsidy offered for 2025/26 has reduced accordingly. The cost of this measure has been reflected in these statements as a provision.

	2025	2024
	£'000	£'000
At 1 April	4,696	3,136
Released in year	(4,696)	(3,136)
New provision	394	4,696
Costs recognised in income and expenditure account	**394**	**4,696**

Notes to the financial statements
For the year ended 31 March 2025

24. Defined contribution pension Scheme - Group and Charity

The Charity also utilises the Pension Trust Flexible Retirement Plan (FRP). The FRP is a defined contribution scheme.

The estimated employer's contributions payable under all pension schemes for the year ended 31 March 2026 is £2,250K (2025: £2,365K).

The Creditor balance for Pension contributions and associated costs for the year ending 31 March 2025 is £370K (2024: £306K).

25. Restricted reserves - Group and Charity

The incoming funds of the Charity include restricted funds comprising the following balances of donations and grants held on trust for specific purposes.

	At 1 April 2023	Income	Expenditure	At 31 March 2024	Income	Expenditure	At 31 March 2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets							
Hagley Road, Birmingham	1	-	-	1	-	-	1
Humber Court, Coventry	197	-	(3)	194	-	(2)	192
Lark Hill Village, Nottingham	2,765	-	(32)	2,733	-	(32)	2,701
New Oscott Village, Birmingham	1,152	-	(13)	1,139	-	(13)	1,126
Lovat Fields Village, Milton Keynes	903	-	(11)	892	-	(10)	882
Shenley Wood Village, Milton Keynes	162	-	(2)	160	-	(2)	158
Pannel Croft Village, Birmingham	507	-	(5)	502	-	(5)	497
St Oswalds Village, Gloucester	1	-	-	1	-	-	1
Rosewood Court, Wellingborough	223	-	(3)	220	-	(3)	217
Sunley Court, Kettering	215	-	(3)	212	-	(3)	209
Yates Court, Evesham	107	-	(1)	106	-	(1)	105
	6,233	**-**	**(73)**	**6,160**	**-**	**(71)**	**6,089**
Special projects and other funds							
Other miscellaneous funds	154	21	(2)	173	92	-	265
Other Scheme restricted funds	36	21	(14)	43	39	(24)	58
	190	**42**	**(16)**	**216**	**131**	**(24)**	**323**
Total funds	**6,423**	**42**	**(89)**	**6,376**	**131**	**(95)**	**6,412**

Fixed assets
These funds resulted from specific appeals to fund the development of fixed assets. Expenditure represents depreciation on the assets.

Special projects and other funds
Most of these funds have been given to finance specific projects to improve the quality of life for older people.

26. Capital commitments - Group and Charity

There is £nil capital expenditure that has been contracted for but has not been provided for in these financial statements (2024: £Nil).

There is £nil capital expenditure that has been authorised by the Board but has not yet been contracted for (2024: £Nil).

27. Financial commitments - Group and Charity

The future minimum lease payments of non-cancellable leases are as set out below:

	2025		2024	
	Land & Buildings	Other	Land & Buildings	Other
	£'000	£'000	£'000	£'000
Contracts expiring				
Within one year	920	28	1,042	31
Between one and 5 years	2,632	22	1,895	8
Over five years	2,959	-	3,945	-
	6,511	**50**	**6,882**	**39**

28. Taxation

The Trust is registered as a charity and its charitable activities are not liable to corporation tax.

The subsidiary of the Trust, Extracare Retail Limited, is subject to corporation tax. In this financial year no tax liability has been incurred.

29. Contingent assets

The Charity will receive pledges to fund new village developments. These pledges are contingent on various key events occurring during the village development phases. Funds are received in stages. Hence both received and receivable funds are recognised as contingent assets until such time that the conditions are met.

No new pledges have been received in the year ending 31 March 2025.

30. Contingent liabilities and other commitments

At 31 March 2025, there are no outstanding claims against the Group or Charity.

31. Related party transactions

The Group has taken advantage of the exemption conferred by paragraph 33.IA of FRS102, Related Party Disclosures, from the requirement to disclose transactions with its wholly owned subsidiary (ExtraCare Retail Limited).

The Charity has not entered into any transactions or other arrangement with any other related parties.

32. Subsidiary undertakings - Charity

As shown in note 13, the Charity has three wholly owned subsidiaries which are incorporated in the United Kingdom:

- ExtraCare Retail Limited
- ExtraCare Nominee 1 Limited
- ExtraCare Nominee 2 Limited

ExtraCare Nominee 1 Limited and ExtraCare Nominee 2 Limited did not trade during the year, or in the prior year.

All companies have entered into Gift Aid arrangements to donate their taxable profits to The ExtraCare Charitable Trust.

A summary of the results of ExtraCare Retail Limited is shown below. Audited accounts will be filed with the registrar of Companies in line with requirements.

Within the Group accounts, the activity from ExtraCare Retail Limited is shown within Other Non Social Housing Activities (note 3).

	2025	2024
	£'000	£'000
Turnover	2,825	2,941
Cost of sales	(324)	(342)
Staff costs	(2,096)	(2,044)
Other costs	(1,378)	(1,397)
Other operating income	1,089	1,113
Net profit	**116**	**271**
Taxation	-	-
Retained in subsidiary	**116**	**271**
Current assets	412	450
Current liabilities	(296)	(179)
Retained in subsidiary	**116**	**271**

The Charity received £271K Gift Aid from retail activity in the year ended 31 March 2025 (2024: £287K).
A Gift Aid distribution of £116K is planned for payment in the following year from the Retail subsidiary retained profits.

33. Cash flow reconciliations

Reconciliation of operating surplus to net cash inflow from operating activities

	2025	2024
	£'000	£'000
Surplus for the year	20,319	24,070
Interest payable	5,520	5,768
Interest receivable	(992)	(852)
Profit from sale of fixed assets	-	-
Operating surplus for the year	**24,847**	**28,986**
Adjustments for non-cash items:		
Change in fair value of investment properties	(24,421)	(40,065)
Change in fair value of investments	(775)	(1,218)
Release of Buyback liability	(4,630)	(4,508)
Depreciation of tangible fixed assets	3,688	5,425
Write off of Fixed Assets	2,211	-
Amortisation of intangible assets	130	59
Amortisation of deferred capital grants	(486)	(486)
Amortisation of finance costs	(16)	105
Defined benefit pension schemes	(5,859)	54
Operating cash flows before movements in working capital	**(5,311)**	**(11,648)**
Movements in working capital		
Decrease in stock	3	30
Decrease/(Increase) in rental and other debtors	1,178	71
(Decrease)/Increase in trade and other creditors	(659)	(51)
Net cash used in operating activities	**(4,789)**	**(11,598)**

Analysis of changes in net debt

	At 1 April 2024	Cash flows	New finance leases	Other non cash	At 31 March 2025
	£'000	£'000	£'000	£'000	£'000
Cash and cash equivalents	25,160	5,122	-	-	30,282
Investments	20,262	-	-	775	21,037
Bank loans due in less than 1 year	(2,156)	2,156	-	(2,156)	(2,156)
Bank loans due in more than 1 year	(59,628)	39	-	2,172	(57,417)
Other loans	(57,500)	-	-	-	(57,500)
Lease buyback liability	(520,723)	48,062	(72,740)	4,630	(540,771)
Total	**(594,585)**	**55,379**	**(72,740)**	**5,421**	**(606,525)**

34. Number of homes in management and development

	2025	2024
	Number	Number
Social housing units		
Owned by the Charity	882	871
Managed on behalf of other organisations	144	144
Non-Social housing units		
Leased or part leased properties	2,577	2,586
Other		
Social housing properties managed under a partnership arrangement	175	431
Non-Social housing properties managed under a partnership arrangement	-	167
	3,778	**4,199**

During the year two partnership arrangements have terminated.

35. Financial instruments

The carrying value of the Group and Charity's financial instruments at 31 March were:

	Group		Charity	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Financial assets				
Debt instruments measured at amortised cost:				
Trade and other debtors	5,439	6,809	5,673	7,084
Cash	30,282	25,160	30,212	25,031
	35,721	**31,969**	**35,885**	**32,115**
Debt instruments measured at fair value:				
Current Assets investments	21,037	20,262	21,037	20,262
	21,037	**20,262**	**21,037**	**20,262**
Financial liabilities				
Measured at amortised cost:				
Trade and other creditors	594,545	574,952	594,414	574,816
Loans	117,756	119,951	117,756	119,951
	712,301	**694,903**	**712,170**	**694,767**

ExtraCare
Charitable Trust

Head office
The ExtraCare Charitable Trust
7 Harry Weston Road
Binley Business Park
Binley Coventry CV3 2SN

Registered Charity No. 327816
Registered Social Landlord No. 4706
Company Registered No. 2205136

THE EXTRACARE CHARITABLE TRUST

England & Wales - Charity number 327816

Accounts

ExtraCare
Charitable Trust

ANNUAL REPORT & ACCOUNTS
31 March 2024

Registered Charity Number – 327816
Registered Social Landlord – 4706
Company Registered Number – 2205136

CONTENTS

	Page Number
Key Facts	2
Statement from our Chair	3
Foreword by the Chief Executive	4
Legal and administrative information	5
Report of the Board	7
Section 172(1) Statement	16
Strategic Report	17
The Board's responsibilities in preparation of accounts	32
Independent auditor's report to the members of The ExtraCare Charitable Trust	33
Consolidated statement of comprehensive income	36
Statement of financial position	37
Statement of changes in reserves	38
Consolidated statement of cash flows	39
Notes to the financial statements	40

KEY FACTS

	2023/24	2022/23
Homes for older people	4,199	4,199
Our residents	4,727	4,653
Average age of our residents is	81	81
Villages	16	16
Schemes	4	4
Charity Retail Shops	36	38
Volunteers supporting our Charity	2,109	2,071
Staff working to a shared goal	1,351	1,257
Turnover	£65.1M	£53.7M
Reserves	£334.4M	£311.6M
Total comprehensive income	£22.8M	£28.7M
Awards include:	'Best Use of Technology in Senior Housing' (Senior Housing Awards); and 'Integrated Retirement Community – with care assistance': Gold Award (Retirement Living Awards).	

STATEMENT FROM OUR CHAIR

I am delighted to present our Annual Report for 2023/24.

Within it, you will see how the consistent dedication of our colleagues and volunteers has made real progress against our 2022-27 Corporate Plan, which we track by setting targets within our Annual Business Plan.

During the year we have continued to show our resilience as we tackle the economic challenges head on: such as the rising cost of living, high inflation and exceptionally high costs of utilities. We recognise these challenges remain and we will continue to work hard to ensure that our Charity continues to operate successfully and existing and potential residents can afford to live in one of our locations.

We applied a further subsidy to our resident property charges to help soften the exceptional impact of the cost-of-living. We also made a further cost-of-living payment to all of our staff. The Board recognises that these factors impacted our financial surplus during the year, but as a charity, we are confidently using the funds we have in a way that benefits our residents, staff and secures the long-term financial viability of our communities.

I would like to thank our Trustees for their commitment in driving the Charity forward, both in the 2023/24 financial year and in what will prove to be a demanding but rewarding period ahead. I extend my thanks to those Trustees who have seen the end of their tenure during the year and we welcome a number of new Board members. I also want to recognise the efforts from our colleagues and volunteers who enable us to deliver our excellent services, alongside all those that donate to our Charity, by giving generously or via donations of goods which are then sold in our Retail shops.

Finally, I'd like to express my appreciation for the contribution made by our residents. We have witnessed their valuable engagement and support first hand via our Residents' Forum. Such engagement is at the core of what makes us successful and provides us with the resilience we need to navigate through this ongoing period of change and opportunity.

Our priority, as always, remains ensuring that we continue to truly deliver 'better lives for older people'.

Nick Baldwin CBE

Chair

FOREWORD BY THE CHIEF EXECUTIVE

I remain incredibly proud of colleagues for navigating the challenges our sector is facing. Our innovative approach to building such vibrant communities, means that we continue to operate a financially sound, inspirational Charity that truly delivers its mission.

With the support of our Trustees, colleagues, residents and volunteers, I am able to present within this Annual Report, a story of achievement for what we have accomplished this year, and optimism for our future.

Within our 2023/24 Annual Business Plan we set ourselves a number of targets, six of which we identified as key. These are outlined below, alongside our performance (and updates) against them:

- **Develop one new village and undertake two village extensions during the life of this corporate plan* delivering 400 new homes. (*subject to funding)**
  - Shenley Wood and Wixams extensions are expected to start on site during 2024/25; and
  - Potential sites for two new village developments have been identified and exclusivity agreements signed.
- **Achieve a resident experience rating of 80% or above in all villages and 90% or above in all schemes by the end of the corporate plan period.**
  - Resident satisfaction in our villages was 90% and in our schemes was 98%.
- **Each location will achieve a minimum CQC 'good' rating overall – with at least a third of our locations, by the end of this corporate plan period, having achieved 'outstanding' overall.**
  - Whilst all locations completed pre-inspection information requests from the CQC (PIR returns), no locations were inspected in the year.
- **Maintain the following staff satisfaction scores: 75% of our employees will be satisfied with ExtraCare as an employer and 90% of our employees will be fully committed to our vision.**
  - 80% of our employees were satisfied with us as an employer; and
  - 94% of our employees are fully committed to our vision.
- **Ensure we are capable of achieving a G1, V2 rating from the Regulator of Social Housing (RSH).**
  - We have introduced new Data Quality Standards following an external review of our data quality.
- **Generate a total surplus in excess of £10m each year and our Operating deficit will progressively reduce, reaching break-even in year 4.**
  - Our Total Surplus for the year was £22.8M.

We have delivered another year of strong performance, despite the challenging macro-economic environment.

It is wonderful to see how our communities across all our schemes and villages continue to thrive. I am immensely proud that we continue to provide a pioneering alternative to later living, that is as inspirational and innovative now as it was when the Charity was formed.

Financially we have continued to strengthen our cash holdings this year, a major achievement that further supports the future growth and development of our Charity. With this cash, and the support of our funders, we can confidently explore further development opportunities to allow to us create more Integrated Retirement Communities.

As we look ahead to 2024/25, our Annual Business Plan again focuses on 6 key targets, which are:

- Growth;
- Resident Satisfaction;
- Care Quality;
- Staff Satisfaction;
- Regulatory Compliance; and
- Financial Performance.

On behalf of the Executive Leadership Team, I would like to thank our Trustees, colleagues, residents and volunteers, who never cease to amaze me with their effort and dedication to ensure that ExtraCare continues to thrive. It is an exciting time to be part of a fast-moving sector, full of opportunity. Together, we will continue to create 'better lives for older people'.

Mick Laverty

Chief Executive

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Name	The ExtraCare Charitable Trust
Governing Instrument	The Charity is a company limited by guarantee and not having share capital. As such it is governed by its Memorandum and Articles of Association, which were last amended by special resolution on 13 November 2019. It was incorporated on 11 December 1987.
Registered Charity Number	327816
Registered Social Landlord	4706
Company Registered Number	2205136
Members	Made up of the Directors of the Charity and other such persons admitted to membership of the company under the Articles. The number of members is unlimited.

Board of Trustees (also referred to as a Directors of the Company for the purpose of Company law):	**Formally appointed**	**Retired/Resigned**
Nick Baldwin CBE (Chair)	11 November 2020	-
Harpal Baines	21 June 2021	-
Richard Byrne	21 June 2021	-
Mark Chamberlain	30 January 2023	-
Richard Clarke (Senior Independent Director)	14 November 2018	-
Gemma De Brito	11 March 2024	-
Adrian Eggington	01 March 2020	-
Andy Hardy	21 June 2021	-
Janet Houlis	30 January 2023	-
Susan Lock	01 March 2020	18 September 2023
Philip Riman	23 April 2019	11 March 2024
Gary Swabel	30 January 2023	-
Nick Towe	11 March 2024	-
Kim Wootton	10 November 2021	-

Committee Memberships *Includes all Trustee members (current (√) and former (X))*				
Trustees	**Audit & Assurance**	**Development**	**Nominations & Remuneration**	**Operations**
Nick Baldwin CBE (Chair)		√	√	√
Harpal Baines	X	√		√
Richard Byrne	√	X		√
Mark Chamberlain	X	X	√	√
Richard Clarke	Chair		√	
Gemma De Brito	√			√
Adrian Eggington	√	X		Chair
Andy Hardy	√	√		
Janet Houlis	X		Chair	√
Susan Lock	X		Former Chair	Former Chair
Philip Riman		Former Chair	X	
Gary Swabel*				√
Nick Towe	√	Chair		
Kim Wootton		√		√

* Gary Swabel is also the Trust representative on the Board of ExtraCare Retail Limited.

Company Secretary	Angela Carpenter	
Executive Leadership Team (principal members of staff and key management personnel as defined by the Companies Act)	Mick Laverty	Chief Executive
	Angela Carpenter	Executive Director Governance and Compliance
	Joanna Grainger	Executive Director Operations – resigned 06.01.2024
	Matt Rickards	Interim Executive Director Operations – from 06.01.2024 Executive Director Operations – from 17.06.2024
	Chris Skelton	Executive Director Corporate Resources
Registered and principal office	7 Harry Weston Road Binley Business Park Coventry CV3 2SN	
Principal Bankers	Lloyds Banking Group Plc	
Primary Solicitors	Shakespeare Martineau, Pinsent Masons	
Auditors	RSM UK Audit LLP	

REPORT OF THE BOARD

The Board presents The ExtraCare Charitable Trust's ('ExtraCare') Annual Report and the audited financial statements for the year ended 31 March 2024.

Charitable Objectives and Public Benefit

ExtraCare was incorporated in 1987 to provide services to older people and this is explicit in our Vision to deliver 'Better Lives for Older People' and our Mission 'Creating sustainable communities that provide homes older people want, lifestyles they can enjoy and care if it's needed.'

We are a registered charity and as such must carry out charitable purposes for the public benefit. Our charitable purposes ('Objects') are set out in our Articles of Association and include:

- The business of providing (directly or indirectly) and managing the provision of housing, social housing and other accommodation (including, without limitation, nursing homes, sheltered homes, hostels and care homes), and assistance to help house people, and associated facilities and amenities or services, for people who are poor, or for people who are in need by reason of their age, physical disability, mental disability, learning disability, mental illness or chronic sickness;
- The provision of care, welfare, medical, nursing, community and other services, and associated facilities and amenities, for people who are poor, or for people who are in need by reason of their age, physical disability, mental disability, learning disability, mental illness or chronic sickness;
- The relief of sickness and the preservation and promotion of health of people who are poor, or of people who are in need by reason of their age, physical disability, mental disability, learning disability, mental illness or chronic sickness;
- The relief of financial hardship amongst elderly people; and
- Any other charitable object not prohibited for a company registered with the Regulator as a non-profit, private, registered provider.

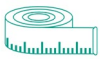
Our public benefit is reflected in the strands of our model. As a charity which pioneered retirement communities, we still believe our model is unique by virtue of:



We are a charity, and our surpluses are all re-invested in the charitable activities.



Our diverse tenure mix, which makes us affordable for people from a range of backgrounds and circumstances and reflects and supports the diversity of our communities.



Our villages are typically made up of 260+ apartments, housing 300-400 residents. We offer an array of communal facilities (such as restaurants and gyms) at an affordable price to residents. This scale is rare for the UK.



Our model of Homes, Lifestyle and Care is proven to benefit residents' physical and mental health and reduce pressure on the health and social care system.

Homes older people want

Our 16 retirement villages and four smaller housing schemes are typically made up of individual one or two-bedroom homes, which are available for granting of a property lease, granting of a shared ownership property lease, or for social rent. Some of our villages also include bungalows or two or three-bedroom cottages.

The homes we offer and our communal spaces are attractive, comfortable, and suited to the emerging needs that our residents might face as they grow older. We continue to explore the installation of ('smart') digital technology and adaptations to ensure that our residents benefit from the ways in which technology can help prolong independence and enhance quality of life. An 'Innovation Apartment' in our new villages showcases a range of smart technology applications including smart speakers, electric blinds and adaptations to kitchens and bathrooms. The latest Innovation Apartment in Solihull Village remains open to the public.

During 2021/22 we commissioned an exercise which examined our properties in great detail and how over time our offering is changing. This work, undertaken by Glenn Howells Architects, also focused on the demands of the sector and is being utilised in planning our upcoming extensions and new village developments. The study gave a detailed insight into the design of our current villages, the external environment affecting the sector, our client base and the green agenda. In practice, we apply these principles to our latest developments, such as the extensions planned for Wixams, Bedford and Shenley Wood, Milton Keynes.

Lifestyles they can enjoy

Our communities offer a wide range of communal facilities and opportunities for healthy, active, and fulfilling lifestyles. These include facilities such as a restaurant, gym, craft room, greenhouse, and games room, together with a dedicated Activities Coordinator in every location to deliver a varied programme to our residents.

Volunteering is at the heart of our ExtraCare communities. We have over 2,100 volunteers, with two thirds of our volunteers in locations being residents. We understand the benefits that volunteers provide to our locations, often delivering services which would otherwise be unaffordable, whilst also supporting our residents directly in a variety of ways. In addition to everything that volunteering brings to ExtraCare, we know that our volunteers also benefit from the experience.

Our award-winning wellbeing service supports our residents, improves their health and enables them to remain independent for as long as possible. The team helps improve wellbeing through programmes such as the 'Engaged Lives Project', where we are equipping residents with the skills to build confidence and improve social connectedness. This project was enabled through funding received from the Community Lottery Fund.

Our Wellbeing Advisors in all locations are using a Resilience tool designed between us, Aston University and Lancaster University to assess residents' frailty. The tool helps them identify those residents who may be frail, or at risk of becoming frail, so they can step in to help before an incident, such as a trip or fall. It's an ongoing aid and allows Wellbeing Advisors to recommend activities for physical and mental wellbeing to help keep residents healthy for longer.

We continue to facilitate and expand a programme of healthcare student placements across our locations, which sees physiotherapy, occupational therapy, nursing and speech and language students spending time supporting residents in most of our villages. The focus of these placements is on falls prevention, reducing hospital admissions and supporting residents back to normal post-pandemic living. The student programme is very well received by both students and residents and is just one strand of our intergenerational activities.

Care if it's needed

In each of our villages and schemes we provide personal care and support to those residents who need it. Residents in receipt of care include both those whose care is funded by the local authority, as well as those who fund their own care. We are committed to providing the same high quality care to all residents, irrespective of how that care is funded.

16 of our locations have now been accredited by the Gold Standards Framework (GSF) for end-of-life care, providing peace of mind for residents and their families that we are fully able to provide the care they need for as long as they need it. Out of the remaining four locations, Solihull and Wixams Villages have applied for their first accreditation this year.

Our Dementia and Mental Wellbeing Programme supports residents with dementia and dementia-related conditions and is predominantly funded by ExtraCare through our charitable fundraising (with some funding also being received from Local Authorities).

Where we charge for other services provided to residents and other beneficiaries (such as laundry and cleaning), we aim to maintain charges at an affordable level and, in doing so, Trustees have due regard to the public benefit guidance published by the Charity Commission. With all our services, we continue to embed value for money principles, therefore recognising that an affordable level will be different for each resident. The benefit to residents from the additional services can be significant and therefore, we endeavour to deliver our services at affordable prices.

Sustainable financial model

Providing homes older people want with an enjoyable lifestyle and the care they need enhances the value of our properties which, combined with our lease buyback model, underpins the financial model which sustains our communities and supports our vision.

Equality Act

The Equality Act 2010 generally prohibits discrimination on the grounds of a characteristic such as age. It does, however, allow charities to limit the group of people they help to those with a protected characteristic. This is provided the limitation is clearly stated in their objects and the benefits are provided in a proportionate way.

The Board, having considered the governing documents of our Charity, are satisfied that the activities of our Charity fall within this exemption due to the following factors:

- The provision of quality one and two-bedroom homes for older people releases their previous homes for families;
- The provision of safe and secure communities with a wide range of activities reduces loneliness and isolation increasingly faced by older people; and
- The promotion of wellbeing and healthy lifestyles improves the health of the individual and reduces their impact on the NHS and other publicly-funded services.

In making these statements, the Trustees have had due regard to the Equality Act guidance published by the Charity Commission.

Safeguarding

Safeguarding is a key governance priority for ExtraCare. We are committed to protecting the right of everyone we come into contact with, ensuring they are able to live and work in safety and free from abuse or neglect. We operate procedures to respond to any vulnerable adult at risk, who is known to be experiencing, or is at risk of abuse or neglect and unable to protect themselves, and have regard to the safeguarding of children where applicable in our work.

Corporate Governance

ExtraCare is a registered charity and a private company limited by guarantee. It has no shareholders, and any surpluses are reinvested back into the Charity. It is led by a Board of Trustees, all of whom are directors for the purposes of the Companies Act 2006. Our Charity is monitored and supervised by external regulators including the Regulator of Social Housing (RSH), the Care Quality Commission (CQC), the Charity Commission, the Health and Safety Executive, the Information Commissioner's Office and by the relevant trade associations, the National Housing Federation and the Associated Retirement Community Operators (ARCO).

ExtraCare Members and our Board of Trustees

The Board of Trustees is collectively accountable to ExtraCare's members and other stakeholders for the long-term success of the Charity. ExtraCare's members comprise past and current Trustees, some former Executive Directors, and the Chair and Vice Chair of the Residents' Forum. New members may be appointed by the Board in accordance with the Charity's Articles of Association.

The Board is responsible for setting the vision, mission, and values of the Charity, holding the Executive Directors to account for the Charity's performance, standards of conduct and corporate governance. The Board is also responsible for ExtraCare's compliance with all relevant legislative and regulatory requirements. In accordance with the Articles of Association, Trustees may not be paid for their services, nor may they be employees of the Charity and as such they act in a non-executive capacity.

Board Composition, Tenure, and Renewal

The number of Trustees is limited by the Charity's Articles of Association to 12. Board members are appointed on a systematic basis in accordance with our Board Recruitment and Succession Policy. Appointment as a Trustee is for a term of office of three years and limited to two consecutive terms of office in normal circumstances.

Trustees come from a range of backgrounds, including public bodies, the housing sector, and the private sector. Trustee biographies are provided on the Charity's website (https://www.extracare.org.uk/about-the-charity/our-trustees-directors/). Details of Board appointments can be found on page 5 and 6 of this report.

Chair of Trustees

Nick Baldwin CBE was appointed as Chair for an initial term of three years at the AGM in November 2020 and was reappointed for a second three year term at the AGM in November 2023.

Board Meetings

The powers of the Trustees are set out in the Charity's Articles of Association and the Board may exercise all powers conferred on it by the Articles and in accordance with the Companies Act 2006, the Charities Act 2011 and other applicable legislation. In the 2023/24 financial year our Board had four scheduled meetings. Trustee attendance for the year ended 31 March 2024 is shown overleaf:

	Board Meetings	Committee Meetings	AGM
Nick Baldwin CBE (Chair) [4]	4 of 4	11 of 11	1 of 1
Harpal Baines	3 of 4	2 of 8	0 of 1
Richard Byrne	4 of 4	2 of 4	1 of 1
Mark Chamberlain[5]	4 of 4	7 of 8	1 of 1
Richard Clarke	4 of 4	7 of 7	1 of 1
Gemma De Brito[1]	1 of 1	0 of 0	0 of 0
Adrian Eggington[4]	3 of 4	8 of 8	0 of 1
Andy Hardy	2 of 4	7 of 8	0 of 1
Janet Houlis[5]	4 of 4	10 of 10	1 of 1
Susan Lock[2]	2 of 2	3 of 3	0 of 0
Philip Riman[3]	3 of 4	7 of 7	0 of 1
Gary Swabel[5]	4 of 4	3 of 4	0 of 1
Nick Towe[1]	1 of 1	0 of 0	0 of 0
Kim Wootton	3 of 4	7 of 8	1 of 1

[1] Appointed as Interim Trustee 11 March 2024
[2] Stepped down 18 September 2023
[3] Stepped down 11 March 2024
[4] Reappointed at the Annual General Meeting 8 November 2023
[5] Appointed as a Trustee 8 November 2023

Board Committees

Throughout the year the work of our Board was supported by four Board Committees:

- Audit and Assurance Committee;
- Development Committee;
- Nominations and Remuneration Committee; and
- Operations Committee.

Committees comprise of between four and nine Trustees including Committee Chairs, and membership of each is determined considering an individual's skills and experience. During 2023/24 Committees met four times per year with additional meetings scheduled if required with the exception of the Nominations and Remuneration Committee who met three times. Committee Chairs provide written assurance reports to the Board on the work of the Committee and Committee minutes are made available to all Board members.

The Board has a formal schedule of matters specifically reserved for its approval which cannot be delegated. Other specific matters have been delegated to its Committees and these are clearly defined within each Committee's Terms of Reference.

Audit and Assurance Committee

The Committee provides the Board with assurance on the adequacy of the Charity's system of internal control, risk management, financial reporting and compliance with regulatory requirements. The purpose of the Committee is to ensure these are effective, well-managed and that the internal and external audit functions are operating robustly.

In order to achieve this, the Committee also meets with our internal and external auditors privately, whilst both are also in attendance at every Committee meeting held.

Development Committee

The Committee provides the Board with assurance on the forward plan for development opportunities and modernisations, including recommending opportunities to the Board for approval.

In addition, the Committee ensures the appraisal model is fit for purpose, oversees the process of contract awards and reviews the extent and quality of the sales and resales programme.

Nominations and Remuneration Committee

The Committee oversees the arrangements for the appointment of Trustees, including recruitment, skills, succession and performance. Their approach to doing so is documented within our Board Recruitment and Succession Policy.

In addition, the Committee also recommends a framework for the remuneration and performance of the Executive Team to enable recruitment, motivation and retention.

Operations Committee

The Committee provides the Board with assurance on the delivery of the core model of housing, lifestyle and care across all of our communities.

In addition, the Committee also has oversight of performance, effective management of resources and risk within our operational landscape.

Governance Arrangements

In 2021 ExtraCare adopted the updated National Housing Federation Code of Governance 2020. The Board routinely assesses compliance with its Code of Governance to gain assurance that the Charity remains compliant and identify any areas for improvement. The code adopts a 'comply or explain' approach, recognising that there may be instances with sound reasons for non-compliance. We comply with all provisions of the Code except as detailed below where the Board has agreed to provide an explanation:

Code Ref.	Code of Governance Standard	Explanation
3.8 (7)	There is a policy and procedure setting out how disputes and grievances involving members of the Board can be raised and responded to.	The Charity's policy and procedure relating to grievances does not apply to Board members as this is covered by the Chair and Senior Independent Director roles. The Whistleblowing Policy is also applicable to members of the Board.

The RSH Governance and Financial Viability Standard ('the Standard') requires registered providers to assess their compliance with the Standard at least once a year and certify their compliance in the annual accounts. We have assessed ourselves against all RSH standards and we are compliant with these.

One of the specific requirements of the Standard is that registered providers shall have governance arrangements which ensure that they adhere to all relevant law. Our Charity is satisfied that it has appropriate measures in place to ensure legislative and regulatory compliance, and the Board take appropriate measures to assure themselves of this compliance. Trustee indemnity insurance was in place for the financial year.

Future Developments

Our focus is on improving our operational performance and services, whilst also including appropriate levels of development over the coming years. We are planning to extend both our Shenley Wood and Wixams villages, anticipating that we will start on site in 2024/25. The Corporate Plan sets out our intent for a new village development to commence in 2026/27.

As detailed within the financial section of this Annual Report, we have the cash and facility available with our funders to allow us to proceed with our strategic aims with confidence and in the knowledge that our Charity has the resources it needs to grow. New financing arrangements have released assets for use as security for new loans to fund new developments. We have secured exclusivity rights to two potential new village sites.

We have taken stock of how we want to model our future developments, including exploring urban village models (utilising brownfield sites as opposed to greenfield, for example).

Going Concern

Using our experience, we assess those risks identified as presenting the biggest challenges to the Charity. These include, but are not limited to, the impact of the housing market on property prices; the continued inflationary growth across the UK; and the potential impact of infectious disease. A detailed analysis of our income and expenditure, including possible implications for liquidity and covenant compliance is reviewed as part of this exercise.

The Board receive the annual budget for review in December, and for approval in March. In support, the Board receive annual stress testing, measuring our resilience and mitigation plans for major events or market changes. These measures provide the assurance that the Board can confidently consider the Charity a going concern in the short term, as well as the longer term.

Our 30-year financial plan is based on robust assumptions and now includes resilience created by building a minimum of £20m of liquid assets. The model is tested to ensure it can withstand a range of potential risks and reported to the Board, including a mitigation plan.

We are now looking to develop new Villages again, however we will not do so unless we have access to available funds for the development and their operation.

Our financial statements comply with all the current statutory requirements and with the requirements of the Charity's Articles of Association. After making all reasonable enquiries, the Board have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. In coming to this decision, the Board have considered on-going financial performance data, stress testing of the cashflow, and any actual or potential future liabilities. The Board are therefore confident in confirming that the Charity is viable as a going concern.

Financial Viability

We successfully continued to build upon our cash reserves in the year, with £45M (including our liquid investment portfolio) held at the year end.

We have invested money in accessible investment funds, which initially reduced in value due to the extraordinary economic climate we were operating within. Since then, the value has improved and the funds are now returning an increased value to the Charity. The external, professional investment managers periodically present a market overview to the Audit and Assurance Committee, talking through the environment with our Trustees. We remain open to changing our investment approach to help maximise the return on our funds.

Our funding position remains strong and we have a revolving credit facility in place with Lloyds Bank plc, giving us longer term access to funds to confidently continue with our development plans in the coming years. We are in discussions with Lloyds around our longer term access to funds to support our development plans.

Strong finances evidence how, despite the challenging economic environment we operate in, demand for our product remains high. Our property sales programme surpassed our targets for both initial and resales, with demand remaining high and our sales void levels reducing.

The Board is satisfied that covenant calculations on the basis agreed with our funders continue to demonstrate compliance with their loan requirements.

No new developments will start on site unless the full cost of the development can be funded from committed loan facilities together with undrawn loan facilities, and with remaining cash reserves being adequate to cover the Charity's financial contingencies.

Health and Safety Management

The health and safety (H&S) of our residents and staff is of the utmost importance to Trustees and over the last year we have continued to invest in our locations to ensure buildings are compliant, safe and well managed. H&S and fire safety are identified as risks on our Board Assurance Framework, which is monitored at our Audit and Assurance Committee and Legal and Regulatory compliance is identified as a strategic risk for the Charity.

ExtraCare has a comprehensive H&S policy framework. The H&S Manager is appointed as the competent person in accordance with Regulation 7 of the Management of Health and Safety at Work Regulations 1999. We have a Corporate H&S Group which monitors the management of H&S across the Trust and Retail subsidiary. In addition, we have an established Building Safety Group and Fire Focus Group, which combined with our H&S Group, form the bedrock of assurance around safety. Our Head of Property & Environment has responsibility for property compliance across our portfolio.

The safety of our properties is paramount; we remained compliant on the 'Big 6', which include the servicing of Gas, Lifts, Water Hygiene, Fire Safety Servicing/Fire Risk Assessments (FRA) and the completion of communal Asbestos surveys across all our locations.

We continue with our partnership with West Midlands Fire Service Primary Authority Scheme. The partnership provides us with access to their fire engineering team who act as consultants and a 'critical friend' for advice and support on all fire safety matters. The partnership assisted us in being prepared for the impact of the Fire Safety Act and the Building Safety Act (which became effective during the year) and the industry-wide competency framework coming from the Hackitt Review.

We have undertaken significant FRA actions during the year and our locations are inspected every two years (or sooner if there is a change in use). The exception is our 'high rise' locations which are inspected annually. Our Retail shops are inspected every three years.

Staff Engagement

Our annual staff survey is an opportunity for employees to express their views about our Charity as an employer. During the year, we exceeded our target results with 80% of our employees satisfied with ExtraCare as an employer, and 94% of our employees committed to our vision and values. The results of the survey are fed back to locations and departments and action plans are developed as a result in addition to an overall organisational action plan. The value of this added engagement is evident in our improving staff satisfaction results seen within the year. In addition to the survey, our 'we're listening' (a mechanism for collecting staff feedback) and 'suggestion scheme' (an opportunity for staff to share initiatives and ideas) is another means for staff to suggest areas for improvement which are reviewed by senior management.

We are an Investors in People (IIP) Gold employer (last accredited during 2022/23). IIP meet with staff and undertake a thorough process before reaccrediting. We aim to maintain our Gold status as a minimum, but will endeavour to move naturally closer towards Platinum status over the coming years.

We use several channels to ensure that our staff, regardless of their role or location, are informed and engaged on matters relating to their employment as well as more general matters relating to the Charity and its strategic direction.

Our internal communications framework comprises of daily 'line up' meetings for staff in locations and a weekly email communication to staff with important updates and changes. In addition, colleagues have monthly 1-2-1 work planning meetings with their line manager. Annual charity roadshows take place where a member of the Executive Leadership Team visits each location to meet staff and residents.

This is supported by our 'Workplace by Facebook' which is an online interactive staff communication platform and accessible to staff, at all times, from any device. This provides a corporate communication portal where important announcements, vacancies and corporate publications, are posted.

Our staff forum 'Exchange' meets every two months and has a staff ambassador from most locations, Head Office, and our Retail subsidiary. The forum enables senior managers (including the Chief Executive) and staff ambassadors to exchange views and information and to contribute to the strategic direction of our Charity.

Our Equality, Diversity and Inclusion (EDI) Steering group meets quarterly and has a cross section of staff monitoring progress against our EDI actions and makes suggestions for the development of EDI initiatives. One of our Board members attends this forum.

The Liz Taylor Awards are our annual awards which highlight those staff and volunteers who have gone above and beyond.

Employees who have a disability

Our Charity's workforce includes 2.3% who have declared they have a disability. It is not mandatory for individuals to declare disabilities under the Equality Act, so the number is believed to be higher than our statistics show.

All our staff are treated equally and fairly as part of any recruitment process and all applicants invited for interview are offered support to assist them with the process. This may include access to buildings or assistance with tests where applicable. We have signed up to the Disability Confident scheme which aims to improve disability awareness and improve employment practices.

We will, wherever possible, support any individual who becomes disabled during their employment by providing further training or adaptations to allow them to continue in their role. If the nature of the disability means this is not possible, e.g. if an individual becomes physically disabled and is unable to carry out a physically demanding role, then considerations are made as to whether it is possible to provide re-training for the individual to carry out an alternative role if one exists.

Employees with a disability can access support through the Access to Work scheme, a publicly funded employment support programme that aims to help more disabled people start or stay in work and apply for specialist equipment to assist them to continue in their job, with our Charity contributing towards the costs.

Fundraising

Our Charity greatly benefits from the generosity of individuals who contribute their time, resources, and financial support. Their donations are instrumental in enabling us to deliver essential services that would otherwise be economically unsustainable, thereby playing a pivotal role in our vision to create better lives for older people.

The sources of our donations are diverse:

- ExtraCare Retail Limited, our wholly-owned commercial subsidiary which operates our charity shops;
- We receive funds from trusts, foundations, challenge appeals, legacies, and corporate donations;
- Our dedicated residents and staff members actively lead or support fundraising initiatives at their respective locations, collaborating with local communities; and
- Our internal and external volunteers selflessly donate their time and skills making valuable contributions – this has an estimated value of c£5.5M in 2023/24.

We are registered with the Fundraising Regulator and adhere to its Code of Fundraising Practice. We also comply with all regulations governing charity fundraising activities. The Board oversees our fundraising endeavours. During this year we did not receive any complaints regarding our fundraising activities (2022/23: nil).

Capital Structure

Our Charity is a company limited by guarantee and does not have share capital. As such it is governed by its Memorandum and Articles of Association. It was incorporated on 11 December 1987. At 31 March 2024, the Charity has £334.4M of legally undistributable reserves which create a permanent capital base which is equivalent in quality to shares in a company limited by shares.

Treasury Policy

Our Treasury Management Policy outlines the principles on which we manage investments and borrowings. It also forms the bedrock for our Treasury Management Strategy which aligns with our Corporate Plan ambitions.

We have a £30M revolving credit facility (currently undrawn) with our principal lender (Lloyds), allowing us to proceed with our plans to expand our development portfolio. We consciously scaled back our development activity whilst we negotiated a refinancing deal during 2022/23, at the same time we considerably increased our liquid asset position – meaning we reduce reliance on bank funding and can utilise our own funds to develop with. We are currently in talks with Lloyds around longer term refinancing, beyond 2026.

Our Treasury Management Policy outlines our plans to incrementally build our headroom, primarily as liquid assets, to protect against future unexpected events. We have exceeded our £20M liquidity headroom target in 2023/24.

Given our considerable cash generation, we have invested responsibly for return to maximise the return on any surplus cash we hold. We remain able to utilise these accessible investment funds at short notice, with our liquid holdings presenting one of our key risk mitigation tools.

Internal Financial Control

The Board is provided with an Annual Assurance Statement, which is signed by the Chief Executive and the Executive Director Corporate Resources, outlining the control measures that are in place to provide comfort to the Trustees on financial, governance and operational internal controls.

The Board has delegated authority for overseeing the adequacy and effectiveness of the internal control systems to the Audit and Assurance Committee. In addition to the internal controls exercised by the management and staff there is a rolling internal audit programme that provides additional assurances. During 2023/24 our appointed internal audit provider (Mazars) has attended each Audit and Assurance Committee meeting along with our external auditor (RSM).

The outcome of our annual internal audit review for 2023/24 was that, "On the basis of our internal audit work, our opinion on the framework of governance, risk management, and control is Moderate in its overall adequacy and effectiveness."

The work of the external auditors provides assurance through the interim and final audit visits and the provision of an audit report and management letter. Regular meetings are held with our external auditors to provide an update on changes in the Charity and to discuss strategic and technical matters.

A corporate Balanced Scorecard is used to provide the Board and its Committees with details of performance against any targets and commitments included in our 2023/24 Annual Business Plan.

Statement as to disclosure of information to Auditors

In so far as each of the Directors is aware:

- There is no relevant audit information of which the group's auditor is unaware; and
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the Trustees:

Nick Baldwin

Nick Baldwin CBE

Chair
23 September 2024

SECTION 172(1) STATEMENT

S172(1) of the Companies Act 2006 requires a director of a company to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and in doing so have regard, amongst other matters, to:

a) The likely consequences of any decision in the long-term:

Our residents are our key stakeholders. Reports submitted to our Board for consideration include the requirement to outline any impact on our residents and any consultation that has taken place or is planned; this includes consultation requirements on the short-term impact and the longer-term implications of decisions. The consultation then informs the decisions and business planning.

b) The interests of the company's employees:

For further information on how we as a charity have engaged with our employees during the year, please see section 'Staff Engagement' on page 13.

c) The need to foster the company's business relationships with suppliers, customers and others:

Our residents are our key customers. Engagement with residents is overseen by a quarterly Resident Forum. Other stakeholder interests, such as those of our funders and suppliers, are also routinely considered. For further information on how we engage with our stakeholders, please see section 'Social Value' on page 22.

d) The impact of the company's operations on the community and the environment:

Our Charity invests in technology to help improve our residents' quality of life and we also consider the impact of our operations on the environment and wider communities. See pages 27-29 for further information on environmental considerations and actions taken in the year, and pages 30-31 for People, Processes and Technology. Our Trustees consider both short-term and long-term implications of decisions made, and this has been especially important in relation to the unique circumstances of this financial year. We also consider the community and environment in the way we build and operate our locations.

e) The desirability of the company maintaining a reputation for high standards of business conduct:

We remain an accredited Investors in People Gold Award employer. Our attitude to creating the right culture is reflected in the results of our annual staff survey. In addition, we operate within a risk management and control framework, which includes whistleblowing, to ensure the highest levels of conduct and standards.

f) The need to act fairly between members of the company:

Each year we have an annual general meeting (AGM), where our Members come together and receive updates on the Charity's performance, activities and any necessary voting matters. As a charity, all of our Members are treated equally and fairly.

Our Trustees believe that, individually and together, they have acted in the way that they consider, in good faith, would be most likely to promote the success of the Charity for the benefit of its beneficiaries, having regard to the stakeholders and matters set out in Section 172(1) (a-f) of the Companies Act 2006 in the decisions taken during the year.

STRATEGIC REPORT

Sector Outlook

Background

The retirement/later living residential sector has changed significantly since the formation of ExtraCare. There are now a range of models for providing retirement living, ranging from a light touch approach to management to the institutional care home model. We believe our unique model of quality older persons' housing, combined with an active lifestyle and an option of care, still has huge demand in this space, evidenced by our ongoing sales performance.

The life expectancy in the UK by 2030 is expected to be 83 and 85 for men and women respectively [source: "Future life expectancy in 35 industrialised countries: projections with a Bayesian model ensemble" by V. Kontis et al]. A slowing of birth rates, coupled with this extended life expectancy is moving the population of European countries towards those over 65.

The overall growth prospects of our sector are well documented, and we aim to be a market leader in developing and operating integrated retirement communities that enable better lives for older people.

There continue to be challenges around staffing, with difficulties in recruiting across a wide range of positions in the organisation and particularly within care roles. These are sector wide challenges and it is expected these challenges will continue for some time to come given the current demands on employment across the country. Reliance on agency staffing continues to impact us and the wider sector: we are working to minimise the effect. During the year, we made a further cost of living payment to all of our staff to help support our colleagues and improve retention by ensuring our pay scales are fair and competitive.

During the year we applied a charitable subsidy to all of our residents via their property charges (c.£3.4m in total – most of which was provided for in our 2022/23 accounts). We have announced a further subsidy to be applied to charges during 2024/25 (c.£4.7m in total) for which a provision is included within our financial statements, shown in more detail on page 62.

Understanding the future

Demand for our offer has remained strong. This is reflected in our sales performance throughout the year, but specifically towards the latter part of the period. We hold active waiting lists for our locations, which demonstrates just how popular our communities are. We have also continued to hold open days, proving valuable in getting customers through our doors, so that they can experience the offering in our locations. Keeping our homes desirable is key to sustaining our model.

We continually strive towards better understanding our market and our customers to improve our services and refine and protect our unique model of homes people want, a lifestyle they can enjoy and care if it's needed.

Our Integrated Model



Our mission is "Creating sustainable communities that provide homes older people want, lifestyles they can enjoy and care if it's needed".

We believe our model to be unique. It is based on **Homes**, **Lifestyle** and **Care**:

Homes: Our locations typically offer high-quality apartments for the over 55s; each home is accessible with its own front door, hallway, living room, typically one or two bedroom(s), kitchen and shower room. Most will have a balcony or patio. We aim to 'future proof' our properties by always learning from previous developments and modernisation programmes. This includes assessing the environmental impact of any components that we include in our design brief.

At 31 March 2024, 35% of our properties are for social rent. In 2000 it was 94% and in 2010 it was 62%, which indicates how significantly our model has shifted over time. We have moved away from managing property on behalf of other Registered Providers to create the mix of social rented, shared ownership and full ownership homes: providing diverse integrated retirement communities that are available to all.

Lifestyle: Our locations provide leisure facilities which promote a healthy lifestyle and typically include: a bistro, café-bar, gym, greenhouse, craft and hobby rooms and village hall. The range of activities may include Zumba, choir singing, wheelchair aerobics, digital skills workshops, intergenerational activities such as stay and play groups, sociable outings, and entertainment.

We are able to generate customer insight by comparing data from our wellbeing assessments which are conducted before residents move in with their latest wellbeing assessments, focusing on improving areas including exercise frequency, loneliness, and social networks.

Volunteering is at the heart of our Charity's ethos, offering opportunities for people to use their skills and experience, build confidence and a sense of self-worth, whilst reducing potential loneliness. Resident and external volunteers provide invaluable support, helping run activities and facilities, or supporting fundraising within our communities or ExtraCare Retail Shops. Our Volunteer Organisers recruit, record, retain and recognise our volunteers to ensure that volunteering in ExtraCare remains a rewarding experience.

Our locations are vibrant social hubs and visitors include children, schools, universities, and community groups. Visitors can also use our facilities including our gyms as part of an affordable membership that supports our charitable income. A development study undertaken highlighted the significance of intergenerational space, something which is built in by design to our newer locations (and considered as part of our rolling modernisation programme to existing Villages).

Care: Each of our locations offer care services using on-site care teams, delivered through both the day and night. Care services are predominantly assessed and delivered by our own staff, although residents can choose external providers if they prefer. Our services are registered and inspected by the CQC.

Wellbeing Service: Operated by a team of Wellbeing Advisors, this award-winning service offers preventative health advice and promotes healthy life choices. Residents now have a comprehensive baseline assessment (carried out using our wellbeing app) before moving in, so that we have a better understanding of their health and social care needs. Our resilience tool (developed with Aston and Lancaster Universities) can re-assess those residents identified as frail and support them through individual goal setting to become personally more resilient.

Dementia and Mental Wellbeing Service: Implemented through specially trained staff, our Dementia and Mental Wellbeing Service offers tailored support for residents living with dementia or a cognitive impairment and common mental health conditions, aiming to reduce the impact of dementia and improve wellbeing.

Progress against our Annual Business Plan key targets

Our 2023/24 Annual Business Plan contained several targets for the financial year with progress for each of these targets being captured in our corporate Balanced Scorecard reported to our Board and Committees. Targets are set alongside our 5-year Corporate Plan (2022-27), that was approved by our Board in the year (and therefore marks year two of the five year plan).

Six of these were key targets and, overall, we achieved four of the six key targets outright, with one target partially achieved and the remaining one not achieved. Our self-assessed performance against them is shown below:

Corporate Plan: Key Target	Annual Business Plan 2023/24: Target and Progress
Develop one new village and undertake two village extensions during the life of this corporate plan* delivering 400 new homes. (*subject to funding)	Start on site both Shenley Wood (SW3) and Bedford Wixams (BW2) extensions and secure agreement from the Development Committee for our next development. • **Not achieved:** The sale of land at SW3 was withdrawn for a period of time, which delayed planning and tendering of construction. This is now resolved and the extension is targeted to start on site in Autumn 2024; • Plans to start BW2 were impacted by our decision to resecure planning permission following amendments to the original planning permission (to reflect the Glen Howells Architects recommendations). Planning permission was secured in May 2024, and the start on site is scheduled for Autumn 2024, subject to a satisfactory construction price; and

Corporate Plan: Key Target	Annual Business Plan 2023/24: Target and Progress
	• A new village site has been progressed: a design is completed and an exclusivity deal signed. A land purchase agreement is currently being drafted for approval.
Achieve a resident experience rating of 80% or above in all villages and 90% or above in all schemes by the end of the corporate plan period.	Achieve or exceed the target. • **Achieved:** Villages rated 90% and Schemes rated 98%.
Each location will achieve a minimum CQC 'good' rating overall – with at least a third of our locations, by the end of this corporate plan period, having achieved 'outstanding' overall.	Achieve CQC 'Good' or 'Outstanding' for all locations inspected during the year. • **Achieved:** Whilst all locations completed pre-inspection information requests from the CQC (PIR returns), no locations were inspected in the year.
Maintain the following staff satisfaction scores: 75% of our employees will be satisfied with ExtraCare as an employer and 90% of our employees will be fully committed to our vision.	Achieve or exceed the target. • **Achieved:** Staff satisfaction score was 80% (up from 79% in 2022 and 68% in 2021); and • Committed to our vision score was 94% (up from 91% in both 2022 and 2021). (NB: Staff survey response rate was 61%, up from 53% in 2022 and 49% in 2021).
Ensure we are capable of achieving a G1, V2 rating from the Regulator of Social Housing (RSH).	Review our approach to data quality and introduce data quality standards. • **Achieved:** A data quality review was undertaken and new Data Quality standards for reporting were introduced.
Generate a total surplus in excess of £10m each year and our Operating deficit will progressively reduce, reaching break-even in year 4.	Achieve or exceed the Board-approved total surplus budget and operational deficit. • **Total Surplus Achieved**: Total surplus was £22.8M against a budget of £8.2M; and • **Operating Deficit* – Not achieved:** The operating deficit was a loss of £9.6M against a budget of £4.9M. *These figures are based upon our year end management accounts and not the financial statements. Operational performance in the management accounts focuses on our Locations' performance, rather than the overall Operating performance

Financial Performance

Our financial performance for this year, and the previous three years is reflected below. These ratios are our financial Key Performance Indicators (KPIs), with operational performance indicators being shown within the 'ExtraCare VfM metrics, targets, & performance indicators' section on page 21.

	2023/24	2022/23	2021/22	2020/21
Operating deficit	(£12.3M)	(£8.0M)	(£1.3M)	(£3.1M)
Total Comprehensive Income	£22.8M	£28.7M	£17.2M	£18.4M
Turnover	£65.1M	£53.7M	£47.0M	£41.7M
Reserves	£334.4M	£311.6M	£282.9M	£265.7M

Whilst our overall financial performance is strong, it has worsened from the previous year. However, this is unsurprising given the exceptional levels of inflation, particularly within energy costs, that we were unable to recover in the year due to the timing of when our property charges reflect historical costs. In particular a further cost of living payment was also made to all of our staff this year. As a result of rising energy costs, we have also announced a further charitable subsidy to our residents' charges at a cost of c£4.7M, which we have made a provision for in 2023/24.

All properties that have leases granted (full and part equity) are held for capital appreciation and are considered by the Board to be investment properties. These are re-valued at each balance sheet date at their fair value, with any fair value movement recognised in the Statement of Comprehensive Income for the period. Our lease buyback model converts these revaluation gains into cash which sustains our financial model over the cycle of home ownership. Investment treatment only applies to the leasehold properties; rented properties held for social housing remain on the balance sheet at historic cost and are depreciated over their useful life.

Value for Money (VfM)

Introduction and context

VfM informs how we plan, manage, and operate our Charity to ensure that we make the best use of our resources to deliver our vision of better lives for older people now and into the future.

We define VfM as getting the right balance of inputs, process and outcomes, as described by the 3 'E's:

- Economy: achieving the best price for what goes into providing a quality of service, minimising the resources required focusing on cost saving, cost avoidance or income generation;
- Efficiency: to accomplish something with the best use of time and effort; and
- Effectiveness: the relationship between the intended and actual results.

VfM Strategy (2022-27)

Our strategy provides the direction to ensure the 3 'E's identified above are embedded in our decision making and that a 'VfM mindset' is encouraged throughout the Charity. It provides the framework for how we will deliver our VfM targets and has an associated action plan, comprising 10 specific actions which will help us achieve greater VfM. The strategy can be summarised, simply as:

'Working collaboratively in delivering our corporate objectives by spending our money wisely.'

The key drivers of the strategy have been greater sharing of best practice, defining key performance indicators (KPIs) which best represent the priorities of our business and working more closely with our benchmark partner HouseMark in the interests of our residents. We do not define Value for Money as being the cheapest option, but rather the option that adds most value, quality, and cost benefit.

Regulator of Social Housing (RSH) VfM metrics, targets, and performance indicators (PIs)

Our performance against the RSH metrics is shown below.

RSH VfM – metrics, targets & PIs	2022/23 Actual	2023/24 Target	2023/24 Actual	2024/25 Target
1. Reinvestment	2.1%	0.5%	0.9%	0.5%
2. New Supply				
- Social Housing	0.0%	0.0%	0.0%	0.0%
- Non-Social Housing	0.0%	0.0%	0.0%	0.0%
3. Gearing	15.3%	15.0%	14.1%	15.0%
4. EBITDA MRI*	-85.1%	25.0%	-111.8%	25.0%
5. Headline Social Housing Cost per unit**	£9,889	£6,500	£13,157	£9,000
6. Operating Margin				
- Overall	-15.0%	-2.0%	-18.9%	-2.0%
- Social Housing	11.7%	25.0%	-10.3%	25.0%
7. Return on Capital Employed (ROCE)	-1.7%	0.0%	-2.4%	0.0%

* Earnings before interest, taxation, depreciation, amortisation, major repairs included, interest cover %

** Includes the cost of subsidising resident property charges in 2022/23 and 2023/24.

The external VfM metrics are modelled using HouseMark-led calculations. We know we are different to many other Registered Providers who complete the data, and therefore do not focus heavily on the Scorecard median.
We also recognise that there were factors during the year that have heavily skewed our ability to improve upon prior year performance, such as our decision to subsidise our resident property charges, the impairment of the value of our smaller locations and apply a further cost of living payment to all staff. We do however look to improve our operating cost per units and margins each year (excluding exceptional items), whilst ensuring the service we offer is not negatively impacted.

In 2023/24, our Headline Social Housing Cost per unit is disproportionately higher than expected, driven by the Charity's decision to subsidise resident property charges, high inflation (particularly within energy costs), a 'catch up' of maintenance works and support provided to our staff. Without these exceptional items, we would have improved upon our target (and prior year) outturn.

As outlined in the VfM Strategy, our VfM reporting has undertaken a significant review taking the opportunity to re-evaluate our KPIs and assess the most accurate metrics to monitor performance.

ExtraCare VfM metrics, targets, & performance

In addition to the mandatory RSH metrics above we set our own internal VfM targets. These were chosen based on areas of activity which directly impact VfM or where a need to enhance performance had been identified.

ExtraCare VfM – metrics, targets & performance	2022/23 Actual	2023/24 Target	2023/24 Actual
1. Arrears (reduce value of payments due)	3.1%	2.5%	3.3%
2. Rental Voids (reduce average period for re-let)	16 weeks	8 weeks	26 weeks
3. Operations Surplus/(Deficit)	(£1.6M)	(£4.9M)	(£8.9M)
4. Loan to Value	38.5%	<50%	39.1%
5. CQC rating Good or Outstanding	95%	95%	95%
6. Resident satisfaction rating at villages	90% Villages 95% Schemes	80% Villages 90% Schemes	90% Villages 98% Schemes
7. Reduce energy usage (overall intensity)	2.96 tonnes CO2e Resident/year	2.66 tonnes CO2e resident/year	2.90 tonnes CO2e Resident/year

Our VfM metrics place more focus on our performance against the HouseMark 'monthly pulse' data – which is a monthly 'at a glance' view of the key metrics across the sector. We compare ourselves to both our wider sector peers and a smaller peer group that are a closer comparative to our size and unique blend of services.

There is some relevant narrative supporting the two targets that have not seen improvements in the year:

- **Arrears:** have increased slightly but remain stable during a challenging year of rising inflation and the cost of living impact that has been felt by us all. We increased our communications with residents to provide information around the support that we can offer as a Charity, as well as the support that is available from the Government. Our Welfare Benefits teams generated £5M of new benefit entitlements to residents during the year and we formed a taskforce to provide support to our residents, should there have been a sudden increase in arrears due to the cost of living increases – thankfully, we have not needed it to date;
- **Rental voids:** turnaround time has increased during the year with external delays in securing nominations from local authorities being the primary factor. We have established a Voids Working Group to target this area, consisting of Housing, Asset Management and other relevant colleagues to drive down the time it takes to re-let a rental property. We are already starting to see the positive impact of this targeted work; and
- **Operations deficit:** there were some exceptional factors driving our worsening performance in the year, the most significant being energy costs, where costs had risen by triple figure percentages year on year (and the timing of these costs being seen means we are unable to fully recover them in the same year). In addition to that, the Charity subsidised resident property charges to limit the exposure of these exceptional costs to our residents.

Our clear intention is that the quality of our homes and our resident experience is a key priority – we have not compromised on the quality of our works and services to offset rising costs, for example.

We use KPIs that allow us measure progress internally, as well as against a peer group of similar organisations. This approach is outlined in more detail within the VfM Strategy and provides greater value than comparing to broader sector trends that do not consider our unique model.

Internal Benchmarking

Finance Business Partners work with Regional Operations Managers and Location Managers to monitor the income and expenditure between locations. We have developed our internal reporting to allow for the benchmarking between locations, driving a value for money mindset throughout our budget holder network. Our annual budget has varying layers of sign-off and scrutiny, from budget holder to Board level. This allows for meaningful comparisons and targets to be set, whilst our focus is still heavily geared towards driving our actual performance.

External Benchmarking

We are a member of HouseMark, who are one of the UK housing sector's largest membership organisations. As our benchmark partner they support us with data analysis and the external benchmarking process.

We complete monthly HouseMark KPI surveys, known as Pulse surveys, and use this data to help drive our performance forward. Reassuringly, we perform in-line or ahead of our sector peer group in most cases, with our focus on improving our performance further.

Energy Group

Prior to the sudden rise in utility costs, we had a well-established Energy Group consisting of key representatives across our organisation. The key focus for the group this year has also been supporting our residents. The government's Energy Bill Support Scheme Alternative Funding (EBSSAF) is one area that we have helped our residents access. We have actively worked on strengthening relations with Crown Commercial Services (CCS) who procure our utilities and all three key suppliers for gas, electricity, and water.

The next phase is continuing engagement with our residents. An Energy & Sustainability dashboard has been created to help drive down consumption and achieve our corporate target of reaching carbon net-zero by 2035.

Social value

As a charity focused on improving the lives of older people, we also have a commitment to social value. Social value measures the positive value businesses create for the economy, communities, and society. We focus on the value that we can bring to our residents and our local communities through our procurement activity and collaboration with our suppliers. Our Procurement and Wellbeing teams work together to ensure that these initiatives are targeted towards our resident community.

We ensure that each procurement exercise we undertake has at least 10% of the overall score allocated to how suppliers can assist in delivering social value. The way social value could be delivered will differ, encompassing areas such as EDI, sustainability, and sometimes referring to our vision of better lives for older people. An example, in practice, is the procurement of 'Project FM', where successful contractors now operate activities that engage our residents and add value to our locations, such as gardening groups which contribute to our resident's lifestyle and increase the biodiversity of our landscapes.

We will continue to deliver social value through our procurement activity going forward, with an aim to base this on the UN Sustainable Development Goals, predominantly targets:

- 3.4 - By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being;
- 12.7 - Promote public procurement practices that are sustainable, in accordance with national policies and priorities; and
- 17.7 - Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed.

In addition, we will work with our suppliers to ensure that we are aware of any innovation and initiatives that are being developed within the sector, so we are able to benefit from these positive changes that assist with the fulfilment of ExtraCare's mission of creating sustainable communities. This will ensure initiatives continue to focus on the areas that are the most beneficial to our Charity and its residents.

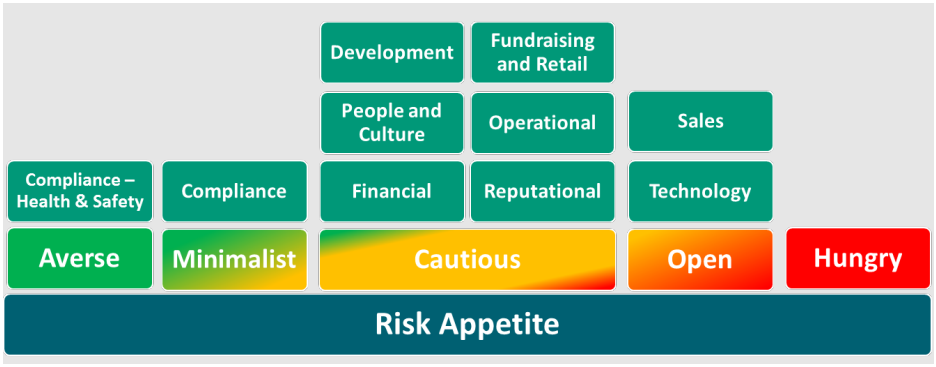
Procurement

The Trust continually focuses on Value for Money, Contractual and Commercial Terms and Risk Mitigation, developing Procurement Category Management continually working to consolidate and leverage its supply base and ensure compliance to Public Contracts Regulations 2015 and the change to the new Procurement Act 2023 and the changing focus of Environmental, Social Governance (ESG) with the Trust's supply base.

Managing Key Risks and Uncertainties

We are committed to ensuring that risk management is an intrinsic element of governance arrangements and that our risk management process adds value to informing decision making processes to ensure the delivery of the Corporate Plan. Our Board revisited their risk appetite in March 2022 before signing off our Corporate Plan 2022-27 alongside our updated Risk Management Strategy and Risk Management Policy.

Our Board set the risk appetite across generic risk categories recognising that a 'one size fits all' approach does not fit our business activities.



We have a Risk Management Strategy and Policy which help us to manage our risks, secure the right opportunities and deliver sustainable strategic priorities. We have Early Warning Indicators for each of our strategic risks.

Our Board consider the Strategic risks faced by the Charity to be:

Risk	Appetite
Legal & Regulatory Compliance	**Averse to Minimalist**
Serious/major non-compliance with Legal and Regulatory requirements results in reportable breaches/incidents, potential investigations/sanctions/fines, reputational damage, and a weakened ability to deliver Corporate Plan objectives, targets and commitments. Mitigation and management measures include: • Strategies and supporting policies and procedures/work instructions; • Training, awareness and evaluation of ExtraCare staff; • External/Third Party visits/inspections/reviews/advice; and • Internal compliance processes and related procedures.	
People and Culture	**Cautious**
Failure to align our people and culture (as a shared set of values, beliefs, systems, practices, underlying assumptions, attitudes and behaviours) undermines delivery of strategic goals and Corporate Plan objectives, targets and commitments (e.g. if key employees become disengaged/dissatisfied and leave, behaviours slide, clarity and mission is lost). Mitigation and management measures include: • Culture reinforced internally (amongst personnel and residents) and externally (through outward/public facing channels); • Structure and succession planning;	

- Equality, Diversity and Inclusion strategy;
- People Strategy; and
- Independent/third party review and assurance provided (e.g. Investors in People).

Financial - Funding Streams	

Marked decrease in net income due to reductions in location income including care income, catering services, gym income, etc. without a corresponding decrease in expenditure, resulting in increased deficits and a reduced ability to deliver the Charity's activities to meet the charitable purpose and deliver the Corporate Plan.

Mitigation and management measures include:
- Strategies for care & support, income collection and commercial;
- Charging policies for Property & Care and Lifestyle; and
- Financial performance and budget management

Financial - Cash flow	

Financing secured through borrowing and sales/resales, insufficient to support our funding needs, and or no satisfactory renegotiation of loan financing with Lloyds. This could result in failure to meet the development programme, a lack of key stakeholder confidence, a poor regulatory viability grading and affect delivery of Business Plan and/or Corporate Plan objectives, targets and commitments.

Mitigation and management measures include:
- Funding in place to provide adequate total facilities;
- Regular review of cashflow requirements;
- Active treasury management supplemented by specialist advice; and
- Regular reporting to Executive Leadership Team, Audit and Assurance Committee, and Board.

Financial - Property Market Sales	

A significant or sustained deterioration in the housing market (falling property prices/economic pressures/stagnation) or other factor affecting demand (for our properties) produces reduced levels of sales (new stock) and resales (existing stock) limiting the income (from sales) and profit (from resales) realisable in support of debt financing, reinvestment and achievement of Business Plan and or/Corporate Plan objectives, targets and commitments.

Mitigation and management measures include:
- Demand measures including introduction of incentives, increasing levels of shared ownership and rentals;
- Headroom maintained between available facilities and borrowings; and
- An agreed mitigation plan which can be invoked when required.

Development	

Challenges in suitable site locations/land and/or financing/cost, combined with uncertainty in the housing market/demand/economy/construction industry causes delays in the construction/opening/extension or refurbishment of villages. Impacting sales income, cashflow, resident satisfaction, reputation and delivery of Business Plan and/or Corporate Plan objectives, targets and commitments.

Mitigation and management measures include:
- Development appraisal model in place which is refined for “lessons learnt” after each development;
- Approval required from Board of Trustees for new village developments;
- Regular review of cashflow requirements; and
- Contract management processes.

Infectious Disease (epidemic/pandemic)	

Failure to plan adequately for risk management of epidemic or pandemic infectious disease outbreaks (both established e.g.

influenza or emerging/novel e.g. Covid-19) impacts significantly on ExtraCare's operations and corporate activities, threatens delivery of Corporate and operational objectives, plans and targets and jeopardises the Charity's continued viability.

Mitigation and management measures include:

- Governance team formed in response to Covid-19 pandemic – could be re-mobilised upon need;
- Evidence, feedback, and lessons learned demonstrates organisational agility, resilience, and effectiveness of response to Covid-19; and
- Maintenance of funding and cashflow management, with cash holding significantly increased as a key mitigation.

Internal Audit

Our internal audit function is outsourced to Forvis Mazars LLP, an independent, specialist supplier. In line with an approved Internal Audit Plan, our internal auditors assess the design and effectiveness of our risk management and internal controls, reporting to our Audit & Assurance Committee. The annual Internal Audit opinion for 2023/24 stated "On the basis of our internal audit work, our opinion on the framework of governance, risk management, and control is Moderate in its overall adequacy and effectiveness."

Internal Audit recommendations are tracked to ensure implementation, with oversight provided by the Audit & Assurance Committee.

Risk Summary

Our Board of Trustees has:

- Considered the major risks and uncertainties to which the Charity is exposed;
- Satisfied themselves that systems or procedures are established to manage and mitigate these;
- Sought independent assurance from internal audit; and
- Recognised that controls will be strengthened as audit recommendations are implemented.

Developing Villages

Developing high quality, accessible and attractive villages with homes older people want is an essential component of the overall success of our Charity. Income from the granting of initial and subsequent property leases and from property rental is a major contributor to our overall surplus which underpins our ability to offer a range of high-quality charitable services and to ensure our buildings are maintained to a high standard. This maintains the value and demand for the properties and sustains our model.

Portfolio Development

The previously granted planning permission for Phase 2 at our Bedford Wixams Village has been extended for an additional three years and start on site for the build is currently expected to be during 2024/25. In addition, we intend to extend our Shenley Wood Village, with a third phase: we are currently reviewing the best method and build design (such as enhancing initial research we have made into urban village models) before Board approval to continue.

We continue to look for new development opportunities working closely with local authorities, developers, housebuilders, and construction partners to identify new village sites and extension opportunities.

Construction and Building Innovation

We are continually exploring ways to improve our approach to construction and are investigating the benefits of modern methods of construction (MMC), such as panelised and modular build, with a view to reducing the time on site and the impact of noise and disruption to existing residents without compromising quality. We anticipate that future developments will include MMC via either modular build, offsite pod construction, or both.

Our Research and Innovation Strategy continues to drive change within our Villages and ensures our buildings meet our current and future customers' expectations.

Our Energy and Sustainability Strategy sets out the detail about how all our developments will be built to meet or exceed the Future Homes Standard and we are assessing how to further reduce our carbon emissions, both in development and operating villages.

Modernisation

Our modernisation programme is committed to continually invest in our existing Villages to ensure their desirability remains at a high level throughout the building's life. We are always keen to listen to our residents and undertake extensive consultation with them whilst in the planning and design stage of proceedings.

The key aims of our modernisation programme are:

- More outward looking village environment;
- Better space utilisation within the village;
- A more environmentally friendly village; and
- Technology enabled village.

During 2023/24 we concluded the modernisation programme of our Lark Hill Village and commenced the programme of our New Oscott Village. It is our aim to undertake five modernisations across the five years of Corporate Plan 2022-27, with over £15M being allocated in our cash flow to undertake them.

Initial Property Leases (Initial Sales)

Of our four most recent developments, two have completely sold out during the year. Of the remaining two, Solihull is our newest and therefore is still in its initial sales period, whilst at Bedford Wixams, the remaining units are intentionally being held until the completion of our Phase 2 extension.

The progress on sales of our new village locations is as follows on 31 March 2024:

Village	Opened	Initial leases granted in 2023/24	Total leases granted	Total initial leases available	Total % granted
Stoke Gifford	November 2018	15	180	180	100%
Bedford Wixams	June 2019	5	177*	184	96%
Earlsdon Park Phase 2	November 2020	3	60	60	100%
Solihull	January 2021	18	153	209	73%

* The remaining 7 properties for initial sale are being reserved until the completion of the Phase 2 extension.

Subsequent Property Leases (Resales)

As our locations mature, we see increased volumes of resales which are supported by a continually strong demand for our product. Our resales performance remains exceptionally healthy and a key contributor to our cash holding, which will help fund the development of new (and the modernisation of existing) properties. The table below demonstrates the growth in our resales programme over recent years:

	2023/24		2022/23		2021/22		2020/21	
	£M	No.	£M	No.	£M	No.	£M	No.
Resales	62.1	219	58.2	216	41.2	160	34.5	121
Surrenders	45.2	234	38.7	211	35.6	191	25.1	140
Total	16.9	(15)	19.5	5	5.6	(31)	9.4	(19)

Operating Villages

Operating our villages and schemes effectively is key to our residents enjoying an active and fulfilling lifestyle, reassured by the knowledge that they can access good quality care when needed, in the comfort of their own home.

Engaging customers/resident satisfaction

Residents have an extensive menu of engagement options at ExtraCare, both locally and organisation-wide. Residents can influence the local management of their services through Residents' Associations, as well as through 'We're Listening' feedback surveys, recruitment panels, monthly street meetings, local groups and volunteering.

Corporately, residents influence ExtraCare's policies via our Residents' Forum, with the Chair and Vice-Chair of the Resident Forum being voting members of ExtraCare, and therefore able to attend the AGM each year.

The Residents' Forum acts as the principal representative body for the purpose of consultation with residents concerning service delivery, performance and strategic plans. We work in partnership with our residents to create strong and cohesive communities to enable a positive experience of living in an ExtraCare location.

Care Quality

During 2023/24 there have not been any inspections undertaken by the CQC. We remain very proud that at the 31 March 2024, 19 of the 20 inspected locations were currently rated 'Good' or 'Outstanding' by the CQC.

- Five 'Outstanding' overall: Brunswick Gardens, Hagley Road, Lovat Fields, Reeve Court and Shenley Wood Villages;
- 14 'Good' overall: Bournville Gardens Village, Earlsdon Park Village, Hughenden Gardens Village, Humber Court, Lark Hill Village, Longbridge Village, New Oscott Village, Rosewood Court, Stoke Gifford Village, St Oswalds Village, Sunley Court, Solihull Village, Wixams Village and Yates Court. Four of the 14 rated 'Good' overall were rated outstanding in one domain; and
- One rating of 'Requires Improvement' at Pannel Croft Village (inspection carried out in June 2019). We can't improve on this rating until the next inspection, but in the meantime we continue with an internal inspection programme to review the quality of our services.

Location Surpluses

Our Corporate Plan 2022-27 outlines our aim to ensure our locations break-even by 2027. There have been exceptional factors over the last two years (such as the cost of living crisis especially the exceptional cost of energy), and it is expected that these will continue to impact our performance for the coming years. However, we remain committed to improving the profitability of our locations, whilst maintaining the high levels of quality that our residents expect.

We regularly review income generating activities within our locations to identify opportunities to sell services and meet the needs of our residents' safely.

Our Commercial Strategy, which relates to services such as catering, resident activities and gyms adopts a robust commercial approach, continues to underpin our efforts towards generating income and contributing to limiting losses within our services. It includes ways to maximise commercial opportunities that will contribute to our long-term financial viability as a charity: focusing on new or improved services that are attractive to residents, sustainable and affordable. In our locations, this Strategy is led by our Lifestyle Managers, who are 'front of house' and run our bars and bistros, gyms and retail outlets.

Streamlined Energy and Carbon Reporting

Our Charity is committed to improving its environmental performance and reducing our carbon footprint – we have set ourselves an ambitious target of achieving carbon net zero by 2035 and our strategy sets out our corporate-wide plan to take steps closer to this. Reports submitted to our Committees and Board include the requirement to evaluate any environmental considerations.

Emissions, Waste & Recycling

ExtraCare has an impact on the environment directly through the operation of property and indirectly through those operations which support our Charity such as business travel, purchasing of goods and services and of course key activities such as building new villages. Whilst our Retail subsidiary helps raise valuable funds for our Charity, it also adds much value to our recycling contribution and the prevention of usable goods making their way to landfill.

In line with Government Environmental Reporting Guidance and the Streamlined Energy and Carbon Reporting (SECR) requirements, we have assessed the organisational boundary and scope/type of emissions as follows (overleaf):

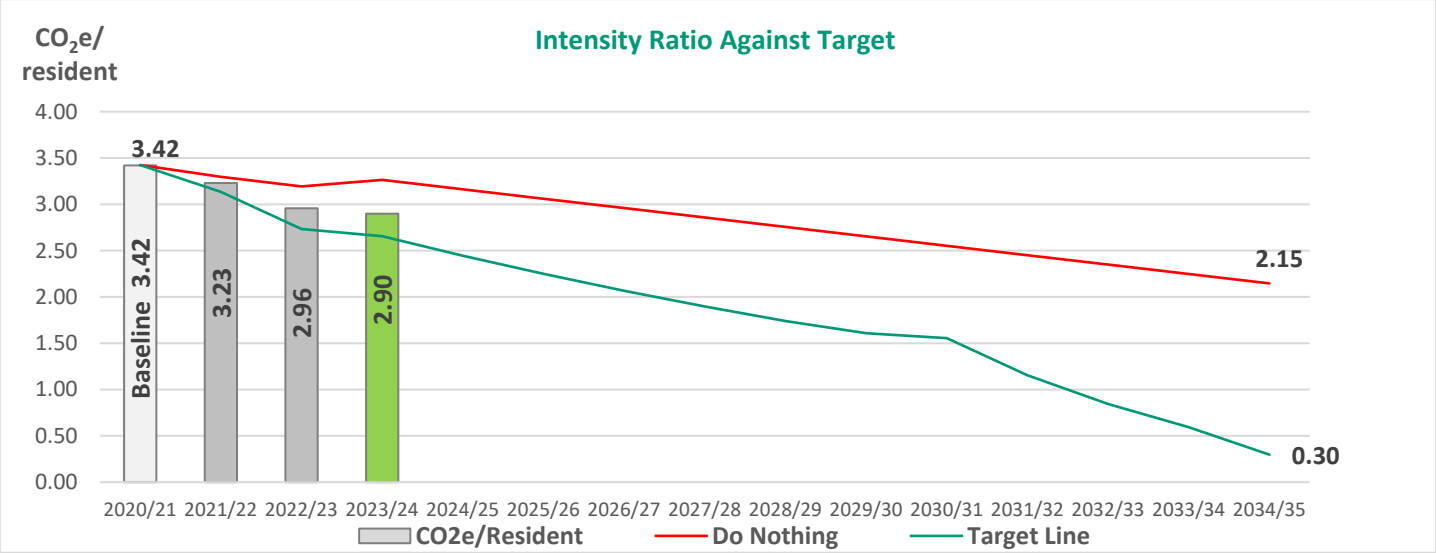
- *Reporting Boundary*: this report aims to identify and quantify the energy use and environmental impacts that occur owing to the operation of the villages and schemes owned by ExtraCare, the head office building in Coventry and all Retail sites that were in operation throughout 2023/24 and the travel activities of staff in supporting the Charity and subsidiary.

- *Scope of Emissions:* this report aims to identify and quantify the following types of emissions:

  - Scope 1 Direct Emissions – emissions due to use of natural gas in boilers to provide heating, hot water, laundry equipment and catering within buildings;
  - Scope 2 Energy Indirect Emissions – emissions due to the use of electricity to provide lighting, catering, hot water and power for electrical equipment within buildings; and
  - Scope 3 Other Indirect Emissions – emissions due to the consumption of water within buildings and the disposal of liquid and solid waste.

Emission Type	Emission Source	Current Reporting Year			Previous Year		% change	
		Amount	Unit	Emissions (CO2e)	kWh	Tonnes CO2e	Units	Tonnes CO2e
Scope 1	Gas	42,569,949	kWh	7,787.3	43,234,166	7,892.0	-1.5%	-1.3%
Scope 2	Electricity	18,125,355	kWh	3,753.3	18,626,099	3,601.9	-2.7%	4.2%
Scope 3	Water	212,792	m3	37.6	379,725	56.6	-44.0%	-33.5%
	Waste – Liquid	201,410	m3	40.5	367,114	99.9	-45.1%	-59.4%
	Waste – Solid	91	Tonnes	32.1	92	2.4	-1.8%	1231.1%
	Travel	222,585	Miles	55.8	272,059	67.9	-18.2%	-17.9%
Total scope 1,2,3				**11,706.6**		**11,720.7**		**-0.1%**

- The emissions include Scope 1 (gas used in buildings), Scope 2 (electricity use in buildings) and a proportion of Scope 3 (water, waste and business travel). These are the emissions that are to some extent under the direct control and influence of ExtraCare and for which data was available to calculate emissions;
- The other major Scope 3 emissions are those relating to purchasing of goods and services by the organisation for which further work will be needed with suppliers to quantify the level of emissions;
- The calculated scope 1, 2 and 3 emissions for ExtraCare (gas, electricity, water, waste and business travel) have decreased by 0.1% compared to last year;
- The 2023/24 intensity ratio for ExtraCare is 2.90 tonnes CO2e/resident/year (including water, waste and staff travel) which is 15.2% below the 2020/21 baseline; and
- The long term target for ExtraCare is to be net-zero carbon for the stated emissions by 2035. This would require a 90% reduction in emission intensity, the trajectory of which is shown in the graph below. The target reduction by 2022/23 was 22% compared to the 15.2% achieved.



Intensity Ratio

We provide services for residents and hence the most appropriate metric to use is the emissions per resident, per year. This will allow for comparisons over time and eventually between villages.

	Current Reporting Year	Previous Reporting Year	% change
Number of residents	4,038	3,963	1.9%
Overall intensity (CO2e/resident)	2.90	2.96	-2.0%
Building energy (CO2e/resident)	2.86	2.90	-1.5%

Methodology used

The key processes in compiling this report were as follows:

- Energy and water data for the villages, head office and retail were collated based on supplier invoices;
- Waste and recycling data was provided by the contracted waste provider data portal and is based on transfer note data (NB: Waste figures do not cover Retail sites which have minimum waste disposal);
- Travel data was based on staff expense claims;
- Intensity ratio was based on our average resident population during 2023/24; and
- All conversion factors were based on 2023 UK Government Conversion Factors for greenhouse gas (GHG) reporting.

Supporting Villages

We are proud of our charitable status. We make surpluses from some areas of activity which are then used to subsidise other services which, as a charity, we provide to our beneficiaries. Through this subsidy we can deliver vital care and wellbeing services and keep these affordable and accessible to all our residents, regardless of their background and circumstances. We would not be able to continue to grow and improve these services, which are proven to be key to the health and wellbeing of residents, without the dedication, generosity and support of our donors, residents, staff and community volunteers, and our external supporters.

Volunteering

Volunteering is at the heart of our ExtraCare communities – we have over 2,100 active volunteers, of which most are residents. Volunteers help us in areas including our charity shops, location facilities such as gyms, bistros and reception, events and activities, befriending and fundraising. Not only are volunteers invaluable to keeping our shops open and our locations running smoothly, volunteering also brings great mental and physical benefits to those who volunteer.

Each individual's reason for volunteering is unique. They may wish to make good use of their skills and knowledge, to gain new skills and experience to enhance their CV, build their confidence, meet new people or make a difference to others lives. Whatever their reason, our aim is to support our volunteers to meet their goal whilst they support us in achieving our vision and mission.

As well as volunteering we also provide valuable opportunities for students requiring placements and work experience, for the Duke of Edinburgh Award participants and for other organisations seeking corporate volunteering opportunities within our locations and charity shops.

ExtraCare Charity Shops

In 2023/24 our Retail activities, through our charity shops, generated a total surplus of £271K (2022/23: £287K).

The wider retail sector has seen some decline in recent years, with the impact of the rising cost of living reducing footfall (and ultimately increasing the cost of running a retail business). That said, demand for our offering remains high, sales performance targets continue to exceed those set out in our budgeted and strategic plan targets and we continue to be popular with the modern consumer who increasingly appreciate the environmental benefits of repurposing donated goods. We take opportunities to strengthen our business model by exploring wider commercial activities, such as online sales and the enhancement of our 'bought in goods' market.

We are optimistic that we can continue to seek opportunities, as consumers look for ways to make their pound stretch further. Charity retail is ideally placed to deliver this both through donated goods and through new goods being sold at affordable prices.

It has been an exceptionally good year in relation to profits, especially given customer numbers on the high street are down on years gone by. We have continued our strategy of closing shops which are not profit generating, and this has reduced the number of shops we now have to 36. However, we are constantly on the lookout for new premises and expect to open a further shop in the coming year.

Performance this year has demonstrated we have been right to continue with confidence in the future of ExtraCare Retail Ltd, despite the recent significant challenges we have been presented with.

As we look ahead to 2024/25, we have begun the creation of our latest retail strategy period, which will cover 2024-27 and align with the Trust's Corporate Plan period. We remain committed to the core strategic focus of our Retail subsidiary, which focuses on consolidating the retail estate, developing online sales at shop level, and promoting environmental sustainability: this will shape our direction moving forwards.

Fundraising Activity

We raised £42K in 2023/24 (£40K in 2022/23) through resident fundraising, trusts, foundations, challenge appeals and our corporate donations.

Considering our Charity did not have a dedicated fundraising function during this period, the achievement of successfully raising funds highlights the strong public appeal of our charitable objectives.

Additionally, our charity shops generated an additional £271K in profit this year (£287K in 2022/23). This contribution plays a crucial role in reducing the operating shortfall associated with underfunded or unfunded services, such as Care, Wellbeing, Dementia, and End of Life support services.

Research and Innovation

We utilise both advanced and everyday technology to support our residents in their day-to-day lives and encourage the uptake of technology to improve digital skills and maintain independence.

- Our 'Smart Market' offers residents the opportunity to test out innovative technology before committing to purchase it for themselves, the initiative has continued to bring a wide variety of technology to our residents. Through collaboration with external organisations, we have been able to provide residents with technology and broadband data access who may otherwise have not engaged with the Smart Market initiative. By continuing to showcase technology in the Innovation Apartment located at Solihull Village, we have created a popular space where residents and visitors can see technology in action;
- Sensor based technology continues to be an area of interest and has proven a highly valuable tool in supporting residents at home and understanding behaviour with limited intrusion; and
- University partnerships have been a key part of our research and innovation activity. Partnerships have enabled residents to participate in good quality, ethical studies designed around creating better lives and understanding barriers. For staff these partnerships have offered the opportunity to learn and adapt our practice but to also be a point of contact for academics to aid their understanding of our model, its benefits and how to best engage with our residents.

People, Processes and Technology

People

Our strength lies in the quality and commitment of our workforce and volunteers. Creating the right environment for our customers depends on the collective effort of all our colleagues.

The 'Investors in People' (IiP) award is a recognition of good practice in how an organisation engages with, enables, develops and supports its people; we are incredibly proud to be a Gold Award accredited employer.

Our 2021-24 People Strategy supports us in meeting our corporate commitment to review how we attract, retain, develop and engage with our people and develop our culture.

We are committed to providing a competitive pay and benefits package to current and prospective staff and we pay the Real Living Wage to all Trust staff as a minimum.

We acknowledge that recruitment and retention are issues both in our sector and across other sectors, and therefore investing in our employees is essential. In March 2024 our Board approved a 10% pay award increase to our frontline care staff (and those receiving the Real Living Wage), with all other staff receiving a minimum of 4%. In addition improvements were agreed for other benefits with an increased employer pension contribution, additional annual leave for long service, enhanced bank holiday arrangements and enhanced maternity, paternity and adoption pay. We continue to review the benefits that our employees receive as part of their employment in order to attract and retain high quality colleagues.

Our 2023 staff survey showed that:

- **80% of our employees are satisfied** with ExtraCare as an employer – our target was 75%; and
- **94% of our employees remain fully committed** to our vision and values – our target was 90%.

IT and Digital

Our Digital Roadmap transformation programme has progressed, with the highlight being the launch of a digital care management system, replacing a variety of manual processes, paperwork and spreadsheets. This is our first major system deployed to frontline employees for a number of pilot locations and through careful change management has been a smooth deployment that was well received by employees and is already showing efficiency, compliance, and quality benefits. A full rollout will now follow.

Data is a key asset for ExtraCare and this year we have started to implement a “data hub” to improve the quality of data across our systems and reports. Our people data has been cleansed and we have started to share data across systems reducing data duplication and errors.

We have continued to improve the employee digital experience by rolling out more collaboration tools and devices. Over 150 employees have been migrated away from our legacy remote desktop platform with the rest to complete next year. A contract has been signed to replace our current two data networks with a single network that has enhanced security, performance and capacity to support growing demands from residents and employees at locations.

Cyber security remains a priority with a focus this year on the “identify” and “protect” areas of our Cyber Security strategy. Additional technical and process controls have been implemented and existing ones strengthened. All our end user devices are now encrypted, hardened and receive automated security updates. We regularly undertake penetration testing and mock phishing attempts to raise awareness between our staff and residents.

On behalf of the Trustees:

Nick Baldwin

Nick Baldwin CBE

Chair
23 September 2024

THE BOARD'S RESPONSIBILITIES IN THE PREPARATION OF ACCOUNTS

The Board of trustees (who are also the directors of The ExtraCare Charitable Trust for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company, housing and charity law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the income and expenditure of the Group for that period. In preparing the Group and Company financial statements, the Trustees, as Directors, are required to:

a. select suitable accounting policies and then apply them consistently;

b. observe the methods and principles in the Statement of Recommended Practice 'Accounting by Registered Housing Providers Update 2018';

c. make judgements and estimates that are reasonable and prudent;

d. state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

e. prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the ExtraCare Charitable Trust website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EXTRACARE CHARITABLE TRUST

Opinion

We have audited the financial statements of The ExtraCare Charitable Trust (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Comprehensive Income, the Group and Charity Statements of Financial Position, the Group and Charity Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the Parent Company's affairs as at 31 March 2024 and of the Group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly 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 2022.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent 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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

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 Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Annual Report.

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of Trustees
As explained more fully in the Trustees' Responsibilities Statement set out on page 32 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 Trustees are responsible for assessing the Group's and Parent 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 Trustees either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the Group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the Group and Parent Company operates in and how the Group and Parent Company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019 and tax compliance legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that may have an indirect impact on the financial statements are Health and Safety at Work Act 1974 and Regulator of Social Housing Regulatory Standards (both Economic and Consumer standards), compliance with the Care Quality Commission requirements and the General Data Protection Regulations as set out in the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the Group is in compliance with these laws and regulations and inspected correspondence with licensing or regulatory authorities.

The Group audit engagement team identified the risk of management override of controls and the completeness, valuation and cut off risk for retail and all income except social housing rental as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and substantive and controls testing along with data analytics for income.

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

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. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Anna Spencer-Gray

ANNA SPENCER-GRAY (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
103 Colmore Row
Birmingham
B3 3AG

26/09/24

The ExtraCare Charitable Trust
Consolidated statement of comprehensive income
For the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Turnover	3	65,105	53,665
Operating expenditure	3	(77,402)	(61,703)
Operating deficit	8	**(12,297)**	**(8,038)**
Profits on disposal of fixed assets	11	-	-
Interest receivable		852	246
Interest and financing costs	5	(5,768)	(5,492)
Increase/(Decrease) in fair value of listed investment	16	1,218	(551)
Increase in fair value of investment properties	12	40,065	43,596
Surplus before tax		**24,070**	**29,761**
Taxation	28	-	-
Surplus for the year		**24,070**	**29,761**
Other comprehensive pension expenditure	22	-	-
Defined benefit pension costs recognised in other comprehensive income	22	(1,232)	(1,100)
Total comprehensive income for the year		**22,838**	**28,661**

The results for both years are wholly attributable to continuing activities.

The notes on pages 40 to 67 form part of these financial statements.

These financial statements were approved by the Board of Directors on 23 September 2024 and signed on its behalf by:

Nick Baldwin

Nick Baldwin CBE
Chair

Richard D Clarke

Richard Clarke
Trustee

The ExtraCare Charitable Trust
Statement of financial position
As at 31 March 2024

	Note	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Fixed assets					
Intangible assets	**9**	533	500	533	500
Tangible fixed assets	**10, 11**	135,213	131,305	135,213	131,305
Investment properties	**12**	851,457	812,863	851,457	812,863
		987,203	**944,668**	**987,203**	**944,668**
Current assets					
Stocks and assets held for disposal	**14**	63	93	-	-
Trade and other debtors	**15**	7,839	7,910	7,886	7,751
Current asset investments	**16**	20,262	19,044	20,262	19,044
Cash and cash equivalents		25,160	23,126	25,031	23,053
		53,324	**50,173**	**53,179**	**49,848**
Creditors: Amounts falling due within one year	**17**	(534,506)	(509,614)	(534,361)	(509,289)
Net current liabilities		**(481,182)**	**(459,441)**	**(481,182)**	**(459,441)**
Total assets less current liabilities		**506,021**	**485,227**	**506,021**	**485,227**
Creditors: Amounts falling due after more than one year	**18**	(160,278)	(163,895)	(160,278)	(163,895)
Defined benefit pension liability	**22**	(6,624)	(6,608)	(6,624)	(6,608)
Other provisions	**23**	(4,698)	(3,141)	(4,698)	(3,141)
Total net assets		**334,421**	**311,583**	**334,421**	**311,583**
Capital & reserves:					
Restricted reserves	**25**	6,376	6,423	6,376	6,423
Revenue reserves		328,045	305,160	328,045	305,160
		334,421	**311,583**	**334,421**	**311,583**

Company registration number: 02205136

These financial statements were approved by the Board of Directors on 23 September 2024 and signed on its behalf by:

Nick Baldwin

Nick Baldwin CBE
Chair

Richard D Clarke

Richard Clarke
Trustee

The ExtraCare Charitable Trust
Statement of changes in reserves
As at 31 March 2024

	Group		Charity	
	Restricted reserve £'000	Income and expenditure reserve £'000	Restricted reserve £'000	Income and expenditure reserve £'000
At 1 April 2022	6,474	276,448	6,474	276,487
Surplus for the year	-	28,661	-	28,622
Transfer (from)/to restricted reserves	(51)	51	(51)	51
As at 31 March 2023	**6,423**	**305,160**	**6,423**	**305,160**
At 1 April 2023	6,423	305,160	6,423	305,160
Surplus for the year	-	22,838	-	22,838
Transfer (from)/to restricted reserves	(47)	47	(47)	47
As at 31 March 2024	**6,376**	**328,045**	**6,376**	**328,045**

The ExtraCare Charitable Trust
Consolidated statement of cash flows
For the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Net Cash outflow from operating activities	**33**	**(11,598)**	**(10,245)**
Cash flow from investing activities			
Purchase of tangible fixed assets		(7,954)	(14,036)
Proceeds on sales of fixed assets		-	-
Grants received		-	-
Interest received		852	246
Investments in current assets		-	-
Net cash used in investing activities		**(7,102)**	**(13,790)**
Cash flow from financing activities			
Interest paid		(5,438)	(5,339)
New secured loans		26,660	-
Repayments of borrowings		(28,816)	(776)
Payments received on property leases		73,485	82,504
Settlement of property repurchase liability		(45,157)	(39,914)
Net cash used in financing activities		**20,734**	**36,475**
Net change in cash and cash equivalents		**2,034**	**12,440**
Cash & cash equivalents at beginning of the year		23,126	10,686
Cash & cash equivalents at end of the year		**25,160**	**23,126**

1. Legal status

The ExtraCare Charitable Trust is a private company limited by guarantee registered and incorporated in England and is an English registered social housing provider. The address of ExtraCare's registered office and principal place of business is 7 Harry Weston Road, Binley Business Park, Coventry, CV3 2SN. The principal activities are providing housing and care to older people.

2. Principal accounting policies

Basis of accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the requirements of the Companies Act 2006, including the provisions of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008. They are prepared under the historical cost convention modified to include certain financial instruments at fair value and according to the Housing SORP 2018 'Statement of Recommended Practice for Registered Housing Providers'. They also comply with the Accounting Direction for Private Registered Providers of Social Housing 2019. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Public Benefit Entity

The Charity is a Public Benefit Entity, as defined within FRS 102 as "an entity whose primary objective is to provide goods or services for the general public, community or social benefit and where any equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members".

Basis of consolidation

The group accounts consolidate the accounts of the Charity and its subsidiary undertaking. Intra group transactions, balances and profits are eliminated on consolidation. The consolidation is carried out on a line by line basis and each entity has coterminous year end dates.

The accounts for the Charity include recharges with a subsidiary undertaking which runs charity shops to raise charitable funds. The recharges are based on resources used and payments made. The parent Charity has taken advantage of the exemption from presenting its unconsolidated Statement of Comprehensive Income under Section 408 of the Companies Act 2006. The Company has taken advantage of the exemption from disclosing the following information in its company only accounts, as permitted by the reduced disclosure regime within FRS 102:

• Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures.

Going Concern

Our 30-year financial plan is based on robust assumptions and includes a target headroom of £20M in liquid asset reserves to allow us to withstand a range of potential risks. Following stress testing the Board agreed for prudent assumptions around the net cash inflow from granting of subsequent property leases to be factored into our business plan to mitigate our market risk exposure to factors such as a declining property market. Our balance sheet shows a net current liabilities position of £481M (2023: £459M), which is expected given our property buyback model. The Board are comfortable with this, seeing a continually strong demand for our sales properties. We model the risk of any movement within our cashflow forecasting, stress testing and medium and long term business planning models. The Board recognises that the covenants in place with funders are appropriate to making an assessment of our financial position and are satisfied that covenant calculations for the loans disclosed in note 19 of the financial statements are compliant with those agreed by both our funders. Our financial statements comply with all the current statutory requirements and with the requirements of the Charity's Articles of Association. After making all reasonable enquiries, for a period of at least 12 months from sign off of these financial statements the Board have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. In coming to this decision, the Board have considered on-going financial performance data, stress testing of the cashflow, and any actual or potential future liabilities. The Board are therefore confident in confirming that the Charity is viable as a going concern.

2. Principal accounting policies (continued)

Turnover

Turnover is measured at the fair value of the cash consideration received or receivable. The Charity generates the following material income streams:

- Rental income receivable (after deducting lost rent from empty properties available for letting); and
- Invoiced amounts receivable from the delivery of care and health services.

Rental income is recognised from the point when properties under development reach practical completion and are let. Grants, donations, legacies and similar income are accounted for as soon as their amount and receipt are certain. In the case of unsolicited donations, this is usually only when they are received, while fundraising results are accounted for when the commitment is made by the donor, subject to fulfilment. Grants, where entitlement is not conditional on the delivery of a specific performance by the Charity, are recognised when the Charity becomes unconditionally entitled to the grant.
Turnover is included on an accruals basis.
The income from goods donated for resale in the Charity shops is included in the accounts when those goods are sold. No value is placed on any stock of such goods. Donated services and facilities are included at the value to the Charity where this can be quantified.
Investment income is included when receivable by the Group.

The largest source of cash generated by the Group is not shown within turnover, as it relates to the granting (and subsequent re-granting) of property leases.

Service charges

Where schemes are on fixed service charges, income is recognised in the financial statements in line with the amounts charged to the occupant. Certain villages operate variable service charges. Where there is any difference between the estimated cost recovered from tenants and leaseholders and the actual cost incurred, any such shortfall or surplus arising is carried forward and either collected or refunded against the future year's charge. Any shortfall or surplus arising is shown in the statement of financial position within debtors or creditors as appropriate.

Intangible fixed assets

Capitalised IT software expenditure is initially recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Capitalised IT software expenditure is amortised on a straight-line basis over its useful life which is 3 years.

Taxation

The parent Charity is exempt from corporation tax as a registered charity. The trading subsidiary is subject to corporation tax on any profits not distributed by gift aid to the parent Charity.

VAT

The parent Charity is partially exempt for VAT purposes, and consequently VAT incurred cannot be fully recovered. Where VAT is not recoverable the expenditure is shown inclusive of VAT.

Impairment (excluding investment properties)

Fixed assets are reviewed for impairment following an assessment at each reporting date if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairment losses in the Consolidated Statement of Comprehensive Income.

2. Principal accounting policies (continued)

Capitalisation of interest

Interest incurred up to the time that identifiable major capital projects are ready for service is capitalised as part of the cost of the assets and shown within fixed assets, based on interest charged on loans relating to each project.

Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal.

Restricted reserves

These are reserves that can only be applied for specified purposes. The reserve is held for the purpose as specified by the donor. This is usually for a specific appeal. Incoming reserves are accounted for on receipt but with reference to certain performance criteria within an agreement. Where cash has been received but performance criteria have not yet been met, such income is deferred and released to the Consolidated Statement of Comprehensive Income on achievement of such criteria.

Management of housing property for other social landlords

Where the Charity has been appointed as an agent by a Housing Association partner to provide support to the service users and the support contract with the Commissioning Authority is held (and carries the financial risk), the Consolidated Statement of Comprehensive Income includes only that income and expenditure which relates solely to the Charity.

Retirement benefits

Defined contribution pension scheme

The Charity's executive management are members of a flexible retirement plan operated by The Pensions Trust. The amount charged to the Consolidated Statement of Comprehensive Income is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Defined benefit pension scheme

The Charity's employees are members of the Social Housing Pension Scheme (SHPS). For the SHPS, retirement benefits to colleagues of the Company are funded by contributions from all participating employers and employees in the Scheme. Payments are made to a fund operated by the Pensions Trust, an independent trust providing superannuation benefits for employees of voluntary organisations. These payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating Companies taken as a whole.
Actuarial assumptions are applied to determine each company's share of liabilities. The assumptions are updated at the year end, and the changes to the position go through the 'Other Comprehensive Income' statement.
Calculations are carried out annually and independently of the pension triennial valuation.
The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

One employee is also a member of a growth plan operated by The Pensions Trust (being the SHPS managers). For the Growth Plan, contributions are recognised in expenditure in the period to which they relate as there is insufficient information available to use defined benefit accounting. A liability is recognised for contributions arising from an agreement with the multi-employer plan that determines how the Charity will fund a deficit. Contributions are discounted when they are not expected to be settled wholly within 12 months of the period end.

2. Principal accounting policies (continued)

Tangible fixed assets - Housing properties

Housing properties are properties for the provision of social housing and are principally properties available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements. Improvements are works to existing properties, and component replacements which have been treated separately for depreciation purposes, which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property in the business. Only the incremental direct overhead costs associated with new developments or improvements are capitalised. Direct overhead costs comprise the costs of staff time, including salary costs and other apportioned direct costs, incurred on the developments from the date from which it is reasonably likely that the development will go ahead, to the date of practical completion.

Investment properties

The classification of properties as investment property or property, plant and equipment is based upon the intended use of the property. Mixed use property is separated between investment property and property, plant and equipment. Investment properties are initially measured at cost and subsequently measured at fair value annually with any change recognised in the Statement of Comprehensive Income. This calculation is based on the lease price achieved for a property, or on the average price of a similar archetype (location, property size, and other design specifications). Each investment property is measured based upon active secured prices, impaired if there are known factors that are likely to affect them going forward. These factors may include the impact of prices being discounted or to account for other indications of lower market value. Where there is an interest held by one of our partners, we reflect the terms of the contractual agreement in the presentation of the fair value movement.

Investment properties are not depreciated. Investment properties are leased through an upfront payment, equivalent in value (for the proportion of the property leased) to a commercial outright purchase. When a lease is terminated, the Charity has a contractual obligation to refund the payment, less a 1% per annum deduction (to a maximum of 10%). At the end of any lease the Trust could take the decision to lease the property under different terms, including removing the obligation to repurchase. It would be at this point that any capital appreciation would be realised as a capital gain. Such choice is within the powers of Trustees to make at a time when priorities may suggest it would better support the Charity's activities.

Donated land

Where land is transferred by local authorities and other public bodies for consideration below market-value, the difference between the market value and the consideration given is added to cost at the time of the donation and included within the Statement of Financial Position as a liability, in accordance with treatment as a non-government grant.

Fixed Asset Investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment, losses or reversals of impairment losses are recognised immediately in profit or loss. The Charity considers individual schemes to be separate Cash Generating Units (CGU's) when assessing for impairment of housing properties held for letting, in accordance with the requirements of FRS 102 and the Housing SORP 2018.

Government grants

Government grants include grants receivable from Homes England, local authorities and other government bodies. Social Housing Grant (SHG) is a government grant made to the Charity towards the cost of acquiring and/or building additional housing for rent. No Grant is receivable in respect of Investment Properties.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. Government grants received for social housing properties are recognised in income over the useful economic life of the structure of the asset (excluding land) under the accruals model. Government grants relating to revenue are recognised as income over the periods when the related costs are incurred once reasonable assurance has been gained that the Charity will comply with the conditions and the funds will be received.

2. Principal accounting policies (continued)

Other grants

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

Depreciation

Assets costing more than £1,000 are capitalised at cost. Assets under construction for social housing are not depreciated until brought into operational use.

Depreciation of fixed assets is charged by equal instalments commencing with the date of acquisition at rates estimated to write off their cost or valuation less any residual value over the expected useful lives which are as follows:

Freehold land	not depreciated		
Freehold buildings – Social housing			
Main Fabric	100 years	Bathroom & WC	30 years
Roof & Covering	70 years	Mechanical Systems	30 years
Electrics	40 years	Lift	28 years
Windows & External Doors	30 years	Kitchen	20 years
Freehold buildings – Investment properties	not depreciated		
Leasehold property	over period of lease		
Furniture and equipment	over 2 to 6 years		
Motor vehicles	over 3 years		

Current Asset Investments policy

The Group's current asset investments are classified as financial instruments and accounted for at fair value through profit or loss, in accordance with the accounting policy set out under Financial Instruments on page 44.

Operating Leases

All leases are operating leases and the annual rental costs are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Financial Instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102, in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument, and are offset only when the Charity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Assets – Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Rent debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a rent debtor constitutes a financing transaction, the debtor is initially and subsequently measured at present value of future payments discounted at a market value rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Comprehensive Income for the excess of the carrying value of the rent debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Comprehensive Income.

2. Principal accounting policies (continued)

Financial Assets – Trade Investments

Trade investments are equity investments over which the Group has no significant influence, joint control or control and are initially measured at transaction price. Transaction price includes transaction costs, except where trade investments are measured at fair value through profit or loss when transaction costs are expensed to profit or loss as incurred.

Trade investments are measured at fair value through profit or loss. The fair value of trade investments quoted on a recognised stock exchange is the quoted bid price. The fair value of unlisted investments is measured using valuation techniques which include turnover multiple, earnings multiple, net assets or discounted cash flows, as appropriate, based on the nature and circumstances of the investment.

Financial Liabilities – Lease Buyback

The Directors have considered the buy-back obligation contained within property leases granted by the Charity and concluded that it meets the definition of a financial liability under FRS102. The liability is ultimately triggered by residents leaving their homes at which point it becomes payable after a short period depending on the exact terms of the relevant lease. Overall this results in the payment of the obligation being spread over several years, however, in accordance with FRS 102 it has been presented within creditors: amounts falling due within one year to reflect the on demand feature contained within each of the individual contractual arrangements.

Financial Liabilities - Trade Creditors (including amounts due to contractors)

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled. Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at the market rate of interest for a similar instrument.

Financial Liabilities - Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Provisions

The Group recognises provisions where it has an obligation at the reporting date as a result of a past event, which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and financing costs.

Critical Accounting Estimates and Areas of Judgement

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Residual value of Social Housing Assets

The Charity considers the fabric of buildings in Social Housing Assets it owns to retain a value at the end of their useful life. It reviews annually its estimate of the residual value, taking a precautionary approach and recognising reductions from changing market conditions and impairment.

Defined benefit pension assumptions

The discount rate and inflation rate are considered to be key estimates in calculating the defined benefit liability and sensitivities have been disclosed within Note 22.

2. Principal accounting policies (continued)

Long term leases

The Charity grants long term leases to residents for an upfront payment equivalent to the commercial price for an outright purchase. This is subject to an obligation for the holder of the lease to retransfer their rights in the property to the Charity when the lease terminates (for example on the death of a resident) at the upfront price less a 1% per annum deduction (subject to a 10% cap). No additional rent is payable. As a result of the transaction the resident benefits from the right to occupy the property and participate in the amenities offered by the village or scheme. The Charity retains the benefits of managing the future occupancy of the villages and schemes to maintain their vibrancy, secure its long term financial viability and retains the long term financial benefits of investing in the property. The transaction is classified as a financial instrument under the applicable accounting standard (FRS 102).

As the Charity has significant financial rewards and risks in the leased properties in the judgement of the management the upfront payment does not meet the accounting definition for treatment as the proceeds of a sale. Accordingly the funds received are not included in Comprehensive Income in turnover.

The entitlement to reacquire the interests in the leased properties arises operationally over several years however the contractual obligation is to pay for the acquisition within a period of less than twelve months when the lease terminates. Notwithstanding in practice terminations and payments take place over a number of years, it is the judgement of the management that under existing accounting standards the obligation must be classified as a financial instrument payable within 1 year.

Long term leases are not granted over properties which are Social Housing and no Social Housing Grant is received in relation to these assets. As the financial risks and rewards of the leased properties remain with the Charity it is the judgment of management that these should be categorised as Investment Assets in the financial statements.

Accounting standards require Investment Assets to be valued annually at fair value. A number of grants of new leases take place in each accounting period creating a dataset of transactions of actual market transactions. In the judgment of the management this dataset of actual market prices is the best information available to assess fair value which is determined using average prices for a similar property (based on the specific location, property size and design specification of the property concerned). There has been no valuation by an independent valuer.

It is the judgement of the management that there is no market for properties which are incomplete. These are recorded as Housing Properties Held Under Construction within Fixed Assets at the historic cost figure.

Impairment

The Charity considers individual schemes to be separate Cash Generating Units (CGU's) when assessing for impairment of housing properties held for letting, in accordance with the requirements of FRS 102 and the Housing SORP 2018.

Provisions

Provisions are only recognised where the Charity has an obligation to incur future expenditure as a result of a past event. The provision is measured based on the best estimate of the amounts required to settle the obligation and is recognised as a liability in the Statement of Financial Position.

3. Operating income, operating costs and operating surplus - Group

	2024			2023		
	Turnover £'000	Operating Costs £'000	Operating Surplus / (Deficit) £'000	Turnover £'000	Operating Costs £'000	Operating Surplus / (Deficit) £'000
Social Housing lettings (Note 4)	**11,895**	**(13,117)**	**(1,222)**	**9,959**	**(8,789)**	**1,170**
Other Social Housing activities:						
Development services	-	(812)	(812)	-	(833)	(833)
Housing related support contract income	-	(2)	(2)	-	(2)	(2)
Management services	2,916	(2,719)	197	142	(1,023)	(881)
Other Social Housing activities	**2,916**	**(3,533)**	**(617)**	**142**	**(1,858)**	**(1,716)**
Non Social Housing lettings						
Residential property income	25,462	(26,747)	(1,285)	20,636	(18,551)	2,085
Other rent	360	(40)	320	354	(98)	256
Non Social Housing lettings	**25,822**	**(26,787)**	**(965)**	**20,990**	**(18,649)**	**2,341**
Other non Social Housing activities						
Development services	-	(1,692)	(1,692)	-	(1,692)	(1,692)
Care and health services	10,952	(16,970)	(6,018)	10,006	(15,278)	(5,272)
Community services	3,696	(2,818)	878	3,329	(3,738)	(409)
Other	5,327	(8,653)	(3,326)	4,719	(7,848)	(3,129)
Retail	2,941	(2,670)	271	3,051	(2,764)	287
Donations	1,556	(1,162)	394	1,469	(1,087)	382
Other non Social Housing activities	**24,472**	**(33,965)**	**(9,493)**	**22,574**	**(32,407)**	**(9,833)**
Total	**65,105**	**(77,402)**	**(12,297)**	**53,665**	**(61,703)**	**(8,038)**

The largest source of our cash income is from the granting (and subsequent re-granting) of property leases. This is not shown in our turnover and appears as a financial liability, due to our obligation to re-purchase properties prior to the re-granting of a new lease.

In addition to the income and costs of providing care to our residents, “Care and Health Services” includes the income and costs relating to the Enriched Opportunities Programme. “Community Services” represents income and costs of activities provided for our residents and “Other” includes the income and costs of services such as restaurants and gym facilities at our retirement schemes and villages.

4. Income and expenditure from Social Housing lettings - Group

	2024 Supported Housing and Housing for Older People £'000	2023 Supported Housing and Housing for Older People £'000
Rent receivable and maintenance charge net of identifiable service charges	6,031	4,756
Service charge income	4,475	3,730
Amenity income	915	1,050
Amortised government grant	474	423
Turnover from Social Housing lettings	**11,895**	**9,959**
Management	3,455	2,581
Service charge costs	5,166	3,802
Routine maintenance	899	765
Planned maintenance	282	219
Depreciation of housing properties	1,914	1,422
Impairments	1,401	-
Operating Costs on Social Housing lettings	**13,117**	**8,789**
Operating (Loss)/Surplus on Social Housing lettings	**(1,222)**	**1,170**
Void losses included in the figures above	579	408

5. Interest and financing costs - Group

	2024 £'000	2023 £'000
Bank loans	3,113	2,962
Other loans	2,368	2,362
Defined benefit pension charge	287	168
	5,768	**5,492**

No interest was capitalised in the year ending 31 March 2024 as no new construction activity has taken place in the year (2023: £Nil).

6. Board members and executive directors - Group and Charity

Members of the Board of Management are the directors and trustees of the Charity, and act in an unpaid capacity. A total of £2,729 was reimbursed to Board members for travel expenses (2023: £1,588) in respect of four trustees who claimed expenses (2023: five).
Key management personnel are defined on page 5 of the Trustees Report.
Expenses paid to the senior management team in the year totalled £4,111 (2022: £5,636).

	2024 £'000	2023 £'000
Aggregate Emoluments payable to key management personnel (including benefits in kind, but excluding pension contributions)	826	658
Emoluments (including benefits in kind, but excluding pension contributions) payable to the Chief Executive who was also the highest paid member of the senior management team	265	222

The Chief Executive is a member of the defined contribution scheme. No enhanced or special terms apply to this or any other pension arrangement. For the year ending 31 March 2024 contributions paid into the company's pension fund were £10,026 (2023: £9,548)

There are no key management personnel in the defined benefit pension scheme (2023: Nil) and four in the defined contribution scheme (2023: Three).

7. Employee Information - Group and Charity

	Group		Charity	
	2024 Number	2023 Number	2024 Number	2023 Number
Average number of employees				
Executive directors	4	4	4	4
Care services	972	981	972	981
Administration, fundraising and publicity	306	253	219	159
	1,282	**1,238**	**1,195**	**1,144**
Full time equivalents				
Executive directors	4	4	4	4
Care services	564	593	564	593
Administration, fundraising and publicity	258	221	187	149
	826	**818**	**755**	**746**

Full Time Equivalents are calculated on the basis of a 37.5 hours week.

Staff Costs (For the above persons)

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Wages & Salaries	28,102	25,727	26,270	23,894
Social Security Costs	2,365	2,205	2,212	2,076
Other Pension Costs	926	835	868	781
	31,393	**28,767**	**29,350**	**26,751**

7. Employee Information - Group and Charity

The pension cost charge represents contributions payable to the pension fund, and are analysed below.

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Defined benefit schemes	(28)	(15)	(28)	(15)
Defined contribution schemes	954	821	896	768
	926	**806**	**868**	**753**

Details of the Group's pension schemes are detailed in Notes 22, 23 and 24.

Salary banding for all employees (excluding directors) earning over £60,000 (including salaries, performance related pay, payments in lieu of pension, benefits in kind and compensation for loss of office, but excluding contributions to company pension funds):

Salary Range	2024 Number	2023 Number
£260,001 to £270,000	1	-
£220,001 to £230,000	-	1
£200,001 to £210,001	1	-
£160,001 to £170,000	2	1
£130,001 to £140,000	1	2
£110,001 to £120,000	2	-
£100,001 to £110,000	1	2
£90,001 to £100,000	4	1
£80,001 to £90,000	1	4
£70,001 to £80,000	9	5
£60,001 to £70,000	22	15
	44	**31**

Contributions to the company's pension fund in respect of the above employees totalled £148,017 (2023: £98,062).
Three higher paid employees are accruing benefits under the defined benefit pension scheme (2023: nil).
Forty three of the forty four higher paid employees are accruing benefits under the defined contribution scheme (2023: Twenty nine of thirty one).

8. Operating deficit - Group

	2024 £'000	2023 £'000
The operating deficit is arrived at after charging/(crediting):		
Trustee indemnity insurance	13	10
External auditor's remuneration:		
In respect of the audit of the Charity's Financial Statements	90	64
In respect of other services:		
The audit of the charity's subsidiary Financial Statements	15	11
Taxation services	48	50
Audit-related assurance services	28	25
Other services	-	-
Operating leases		
Rent payable on buildings	1,151	1,161
Other	7	5
Depreciation of owned tangible fixed assets	4,024	3,607
Impairments of fixed assets	1,401	-
Amortisation of intangible fixed assets	59	23
Amortisation of deferred Social Housing Grant	(486)	(486)

Amortisation of grants in the Income and Expenditure is split between management service (note 3) and amortised government grants (note 4).

9. Intangible assets - Group and Charity

	£'000
Cost:	
At 1 April 2023	1,633
Additions	92
At 31 March 2024	**1,725**
Depreciation:	
At 1 April 2023	1,133
Charged in the year	59
At 31 March 2024	**1,192**
Net Book Value	
At 31 March 2024	**533**
At 31 March 2023	500

Intangible Assets represent investment in software.

10. Fixed Assets - Housing Properties - Group and Charity

	Housing properties for lettings or lease £'000	Housing properties under construction £'000	Leasehold land and buildings £'000	Total £'000
Cost:				
At 1 April 2023	142,086	1,026	417	143,529
Additions	883	1,076	-	1,959
Change of tenure	4,423	-	-	4,423
At 31 March 2024	**147,392**	**2,102**	**417**	**149,911**
Depreciation:				
At 1 April 2023	16,926	-	89	17,015
Depreciation charged in the year	2,214	-	4	2,218
Eliminated on disposal	-	-	-	-
Impairments	1,094	-	-	1,094
At 31 March 2024	**20,234**	**-**	**93**	**20,327**
Net Book Value				
At 31 March 2024	**127,158**	**2,102**	**324**	**129,584**
At 31 March 2023	125,160	1,026	328	126,514

Housing Properties include seventeen units currently leased under a Shared Ownership lease. Their Original Cost is £3,042K, Depreciation £182K and Net Book Value £2,860K (2023: nil).

	2024 £'000	2023 £'000
Expenditure on works to existing properties		
Components capitalised/improvements	883	450
Amounts charged to the statement of comprehensive income	1,181	984
	2,064	**1,434**

Finance Costs		
Aggregate amount of finance costs included in the cost of housing properties	4,148	4,022
Aggregate amount of finance costs included in the cost of properties under construction	-	-
	4,148	**4,022**

Impairment

During the current year the Charity has identified impairment losses in relation to three locations (considered separate Cash Generating Units - CGUs) (2023: Nil).

11. Other Tangible Fixed Assets - Group and Charity

	Furniture and Other Equipment £'000
Cost:	
At 1 April 2023	14,549
Additions	2,951
Disposals	(45)
At 31 March 2024	**17,455**
Depreciation:	
At 1 April 2023	9,758
Charged in the year	1,806
Released on disposal	(45)
Impairments	307
At 31 March 2024	**11,826**
Net Book Value	
At 31 March 2024	**5,629**
At 31 March 2023	4,791

12. Fixed Assets - Investment properties - Group and Charity

	Investment properties £'000
Fair Value:	
At 1 April 2023	812,863
Additions	2,952
Change of tenure	(4,423)
Movement in fair value	40,065
At 31 March 2024	**851,457**

Impairment

During the current year the Charity has identified impairment losses of £6,885K in relation to three locations (considered separate Cash Generating Units - CGUs) (2023: Nil). Prior to impairment the Fair value movement had been estimated at £46,950 (2023: £43,596).

Historic Cost

	2024 £'000	2023 £'000
Investment properties measured under the historic cost convention	397,950	399,421

Included within the above is £12,736K of capitalised interest (2023: £12,862K).

13.Fixed Asset Investments - Group and Charity

	2024	2023
	£	£
Investment in group companies (Note 32)	2	2

The parent company holds the whole of the equity share capital of the following group companies:

Name of subsidiary undertaking	Country of incorporation	Class of share	Nature of business
ExtraCare Retail Limited	England	Ordinary	Charity retail operation
Extracare Nominee 1 Limited	England	Ordinary	Dormant
Extracare Nominee 2 Limited	England	Ordinary	Dormant

All subsidiaries are registered at 7 Harry Weston Road, Binley Business Park, Coventry, CV3 2SN.

14. Stocks

	Group		Charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Goods for resale	63	93	-	-

15. Debtors

	Group		Charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Rent and service charges receivable	2,367	2,522	2,367	2,522
Less: provision for bad and doubtful debts	(512)	(637)	(512)	(637)
Net rent arrears	**1,855**	**1,885**	**1,855**	**1,885**
Value Added Tax	-	-	-	-
Amount owed by subsidiary undertaking	-	-	305	84
Prepayments and accrued income	2,679	2,976	2,451	2,756
Variable service charges debtor	3,265	3,025	3,265	3,025
Other Debtors	40	24	10	1
	7,839	7,910	7,886	7,751

16. Current Asset Investments- Group and Charity

	2024 £'000	2023 £'000
At 1 April	19,044	19,595
Invested in the period	-	-
Withdrawn in the period	-	-
Movement in fair value	1,218	(551)
At 31 March	**20,262**	**19,044**

The historical cost of the above investments is £20M (2022: £20M).
The fair value, based on the current bid price, of the investments above are:

	2024 £'000	2023 £'000
Fixed interest bonds	2,697	2,289
UK equities	1,990	2,416
Overseas equities	3,405	2,639
Alternatives	1,515	1,666
Cash	495	491
Sterling short duration credit fund	10,160	9,543
	20,262	**19,044**

17. Creditors: Amounts falling due within one year

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Loans (note 19)	2,156	1,086	2,156	1,086
Trade creditors	2,088	2,262	2,068	2,242
Rent and Charges received in advance	472	580	472	580
Other taxation and social security costs	505	6	496	6
Deferred capital grant (note 21)	487	487	487	487
Accruals and deferred income	8,075	8,290	7,959	7,985
Lease buyback liability (see analysis below)	520,723	496,903	520,723	496,903
Variable service charge creditor	-	-	-	-
	534,506	**509,614**	**534,361**	**509,289**

Analysis of lease buyback liability

	2024 £'000	2023 £'000	2024 No. of leases	2023 No. of leases
At 1 April	496,903	458,576	2,452	2,356
Arising on initial lease of new property	6,658	19,346	41	92
Payments made on lease terminations	(45,157)	(39,914)	(234)	(215)
Cash received from regranting leases	66,827	63,158	220	219
Released to Non Social Housing Lettings Income	(4,508)	(4,263)	-	-
At 31 March	**520,723**	**496,903**	**2,479**	**2,452**

18. Creditors: Amounts falling due after more than one year - Group and Charity

	2024 £'000	2023 £'000
Loans (note 19)	117,128	120,249
Deferred income (note 20)	25	35
Deferred capital grant (note 21)	43,125	43,611
	160,278	**163,895**

19. Loan Analysis - Group and Charity

	2024 £'000	2023 £'000
Due within one year		
Bank loans	2,156	1,086
Due after more than one year		
Other loans	57,500	57,500
Bank loans	60,295	63,521
	117,795	**121,021**
Less: Issue Costs	(667)	(772)
	117,128	**120,249**

Security

Loans are secured on the properties disclosed within housing properties (Note 10) and investment properties (Note 12). Loans are secured on both freehold and leasehold properties.
At 31 March 2024 there are 126 unencumbered completed units.

Terms of repayment and interest rates

Bank and other loans are repayable in instalments, at rates of interest between 3.25% and 6.44% per annum (2023: 3.25% and 5.9% per annum).
The final instalments fall to be repaid between 2026 and 2040.
The Charity has fixed interest rates to guard against future rate movements - these are embedded within the loans and do not have a separate fair value.

Based on the lender's earliest repayment date, borrowings are repayable as follows:

	2024 £'000	2023 £'000
Within one year or on demand	2,156	1,086
One year or more but less than two years	2,156	1,086
Two years or more but less than five years	58,139	40,735
Five years or more	57,500	79,200
	119,951	**122,107**

As at 31 March 2024 the Charity has £30M undrawn Development loan facilities (2023: £Nil).

20. Deferred income - Group and Charity

Deferred income will be credited to the Consolidated Statement of Comprehensive Income:

	2024 £'000	2023 £'000
Within one year	18	58
Between one and two years	23	32
Between two and five years	2	3
	43	**93**

	2024 £'000	2023 £'000
Lease premiums receivable, credited to the Consolidated Statement of Comprehensive Income over the period of the lease (up to twenty five years)	3	30
Other Care income	2	2
Care for Life income, amortised over life expectancy of plan holder	38	61
	43	**93**

Deferred income relates to lease premiums receivable £3K (2023: £30K) which will be released over the periods of the lease (up to twenty five years) and income relating to Care for Life £38K (2023: £61K) which will be released to income over the assumed life expectancy of the resident who has taken out the plan.

21. Deferred Capital Grant Income - Group and Charity

	2024 £'000	2023 £'000
Balance at 1 April	44,098	44,584
Released to income in the year	(486)	(486)
Balance at 31 March	**43,612**	**44,098**

	2024 £'000	2023 £'000
Amounts to be released within one year	487	487
Amounts to be released in more than one year	43,125	43,611
	43,612	**44,098**

The total of capital grants received at 31 March 2024 was £48,730K (2023: £48,730K).

22. Retirement benefits - Group and Charity

Social Housing Pension Scheme (SHPS)

The Charity participates in the Social Housing Pension Scheme ('the scheme'), a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.
The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.
The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560M. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2028.
The scheme is classified as a 'last-man standing arrangement'. Therefore the Charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.
For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the Charity to account for the Scheme as a defined benefit scheme.
For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.
The latest accounting valuation was carried out with an effective date of 30 September 2023. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2024 to 29 February 2025 inclusive.
The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

The Association has been notified by the Trustee of the Scheme that it has performed a review comparing the benefits provided to scheme members over recent years with the requirements of the Scheme documentation. Due to uncertainty as to the effect of some benefit changes, the Trustee has been advised by lawyers to seek clarification from the Court on potential changes to the pension liability. It is recognised that this could potentially impact the value of Scheme liabilities, but until the outcome of the ongoing Court process is known (which is currently expected to be February 2025), it is not possible to calculate the impact on the liabilities of this issue with any accuracy, particularly on an individual employer basis, for the purposes of the 31 March 2024 financial statements. Accordingly, no adjustment has been made in these financial statements in respect of this potential issue.

The Extracare Charitable Trust is aware that the Court of Appeal has recently upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained. Until further investigations have been completed by the SHPS scheme trustees, and/or any legislative action taken by the government, the potential impact if any, on the valuation of scheme liabilities remains unknown.

Key results

The estimated position at 31 March 2024 shows a deficit of £6,624K (2023: £6,608K deficit).
The number of scheme members employed by the Group at 31 March 2024 was 7 (2023: 7). The charge to the Group for the year was a reduction of £28K (2023: reduction of £15K).

Calculation method

The figures at 31 March are based on projecting forward the results of the last actuarial valuation of the Fund as at 30 September 2020.

Key assumptions

	2024	2023
Discount Rate	4.89%	4.88%
Inflation (RPI)	3.17%	3.20%
Inflation (CPI)	2.77%	2.74%
Salary Growth	3.77%	3.74%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	

22. Retirement benefits (continued) - Group and Charity

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

	Life expectancy at age 65 Years
Male retiring in 2024	20.5
Female retiring in 2024	23
Male retiring in 2044	21.8
Female retiting in 2044	24.4

Defined benefit costs recognised in Statement of Comprehensive Income

	2024 £'000
Current service cost	(28)
Expenses	42
Net interest expense	287
	301

Defined benefit costs recognised in Other Comprehensive Income

	2024 £'000
Experience on plan assets (excluding amounts included in net interest cost) - loss	(2,035)
Experience gains and losses arising on the plan liabilities - gain	385
Effects of changes in demographic assumptions underlying the present value of the defined benefit obligation - gain	428
Effects of changes in financial assumptions underlying the present value of the defined benefit obligation - loss	(10)
Total actuarial loss	**(1,232)**

Present values of defined benefit obligation, fair value of assets and defined benefit liability

	2024 £'000	2023 £'000
Fair value of plan assets	28,957	29,445
Present value of defined benefit obligation	(35,581)	(36,053)
Defined benefit liability to be recognised	**(6,624)**	**(6,608)**

Reconciliation of opening and closing balances of the defined benefit obligation

	2024 £'000
Defined benefit obligation at start of period	36,053
Current service cost	(28)
Expenses	42
Interest expense	1,729
Contributions by members	84
Actuarial losses due to scheme experience	(385)
Actuarial gains due to changes in demographic assumptions	(428)
Actuarial gains due to changes in financial assumptions	10
Benefits paid and expenses	(1,496)
Defined benefit obligation at end of period	**35,581**

22. Retirement benefits (continued) - Group and Charity

Reconciliation of opening and closing balances of the fair value of plan assets	2024 £'000
Fair value of plan assets at start of period	29,445
Interest income	1,442
Experience on plan assets (excluding amounts included in interest income) - loss	(2,035)
Employer contributions	1,517
Contributions by members	84
Benefits paid and expenses	(1,496)
Fair value of plan assets at end of period	**28,957**

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2023 to 31 March 2024 was a reduction of £488K.

The analysis of the scheme assets at the reporting date were as follows:

	2024 £'000	2023 £'000
Global Equity	2,885	549
Absolute Return	1,131	319
Distressed Opportunities	1,021	891
Credit Relative Value	949	1,111
Alternative Risk Premia	919	55
Emerging Markets Debt	375	158
Risk Sharing	1,695	2,168
Insurance-Linked Securities	150	743
Property	1,163	1,268
Infrastructure	2,925	3,363
Private Equity	24	-
Private Debt	1,139	1,310
Opportunistic Illiquid credit	1,132	1,260
High Yield	4	103
Opportunistic Credit	-	2
Cash	571	212
Long Lease Property	187	888
Secured Income	865	1,352
Liability Driven Investment	11,784	13,562
Currency hedging	(12)	56
Net Current Assets	50	75
Total assets	**28,957**	**29,445**

22. Retirement benefits (continued) - Group and Charity

Analysis of the sensitivity to the principal assumptions of the present value of the defined benefit obligation

	Change in assumption	Change in liabilities £'000
Discount rate	Increase of 0.1% p.a.	(409)
Rate of inflation (CPI)	Increase of 0.1% p.a.	265
Rate of salary growth	Increase of 0.1% p.a.	0

The sensitivities shown above are approximate. Each sensitivity considers one change in isolation. The inflation sensitivity includes the impact of changes to the assumptions for revaluation, pension increases and salary growth where appropriate.

23. Other provisions - Group and Charity

	2024 £'000	2023 £'000
The Pensions Trust's Growth Plan	2	5
Provision for Charitable Subsidy	4,696	3,136
Total Other Provisions	**4,698**	**3,141**

The Pensions Trust's Growth Plan

The Charity participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the Charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3M, liabilities of £831.1M and a deficit of £31.6M. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

- £3.3M per annum From 1 April 2022 to 31 January 2025 (payable monthly):

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9M, liabilities of £926.4M and a deficit of £131.5M. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

- £11.2M per annum From 1 April 2019 to 30 September 2025 (payable monthly and increasing by 3.0% each year on 1st April):

The recovery plan contributions are allocated to each participating employer in line with their estimated share of Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and the Charity has agreed to a deficit funding arrangement it recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

23. Other provisions (continued) - Group and Charity

Present values of provision

	2024 £'000	2023 £'000
Present value of provision	2	5

Reconciliation of opening and closing provisions

	2024 £'000	2023 £'000
Provision at start of period	**5**	**8**
Unwinding of the discount factor (interest expense)	-	-
Deficit contribution paid	(3)	(3)
Remeasurements - impact of any change in assumptions	-	-
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	**2**	**5**

Income and expenditure impact

	2024 £'000	2023 £'000
Interest expense	-	-
Remeasurements – impact of any change in assumptions	-	-
Remeasurements - amendments to the contribution schedule	-	-
Costs recognised in income and expenditure account	**-**	**-**

Assumptions	31-Mar-24 % per annum	31-Mar-23 % per annum	31-Mar-22 % per annum
Rate of discount	5.31	5.52	2.35

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Provision for Charitable Subsidy

Following the continually sharp increases in fuel costs in the last year, residents charges were due to rise substantially for the year 2024/25. The Charity has sought to mitigate the impact on its residents by agreeing a cap to Utilities Charges for a further year. The cost of this measure has been reflected in these statements as a provision.

	2024 £'000	2023 £'000
At 1 April	3,136	-
Released in year	(3,136)	-
New provision	4,696	3,136
Costs recognised in income and expenditure account	**4,696**	**3,136**

24. Defined contribution pension scheme - Group and Charity

The Charity also utilises the Pension Trust Flexible Retirement Plan (FRP). The FRP is a defined contribution scheme.

The estimated employer's contributions payable under all pension schemes for the year ended 31 March 2025 is £664K (2024: £405K).
Pension costs within creditors for the year ending 31 March 2024 are £Nil (2023: £Nil).

25. Restricted reserves - Group and Charity

The incoming funds of the Charity include restricted funds comprising the following balances of donations and grants held on trust for specific purposes.

	At 1 April 2022 £'000	Income £'000	Expenditure £'000	At 31 March 2023 £'000	Income £'000	Expenditure £'000	At 31 March 2024 £'000
Fixed assets							
Hagley Road, Birmingham	1	-	-	1	-	-	1
Humber Court, Coventry	199	-	(2)	197	-	(3)	194
Lark Hill Village, Nottingham	2,797	-	(32)	2,765	-	(32)	2,733
New Oscott Village, Birmingham	1,165	-	(13)	1,152	-	(13)	1,139
Lovat Fields Village, Milton Keynes	913	-	(10)	903	-	(11)	892
Shenley Wood Village, Milton Keynes	164	-	(2)	162	-	(2)	160
Pannel Croft Village, Birmingham	512	-	(5)	507	-	(5)	502
St Oswalds Village, Gloucester	1	-	-	1	-	-	1
Rosewood Court, Wellingborough	226	-	(3)	223	-	(3)	220
Sunley Court, Kettering	218	-	(3)	215	-	(3)	212
Yates Court, Evesham	108	-	(1)	107	-	(1)	106
	6,304	**-**	**(71)**	**6,233**	**-**	**(73)**	**6,160**
Special projects and other funds							
Other miscellaneous funds	134	22	(2)	154	21	(2)	173
Other scheme restricted funds	36	18	(18)	36	21	(14)	43
	170	**40**	**(20)**	**190**	**42**	**(16)**	**216**
Total funds	**6,474**	**40**	**(91)**	**6,423**	**42**	**(89)**	**6,376**

Fixed assets

These funds resulted from specific appeals to fund the development of fixed assets. Expenditure represents depreciation on the assets.

Special projects and other funds

Most of these funds have been given to finance specific projects to improve the quality of life for older people.

26. Capital commitments - Group and Charity

There is £nil of capital expenditure that has been contracted for but has not been provided for in these financial statements (2023: £Nil).

There is £nil capital expenditure that has been authorised by the Board but has not yet been contracted for (2023: £Nil).

27. Financial commitments - Group and Charity

The future minimum lease payments of non-cancellable leases are as set out below:

	2024		2023	
	Land & Buildings £'000	Other £'000	Land & Buildings £'000	Other £'000
Contracts expiring				
Within one year	1,042	31	802	31
Between one and 5 years	1,895	8	2,173	8
Over five years	3,945	-	3,116	-
	6,882	**39**	**6,091**	**39**

28. Taxation

The Trust is registered as a charity and its charitable activities are not liable to corporation tax.
The subsidiary of the Trust, Extracare Retail Limited, is subject to corporation tax. In this financial year no tax liability has been incurred.

29. Contingent assets

The Charity will receive pledges to fund new village developments. These pledges are contingent on various key events occurring during the village development phases. Funds are received in stages. Hence both received and receivable funds are recognised as contingent assets until such time that the conditions are met.
No new pledges have been received in the year ending 31 March 2024.

30. Contingent liabilities and other commitments

At 31 March 2024, there are no outstanding claims against the Group or Charity.

31. Related party transactions

The Group has taken advantage of the exemption conferred by paragraph 33.IA of FRS102, Related Party Disclosures, from the requirement to disclose transactions with its wholly owned subsidiary (ExtraCare Retail Limited).

The Charity has not entered into any transactions or other arrangement with any related parties.

32. Subsidiary undertakings - Charity

As shown in note 13, the Charity has three wholly owned subsidiaries which are incorporated in the United Kingdom:

- ExtraCare Retail Limited
- Extracare Nominee 1 Limited
- Extracare Nominee 2 Limited

Extracare Nominee 1 Limited and Extracare Nominee 2 Limited did not trade during the year, or in the prior year.

All companies have entered into Gift Aid arrangements to donate their taxable profits to The ExtraCare Charitable Trust.

A summary of the results of ExtraCare Retail Limited is shown below. Audited accounts will be filed with the registrar of Companies in line with requirements.

Within the Group accounts, the activity from ExtraCare Retail Limited is shown within Other Non Social Housing Activities (note 3).

	2024 £'000	2023 £'000
Turnover	2,941	3,051
Cost of sales	(342)	(325)
Staff costs	(2,044)	(2,088)
Other costs	(1,397)	(1,385)
Other operating income	1,113	1,034
Net profit	**271**	**287**
Taxation	-	-
Retained in subsidiary	**271**	**287**
Current assets	450	612
Current liabilities	(179)	(325)
Retained in subsidiary	**271**	**287**

The Charity received £287K Gift Aid from retail activity in the year ended 31 March 2024 (2023: £321K).
A Gift Aid distribution of £271K is planned for payment in the following year from the Retail subsidiary retained profits.

33. Cash Flow Reconciliations

Reconciliation of operating surplus to net cash inflow from operating activities

	2024 £'000	2023 £'000
Surplus for the year	24,070	29,761
Interest payable	5,768	5,492
Interest receivable	(852)	(246)
Profit from sale of fixed assets	-	-
Operating surplus for the year	**28,986**	**35,007**
Adjustments for non-cash items:		
Change in fair value of investment properties	(40,065)	(43,596)
Change in fair value of investments	(1,218)	551
Release of Buyback liability	(4,508)	(4,263)
Depreciation of tangible fixed assets	5,425	3,607
Amortisation of intangible assets	59	23
Amortisation of deferred capital grants	(486)	(486)
Amortisation of finance costs	105	104
Defined benefit pension schemes	54	1,713
Operating cash flows before movements in working capital	**(11,648)**	**(7,340)**
Movements in working capital		
Decrease in stock	30	16
Decrease/(Increase) in rental and other debtors	71	(4,012)
(Decrease)/Increase in trade and other creditors	(51)	1,091
Net cash used in operating activities	**(11,598)**	**(10,245)**

Analysis of changes in net debt

	At 1 April 2023 £'000	Cash flows £'000	New finance leases £'000	Other non cash £'000	At 31 March 2024 £'000
Cash and cash equivalents	23,126	2,034	-	-	25,160
Investments	19,044	-	-	1,218	20,262
Bank loans due in less than 1 year	(1,086)	1,086	-	(2,156)	(2,156)
Bank loans due in more than 1 year	(62,749)	1,070	-	2,051	(59,628)
Other loans	(57,500)	-	-	-	(57,500)
Lease buyback liability	(496,903)	45,157	(73,485)	4,508	(520,723)
Total	**(576,068)**	**49,347**	**(73,485)**	**5,621**	**(594,585)**

34. Number of homes in management and development

	2024 Number	2023 Number
Social housing units		
Owned by the Charity	871	852
Managed on behalf of other organisations	144	144
Non-Social housing units		
Leased or part leased properties	2,586	2,605
Other		
Social housing properties managed under a partnership arrangement	431	431
Non-Social housing properties managed under a partnership arrangement	167	167
	4,199	**4,199**

35. Financial instruments

The carrying value of the Group and Charity's financial instruments at 31 March were:

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Financial assets				
Debt instruments measured at amortised cost:				
Trade and other debtors	6,809	6,661	7,084	6,845
Cash	25,160	23,126	25,031	23,053
	31,969	**29,787**	**32,115**	**29,898**
Debt instruments measured at fair value:				
Current Assets investments	20,262	19,044	20,262	19,044
	20,262	**19,044**	**20,262**	**19,044**
Financial liabilities				
Measured at amortised cost				
Trade and other creditors	574,952	552,075	574,816	551,750
Loans	119,951	122,107	119,951	122,107
	694,903	**674,182**	**694,767**	**673,857**

THE EXTRACARE CHARITABLE TRUST

England & Wales - Charity number 327816

Accounts

ExtraCare
Charitable Trust

ANNUAL REPORT & ACCOUNTS
31 March 2023

Registered Charity Number – 327816
Registered Social Landlord – 4706
Company Registered Number – 2205136

CONTENTS

	Page Number
Key Facts	2
Statement from our Chair	3
Foreword by the Chief Executive	4
Legal and administrative information	5
Report of the Board	7
Section 172(1) Statement	16
Strategic Report	17
The Board's responsibilities in preparation of accounts	32
Independent auditor's report to the members of The ExtraCare Charitable Trust	33
Consolidated statement of comprehensive income	36
Statement of financial position	37
Statement of changes in reserves	38
Consolidated statement of cash flows	39
Notes to the financial statements	40

KEY FACTS

	2022/23	2021/22
Homes for older people	4,199	4,238
Our residents	4,653	4,532
Average age of our residents is	81	81
Villages	16	16
Schemes	4	5
Charity Retail Shops	38	40
Volunteers supporting our Charity	2,071	2,100
Staff working to a shared goal	1,257	1,312
Turnover	£53.7M	£47.0M
Reserves	£311.6M	£282.9M
Total comprehensive income	£28.7M	£17.2M
Awards include:	Investors in People Gold Award; and Best Older People's Housing Development – Rural and Suburban (Inside Housing Development Awards: Solihull Village)	

STATEMENT FROM OUR CHAIR

I am delighted to present our Annual Report for 2022/23.

Within it, you will see how our Charity has flourished throughout the year, with the consistent dedication of our colleagues and volunteers. We have made real progress in the first year of our 2022-27 Corporate Plan, which we track by setting targets within our Annual Business Plan.

During the year we have continued to show our resilience as we tackle the economic challenges head on: such as the rising cost of living, high inflation and exceptionally high costs of utilities. We recognise that these challenges remain and we will continue to work hard to ensure that our Charity continues to operate successfully and existing and potential residents can afford to live in one of our locations.

I would like to thank our Trustees for their commitment in driving the Charity forward, both in the 2022/23 financial year and in what will prove to be a demanding but rewarding period ahead. I extend my thanks to those Trustees who have seen the end of their tenure during the year. I also want to recognise the efforts from our colleagues and volunteers who enable us to deliver our excellent services, and all those that donate to our Charity, by giving generously or via donations of goods which are then sold in our Retail shops.

Finally, I'd like to express my appreciation for the contribution made by our residents. I have witnessed their valuable engagement and support first hand via our Residents' Forum. Such engagement is at the core of what makes us successful and provides us with the resilience we need to navigate through this ongoing period of change and opportunity.

Our priority, as always, remains ensuring that we continue to truly deliver 'better lives for older people'.

Nick Baldwin CBE

Chair

FOREWORD BY THE CHIEF EXECUTIVE

I remain incredibly proud of colleagues for navigating the challenges our sector is facing. Our innovative approach to building such vibrant communities, means that we continue to operate a financially sound, inspirational Charity that truly delivers its mission.

With the support of our Trustees, colleagues, residents and volunteers, I am able to present within this Annual Report, a story of achievement for what we have accomplished this year, and optimism for our future.

Within our 2022/23 Annual Business Plan we set ourselves a number of targets, six of which we identified as key, these were:

- **Develop one new village and undertake two village extensions during the life of this corporate plan* delivering 400 new homes. (*subject to funding)**
  - Shenley Wood and Wixams extensions are expected to start on site during 2023/24; and
  - Potential sites for new developments have been identified and exclusivity agreements signed.
- **Achieve a resident experience rating of 80% or above in all villages and 90% or above in all schemes by the end of the corporate plan period.**
  - Resident satisfaction in our villages was 90% and in our schemes was 95%.
- **Each location will achieve a minimum CQC 'good' rating overall – with at least a third of our locations, by the end of this corporate plan period, having achieved 'outstanding' overall.**
  - One location was inspected in the year and was rated 'good' overall.
- **Maintain the following staff satisfaction scores: 75% of our employees will be satisfied with ExtraCare as an employer and 90% of our employees will be fully committed to our vision.**
  - 79% of our employees were satisfied with us as an employer; and
  - 92% of our employees are fully committed to our vision.
- **Ensure we are capable of achieving a G1, V2 rating from the Regulator of Social Housing (RSH).**
  - We have received positive feedback from our external review of governance and Board effectiveness.
- **Generate a total surplus in excess of £10m each year and our Operating deficit will progressively reduce, reaching break-even in year 4.**
  - Our Total Surplus for the year was £28.7M.

We have delivered another year of strong performance, despite the challenging macro-economic environment.

It is wonderful to see how our communities across all our schemes and villages continue to thrive. I am immensely proud that we continue to provide a pioneering alternative to later living, that is as inspirational and innovative now as it was when the Charity was formed 35 years ago.

Financially we have continued to strengthen our cash holdings this year, a major achievement that further supports the future growth and development of our Charity. With this cash, and a successful refinancing deal that we have secured with Lloyds Bank, we can confidently explore further development opportunities to allow to us create more, Integrated Retirement Communities.

As we look ahead to 2023/24, our Annual Business Plan again focuses on 6 key targets, which are:

- Regulatory Compliance;
- Financial Performance;
- Resident Satisfaction;
- Care Quality;
- Staff Satisfaction; and
- Growth.

On behalf of the Executive Leadership Team, I would like to thank to our Trustees, our colleagues, our residents and our volunteers, who never cease to amaze me with their effort and dedication to ensure that ExtraCare continues to thrive. It is an exciting time to be part of a fast-moving sector, full of opportunity. Together, we will continue to create 'better lives for older people'.

Mick Laverty

Chief Executive

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Name	The ExtraCare Charitable Trust
Governing Instrument	The Charity is a company limited by guarantee and not having a share capital. As such it is governed by its Memorandum and Articles of Association, which were last amended by special resolution on 13 November 2019. It was incorporated on 11 December 1987.
Registered Charity Number	327816
Registered Social Landlord	4706
Company Registered Number	2205136
Members	Made up of the Directors of the Charity and other such persons admitted to membership of the company under the Articles. The number of members is unlimited.

Board of Trustees (also referred to as a Directors of the Company for the purpose of Company law):	**Formally appointed**	**Retired/Resigned**
Harpal Baines	21 June 2021	-
Nick Baldwin CBE (Chair)	11 November 2020	-
Richard Byrne	21 June 2021	-
Mark Chamberlain	30 January 2023	-
Richard Clarke (Senior Independent Director)	14 November 2018	-
Adrian Eggington	01 March 2020	-
Saba Gondal	20 September 2021	14 November 2022
Andy Hardy	21 June 2021	-
Janet Houlis	30 January 2023	-
Susan Lock	01 March 2020	-
Philip Riman	23 April 2019	-
Gary Swabel	30 January 2023	-
Susan Whelan Tracy	13 November 2019	09 November 2022
Kim Wootton	10 November 2021	-

Committee Memberships *Includes all Trustee members (current (✓) and former (X))*				
Trustees	**Audit & Assurance**	**Development**	**Nominations & Remuneration**	**Operations**
Harpal Baines	X	✓		✓
Nick Baldwin		✓	✓	✓
Richard Byrne*		X		✓
Mark Chamberlain	✓	✓		
Richard Clarke	Chair		✓	
Adrian Eggington	✓	X		Chair
Saba Gondal	X			X
Andy Hardy	✓	✓		
Janet Houlis	✓			✓
Susan Lock	✓		Chair	X Former Chair
Philip Riman		Chair	✓	
Gary Swabel				✓
Susan Whelan Tracy			X Former Chair	X
Kim Wootton		✓		✓

* Richard Byrne is also the Trust representative on the Board of ExtraCare Retail Limited.

Company Secretary	Angela Carpenter	
Executive Leadership Team (principal members of staff and key management personnel as defined by the Companies Act)	Mick Laverty	Chief Executive
	Angela Carpenter	Executive Director Governance and Compliance
	Joanna Grainger	Executive Director Operations
	Chris Skelton	Executive Director Corporate Resources
Registered and principal office	7 Harry Weston Road Binley Business Park Coventry CV3 2SN	
Principal Bankers	Lloyds Banking Group Plc	
Primary Solicitors	Shakespeare Martineau, Pinsent Masons	
Auditors	RSM UK Audit LLP	

REPORT OF THE BOARD

The Board presents The ExtraCare Charitable Trust's ('ExtraCare') Annual Report and the audited financial statements for the year ended 31 March 2023.

Charitable Objectives and Public Benefit

ExtraCare was incorporated in 1987 to provide services to older people and this is explicit in our Vision to deliver 'Better Lives for Older People' and our Mission 'Creating sustainable communities that provide homes older people want, lifestyles they can enjoy and care if it's needed.'

We are a registered charity and as such must carry out charitable purposes for the public benefit. Our charitable purposes ('Objects') are set out in our Articles of Association and include:

- The business of providing (directly or indirectly) and managing the provision of housing, social housing and other accommodation (including, without limitation, nursing homes, sheltered homes, hostels and care homes), and assistance to help house people, and associated facilities and amenities or services, for people who are poor, or for people who are in need by reason of their age, physical disability, mental disability, learning disability, mental illness or chronic sickness;
- The provision of care, welfare, medical, nursing, community and other services, and associated facilities and amenities, for people who are poor, or for people who are in need by reason of their age, physical disability, mental disability, learning disability, mental illness or chronic sickness;
- The relief of sickness and the preservation and promotion of health of people who are poor, or of people who are in need by reason of their age, physical disability, mental disability, learning disability, mental illness or chronic sickness;
- The relief of financial hardship amongst elderly people; and
- Any other charitable object not prohibited for a company registered with the Regulator as a non-profit, private, registered provider.

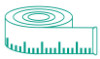
Our public benefit is reflected in the strands of our model. As a charity which pioneered retirement communities, we still believe our model is unique by virtue of:



We are a charity, and our surpluses are all re-invested in the charitable activities.



Our diverse tenure mix, which makes us affordable for people from a range of backgrounds and circumstances and reflects and supports the diversity of our communities.



Our villages are typically made up of 260+ apartments, housing 300-400 residents. We offer an array of communal facilities (such as restaurants and gyms) at an affordable price to residents. This scale is rare for the UK.



Our model of Homes, Lifestyle and Care is proven to benefit residents' physical and mental health and reduce pressure on the health and social care system.

Homes older people want

Our 16 retirement villages and four smaller housing schemes are typically made up of individual one or two-bedroom homes, which are available for granting of a property lease, granting of a shared ownership property lease, or for social rent. Some of our villages also include bungalows and two or three-bedroom cottages.

The homes we offer and our communal spaces are attractive, comfortable, and suited to the emerging needs that our residents might face as they grow older. We continue to explore the installation of ('smart') digital technology and adaptations to ensure that our residents benefit from the ways in which technology can help prolong independence and enhance quality of life. An example is the 'smart apartments' in our new villages, showcasing a range of smart technology applications including smart speakers, electric blinds and adaptations to kitchens and bathrooms. The latest smart apartment in Solihull Village remains open to the public.

During 2021/22 we commissioned an exercise which examined our properties in great detail and how over time our offering is changing. This work, undertaken by Glenn Howells Architects, also focused on the demands of the sector and is being utilised in planning our upcoming extensions and new village developments. The study gave a detailed insight into the design of our current villages, the external environment affecting the sector, our client base and the green agenda.

Lifestyles they can enjoy

Our communities offer a wide range of communal facilities and opportunities for healthy, active, and fulfilling lifestyles. These include facilities such as a restaurant, gym, craft room, greenhouse, and games room, together with a dedicated Activities Coordinator in every location to deliver a varied programme to our residents.

Volunteering is at the heart of our ExtraCare communities. We have nearly 2,100 volunteers, with two thirds of our volunteers in locations being residents. We understand the benefits that volunteers provide to our locations, often delivering services which would otherwise be unaffordable, whilst also supporting our residents directly in a variety of ways. In addition to everything that volunteering brings to ExtraCare, we know that our volunteers also benefit from the experience.

Our award-winning wellbeing service supports our residents, improves their health and enables them to remain independent for as long as possible. The team helps improve wellbeing through programmes such as the 'Engaged Lives Project', where we are equipping residents with the skills to build confidence and improve social connectedness. This project was enabled through funding received from the Community Lottery Fund.

We continue to facilitate and expand a programme of healthcare student placements across our locations, which sees physiotherapy, occupational therapy, nursing and speech and language students spending time supporting residents in most of our villages. The focus of these placements is on falls prevention, reducing hospital admissions and supporting residents back to normal post-pandemic living. The student programme is very well received by both students and residents and is just one strand of our intergenerational activities.

Care if it's needed

In each of our villages and schemes we provide personal care and support to those residents who need it. Residents in receipt of care include both those whose care is funded by the local authority, as well as those who fund their own care. We are committed to providing the same high quality care to all residents, irrespective of how that care is funded.

17 of our locations have now been accredited by the Gold Standards Framework (GSF) for end-of-life care, providing peace of mind to residents and their families that we are fully able to provide the care they need for as long as they need it. Out of the remaining three locations, Yates Court and Wixams are applying for their first accreditation this year. Solihull will apply for the first-time next year.

Our Dementia and Mental Wellbeing Programme supports residents with dementia and dementia-related conditions and is predominantly funded by ExtraCare through our charitable fundraising (with some funding also being received from Local Authorities). Where we charge for other services provided to residents and other beneficiaries (such as laundry and cleaning), we aim to maintain charges at an affordable level and, in doing so, Trustees have due regard to the public benefit guidance published by the Charity Commission. With all our services, we continue to embed value for money principles, therefore recognising that an affordable level will be different for each resident. The benefit to residents from the additional services can be significant and therefore, we endeavour to deliver our services at affordable prices.

Equality Act

The Equality Act 2010 generally prohibits discrimination on the grounds of a characteristic such as age. It does, however, allow charities to limit the group of people they help to those with a protected characteristic. This is provided the limitation is clearly stated in their objects and the benefits are provided in a proportionate way. The Board, having considered the governing documents of our Charity, are satisfied that the activities of our Charity fall within this exemption as:

- The provision of quality one and two-bedroom homes for older people releases their previous homes for families;
- The provision of safe and secure communities with a wide range of activities reduces loneliness and isolation increasingly faced by older people; and
- The promotion of wellbeing and healthy lifestyles improves the health of the individual and reduces their impact on NHS and other publicly-funded services.

In making these statements, the Trustees have had due regard to the Equality Act guidance published by the Charity Commission.

Safeguarding

Safeguarding is a key governance priority for ExtraCare. We are committed to protecting the right of everyone we come into contact with, ensuring they are able to live and work in safety and free from abuse or neglect. We operate procedures to respond to any vulnerable adult at risk, who is known to be experiencing, or is at risk of abuse or neglect and unable to protect themselves, and have regard to the safeguarding of children where applicable in our work.

Corporate Governance

ExtraCare is a registered charity and a private company limited by guarantee. It has no shareholders, and any surpluses are reinvested back into the Charity. It is led by a Board of Trustees, all of whom are directors for the purposes of the Companies Act 2006. Our Charity is monitored and supervised by external regulators including the Regulator of Social Housing (RSH), the Care Quality Commission (CQC), the Charity Commission, the Health and Safety Executive, the Information Commissioner's Office and by the relevant trade associations, the National Housing Federation and the Associated Retirement Community Operators (ARCO).

ExtraCare Members and our Board of Trustees

The Board of Trustees is collectively accountable to ExtraCare's members and other stakeholders for the long-term success of the Charity. ExtraCare's members comprise past and current Trustees, some former Executive Directors, and the Chair and Vice Chair of the Residents' Forum. New members may be appointed by the Board in accordance with the Charity's Articles of Association.

The Board is responsible for setting the vision, mission, and values of the Charity, holding the Executive Directors to account for the Charity's performance, standards of conduct and corporate governance. The Board is also responsible for ExtraCare's compliance with all relevant legislative and regulatory requirements. In accordance with the Articles of Association, Trustees may not be paid for their services, nor may they be employees of the Charity and as such they act in a non-executive capacity.

Board Composition, Tenure, and Renewal

The number of Trustees is limited by the Charity's Articles of Association to 12. Board members are appointed on a systematic basis in accordance with our Board Recruitment and Succession Policy. Appointment as a Trustee is for a term of office of three years and limited to two consecutive terms of office in normal circumstances.

Trustees come from a range of backgrounds, including public bodies, the housing sector, and the private sector. Trustee biographies are provided on the Charity's website (https://www.extracare.org.uk/about-the-charity/our-trustees-directors/). Details of Board appointments can be found on page 5 of this report.

During the year there were some changes to our Board membership following the resignation and retirement of two Trustees and we have used this opportunity to further broaden diversity at Board level. We have used specialised Trustee recruitment agents to support a developing and diverse membership.

Chair of Trustees

Nick Baldwin CBE was appointed as Chair for an initial term of three years at the AGM in November 2020.

Board Meetings

The powers of the Trustees are set out in the Charity's Articles of Association and the Board may exercise all powers conferred on it by the Articles and in accordance with the Companies Act 2006, the Charities Act 2011 and other applicable legislation. In the 2022/23 financial year our Board had six scheduled meetings and two additional meetings. Trustee attendance for the year ended 31 March 2023 is shown overleaf:

	Board Meetings	Committee Meetings	AGM
Harpal Baines	6 of 8	3 of 6	1 of 1
Nick Baldwin CBE (Chair)	8 of 8	7 of 10	1 of 1
Richard Byrne	7 of 8	3 of 3	1 of 1
Mark Chamberlain[1]	4 of 4	1 of 2	0 of 0
Richard Clarke	8 of 8	7 of 7	1 of 1
Adrian Eggington	7 of 8	4 of 6	1 of 1
Saba Gondal[2]	0 of 4	1 of 4	0 of 1
Andy Hardy	4 of 8	6 of 6	1 of 1
Janet Houlis[1]	3 of 4	2 of 2	0 of 0
Susan Lock	8 of 8	7 of 7	1 of 1
Philip Riman[3]	6 of 8	7 of 7	1 of 1
Gary Swabel[1]	3 of 4	0 of 1	0 of 0
Susan Whelan Tracy[4]	1 of 3	3 of 4	0 of 0
Kim Wootton	5 of 8	6 of 6	1 of 1

[1] Appointed as Interim Trustee 30 January 2023
[2] Stepped down 14 November 2022
[3] Reappointed at the Annual General Meeting 9 November 2022
[4] Stepped down at the Annual General Meeting 9 November 2022

Board Committees

Throughout the year the work of our Board was supported by four Board Committees:

- Audit and Assurance Committee;
- Development Committee;
- Nominations and Remuneration Committee; and
- Operations Committee.

Committees comprise of between three and six Trustees including Committee Chairs, and membership of each is determined considering an individual's skills and experience. During 2022/23 Committees met three times per year with additional meetings scheduled if required. Committee Chairs provide written assurance reports to the Board on the work of the Committee and Committee minutes are made available to all Board members.

The Board has a formal schedule of matters specifically reserved for its approval which cannot be delegated. Other specific matters have been delegated to its Committees and these are clearly defined within each Committee's Terms of Reference.

Audit and Assurance Committee

The Committee provides the Board with assurance on the adequacy of the Charity's system of internal control, risk management, financial reporting and compliance with regulatory requirements. The purpose of the Committee is to ensure that these are effective, well-managed and that the internal and external audit functions are operating robustly.

In order to achieve this, the Committee also meets with our internal and external auditors privately, whilst both are also in attendance at every Committee meeting held.

Nominations and Remuneration Committee

The Committee oversees the arrangements for the appointment of Trustees, including recruitment, skills, succession and performance. Their approach to doing so is documented within our Board Recruitment and Succession Policy.

In addition, the Committee also recommends a framework for the remuneration and performance of the Executive Team to enable recruitment, motivation and retention.

Governance Arrangements

In 2021 ExtraCare adopted the updated National Housing Federation Code of Governance 2020. The Board routinely assesses compliance with its Code of Governance to gain assurance that the Charity remains compliant and identify any areas for improvement. The code adopts a 'comply or explain' approach, recognising that there may be instances with sound reasons for non-compliance. We comply with all provisions of the Code except as detailed below where the Board has agreed to provide an explanation:

Code Ref.	Code of Governance Standard	Explanation
3.5 (2)	The membership of committees is determined on the basis of the skills, attributes, and diverse characteristics which the Board determines are appropriate.	Allocations to appropriate Committees are made by the Nominations and Remuneration Committee and approved by the Board. This takes into account the requirements of the committee together with the skills, characteristics and development needs of trustees.
3.8 (7)	There is a policy and procedure setting out how disputes and grievances involving members of the Board can be raised and responded to.	The Charity's policy and procedure relating to grievances does not apply to Board members as this is covered by the Chair and SID roles. The Whistleblowing Policy does include members of the Board.

The Governance and Financial Viability Standard ('the Standard') of the RSH requires registered providers to assess their compliance with the Standard at least once a year and certify their compliance in the annual accounts. We have assessed ourselves against the Governance and Viability Standard, Value for Money Standard, Rent Standard and the Consumer Standards and we are compliant with the key requirements of these standards.

One of the specific requirements of the Standard is that registered providers shall have governance arrangements which ensure that they adhere to all relevant law. Our Charity is satisfied that it has appropriate measures in place to ensure legislative and regulatory compliance, and the Board take appropriate measures to assure themselves of this compliance. Trustee indemnity insurance was in place for the financial year.

Future Developments

Our focus is on improving our operational performance and services, whilst also including appropriate levels of development over the coming years. We are planning to extend both our Shenley Wood village and Bedford Wixams village, starting on site in 2023/24. The Corporate Plan sets out our intent for a new village development in 2026/27.

As detailed within the financial section of this Annual Report, refinancing has been successfully completed in the year, allowing us to proceed with our strategic aims with confidence and in the knowledge that our Charity has the resources it needs to grow. New financing arrangements have released assets for use as security for new loans to fund new developments. To start with, we have secured exclusivity rights to potential new sites.

During the year, we have taken stock of how we want to model our future developments, including exploring urban village models (utilising brownfield sites as opposed to greenfield, for example).

Going Concern

Using our experience, we assess those risks identified as presenting the biggest challenges to the Charity. These include, but are not limited to, the impact of the housing market on property prices; the continued inflation growth across the UK; and the potential impact of infectious disease. A detailed analysis of our income and expenditure, including possible implications for liquidity and covenant compliance is reviewed as part of this exercise.

The Board receive the annual budget for review in January, and for approval in March. In support, the Board receive bi-annual stress testing, measuring our resilience and mitigation plans for major events or market changes. These measure provide the assurance that the Board can confidently consider the Charity a going concern in the short term, as well as the longer term.

Our 30-year financial plan is based on robust assumptions and now includes resilience created by building a minimum of £20m of liquid assets. The model is tested to ensure it can withstand a range of potential risks and reported to the Board, including a mitigation plan.

We are now looking to develop new Villages again however would not do so unless we have access to available funds for the development and their operation.

Our financial statements comply with all the current statutory requirements and with the requirements of the Charity's Articles of Association. After making all reasonable enquiries, the Board have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. In coming to this decision, the Board have considered on-going financial performance data, stress testing of the cashflow, and any actual or potential future liabilities. The Board are therefore confident in confirming that the Charity is viable as a going concern.

Financial Viability

We successfully continued to build upon our cash reserves in the year, with £42M (including our investment portfolio) held at the year end.

We have invested money in accessible investment funds. Although the funds have reduced in value in the year following the turbulent Worldwide economic outlook created by the Ukrainian/Russian conflict, we remain confident that these funds will recover and are currently the most appropriate place to hold our funds. The external, professional investment managers periodically present a market overview to the Audit and Assurance Committee, talking through the environment with our Trustees. We remain open to changing our investment approach to help maximise the return on our funds.

Our funding position remains strong and during the year we successfully secured a new revolving credit facility with Lloyds Bank plc, giving us longer term access to funds to confidently continue with our development plans in the coming years.

Strong finances evidence how, despite the challenging economic environment we operate in, demand for our product remains high. Our property sales programme surpassed our targets for both initial and resales, with consumer confidence remaining high and our sales void levels reducing.

The Board is satisfied that covenant calculations on the basis agreed with our funders continue to demonstrate compliance with the loan requirements.

No new developments will start on site unless the full cost of the development can be funded from committed loan facilities together with undrawn loan facilities, and with remaining cash reserves being adequate to cover the Charity's financial contingencies.

Health and Safety Management

The health and safety (H&S) of our residents and staff is of the utmost importance to Trustees and over the last year we have continued to invest in our locations to ensure buildings are compliant, safe and well managed. H&S and fire safety are identified as risks on our Board Assurance Framework, which is monitored at our Audit and Assurance Committee and Legal and Regulatory compliance is identified as a strategic risk for the Charity.

ExtraCare has a comprehensive policy framework on H&S, including compliance with Gas, Asbestos, Fire, Electrical, Water Hygiene, and Lifts, which demonstrates understanding of our legal and regulatory expectations. The H&S Manager is appointed as the competent person in accordance with Regulation 7 of the Management of Health and Safety at Work Regulations 1999. We have a Corporate H&S Group which monitors the management of H&S across the Trust and Retail subsidiary. Our Head of Property & Environment has responsibility for property compliance across our portfolio.

The safety of our properties is paramount; we remained compliant on the 'Big 6', which include the servicing of Gas, Lifts, Water Hygiene, Fire Safety Servicing/Fire Risk Assessments (FRA) and the completion of communal Asbestos surveys across all our locations.

We continue with our partnership with West Midlands Fire Service Primary Authority Scheme which we entered into in April 2021. The partnership provides us with access to their fire engineering team who act as consultants and a 'critical friend' for advice and support on all fire safety matters. The partnership assisted us in being prepared for the impact of the Fire Safety Act, and helps provide assurance against our compliance with the Building Safety Act (which became effective during the year) and the industry-wide competency framework coming from the Hackett Review.

We have undertaken significant FRA actions during the year and our locations are inspected every two years (or sooner if there is a change in use). The exception is our 'high rise' locations which are inspected annually. Our Retail shops are inspected every three years. During the year we agreed a new Safety Strategy (2023-26) with our Board which outlines our commitment to staff and developing the safety culture within our organisation. We also became a Registered Signatory with 'Building a Safer Future' in May 2022.

Staff Engagement

We were reaccredited with Investors in People (IIP) Gold during the year. IIP meet with staff and undertake a thorough process before reaccrediting. We aim to maintain our Gold status as a minimum, but will endeavour to move naturally closer towards Platinum status over the coming years.

We use several channels to ensure that our staff, regardless of their role or location, are informed and engaged on matters relating to their employment as well as more general matters relating to the Charity and its strategic direction.

During 2023 we were able to resume our annual Charity roadshows in person where a member of the Executive Leadership Team visits each location to meet staff and residents.

Our internal communications framework comprises of daily 'line up' meetings for staff in locations and a weekly email communication to staff with important updates and changes. In addition, colleagues have monthly 1-2-1 work planning meetings with their line manager. During the year we have relaunched our internal communications plan and issue a quarterly publication to our staff ' Extra Extra', sharing news, events and successes throughout the Charity.

This is supported by our 'Workplace by Facebook' which is an online interactive staff communication platform and accessible to staff, at all times, from any device. This provides a corporate communication portal where important announcements, vacancies and corporate publications, are posted.

Our staff forum 'Exchange' meets every 2 months and has a staff ambassador from most locations, Head Office, and our Retail subsidiary. The forum enables senior managers (including the Chief Executive) and staff ambassadors to exchange views and information and to contribute to the strategic direction of our Charity.

We have an established Equality, Diversity and Inclusion (EDI) Steering group which meets quarterly and has a cross section of staff monitoring progress against our EDI actions and makes suggestions for the development of EDI initiatives.

Our annual staff survey is an opportunity for employees to express their views about our Charity as an employer. The results of the survey are fed back to locations and departments and action plans are developed as a result in addition to an overall organisational action plan. The value of this added engagement is evident in our improving staff satisfaction results seen within the year. In addition, our 'we're listening' (a mechanism for collecting staff feedback) and 'suggestion scheme' (an opportunity for staff to share initiatives and ideas) are means for staff to suggest areas for improvement which are reviewed by senior management and responded to through 'you said, we did' communications.

The Liz Taylor Awards are our annual awards which highlight those staff and volunteers who have gone above and beyond.

Employees who have a disability

Our Charity's workforce includes 1.8% who have declared they have a disability. It is not mandatory for individuals to declare disabilities under the Equality Act, so the number is believed to be higher than our statistics show.

All our staff are treated equally and fairly as part of any recruitment process and all applicants invited for interview are offered support to assist them with the process. This may include access to buildings or assistance with tests where applicable.

We will, wherever possible, support any individual who becomes disabled during their employment by providing further training or adaptations to allow them to continue in their role. If the nature of the disability means this is not possible, e.g. if an individual becomes physically disabled and is unable to carry out a physically demanding role, then considerations are made as to whether it is possible for us to provide re-training for the individual to carry out an alternative role if one exists.

Employees with a disability can access support through the Access to Work scheme, a publicly funded employment support programme that aims to help more disabled people start or stay in work and apply for specialist equipment to assist them to continue in their job, with our Charity contributing towards the costs.

Fundraising

Our Charity greatly benefits from the generosity of those who donate time, goods, and money to us. Their donations enable us to deliver services which would otherwise not be financially sustainable, and which are vital in helping us create better lives for older people.

Donations are largely generated through:

- ExtraCare Retail Limited, our wholly owned trading subsidiary which operates our charity shops;
- Funds raised through trusts, foundations, challenge appeals, legacies and our corporate donations;
- Dedicated residents and staff who lead or support fundraising activities at their locations, working alongside their local communities; and
- The contribution of our internal and external volunteers who generously give both their time and skills.

We are registered with the Fundraising Regulator and adhere to its Code of Fundraising Practice. We also act in accordance with all regulations governing charity fundraising. Fundraising activity is overseen by the Board. There have been no complaints received regarding our fundraising activities in the year (2021/22: nil).

Capital Structure

Our Charity is a company limited by guarantee and does not have share capital. As such it is governed by its Memorandum and Articles of Association. It was incorporated on 11 December 1987.

Treasury Policy

Our Treasury Management Policy outlines the principles on which we manage investments and borrowings. It also forms the bedrock for our Treasury Management Strategy which has been redrafted to align with our Corporate Plan ambitions.

During the year, we successfully secured refinancing with our principal lender (Lloyds), allowing us to proceed with our plans to expand our development portfolio. We consciously scaled back our development activity whilst we negotiated a refinancing deal, with our efforts turned to increasing our cash position – meaning we reduce reliance on bank funding, but rather utilise our own funds to develop with.

Our Treasury Management Policy outlines our plans to incrementally build our headroom, primarily as liquid assets, to protect against future unexpected events. We are very pleased that we have maintained this cash headroom target in 2022/23 and have released the security held on some of our assets.

Given our considerable cash position, we have invested responsibly for return to maximise the return on any surplus cash we hold. We remain able to utilise this cash at short notice, with our cash holding presenting one of our key mitigation tools.

Internal Financial Control

The Board is provided with an Annual Assurance Statement, which is signed by the Chief Executive and the Executive Director Corporate Resources, outlining the control measures that are in place to provide comfort to the Trustees on financial, governance and operational internal controls.

The Board has delegated authority for overseeing the adequacy and effectiveness of the internal control systems to the Audit and Assurance Committee. In addition to the internal controls exercised by the management and staff there is a rolling internal audit programme that provides additional assurances. During 2022/23 our appointed internal audit provider (TIAA) has attended each Audit and Assurance Committee meeting along with our external auditor (RSM).

The outcome of our annual internal audit review for 2022/23 was that, "for the areas reviewed during the year, ExtraCare Charitable Trust (the 'Trust') has reasonable and effective risk management, control, and governance processes in place."

Since the year end, we have appointed Mazars as our new internal audit partner, as part of good governance practice.

The work of the external auditors provides assurance through the interim and final audit visits and the provision of an audit report and management letter. Regular meetings are held with our external auditors to provide an update on changes in the Charity and to discuss strategic and technical matters.

A corporate Balanced Scorecard is used to provide the Board and its Committees with details of performance against any targets and commitments included in our 2022/23 Annual Business Plan.

Statement as to disclosure of information to Auditors

In so far as each of the Directors is aware:

- There is no relevant audit information of which the group's auditor is unaware; and
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the Trustees:



Nick Baldwin CBE

Chair
18 September 2023

SECTION 172(1) STATEMENT

S172(1) of the Companies Act 2006 requires a director of a company to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and in doing so have regard, amongst other matters, to:

a) The likely consequences of any decision in the long-term:

Our residents are our key stakeholders. Reports submitted to our Board for consideration include the requirement to outline any impact on our residents and any consultation that has taken place or is planned; this includes consultation requirements on the short-term impact and the longer-term implications of decisions. The consultation then informs the decisions and business planning.

b) The interests of the company's employees:

For further information on how we as a charity have engaged with our employees during the year, please see section 'Staff Engagement' on page 13.

c) The need to foster the company's business relationships with suppliers, customers and others:

Other stakeholder interests, such as those of our funders and suppliers, are also routinely considered. For further information on how we engage with our stakeholders, please see section 'Social Value' on page 22.

d) The impact of the company's operations on the community and the environment:

Our Charity invests in technology to help improve our residents' quality of life and we also consider the impact of our operations on the environment and wider communities. See pages 27-29 for further information on environmental considerations and actions taken in the year, and pages 30-31 for People, Processes and Technology. Our investment in technology is also part of our long-term focus. Our Trustees consider both short-term and long-term implications of decisions made, and this has been especially important in relation to the unique circumstances of this financial year. We also consider the community and environment in the way we build and operate our locations.

e) The desirability of the company maintaining a reputation for high standards of business conduct:

In the year, we maintained the Investors in People Gold Award. Our attitude to creating the right culture is reflected in the results of our annual staff survey. In addition, we operate within a risk management and control framework, which includes whistleblowing, to ensure the highest levels of conduct and standards.

f) The need to act fairly between members of the company:

Each year we have an annual general meeting (AGM), where our members come together and receive updates on the Charity's performance, activities and any necessary voting matters.

Our Trustees believe that, individually and together, they have acted in the way that they consider, in good faith, would be most likely to promote the success of the Charity for the benefit of its beneficiaries, having regard to the stakeholders and matters set out in S172(1) (a-f) of the Companies Act 2006 in the decisions taken during the year.

STRATEGIC REPORT

Sector Outlook

Background

The retirement/later living residential sector has changed significantly since the formation of ExtraCare. There are now a range of models for providing retirement living, ranging from a light touch approach to management to the institutional care home model. We believe that our unique model of quality older persons' housing, combined with and active lifestyle and an option of care, still has huge demand in this space, evidenced by our ongoing sales performance.

The age expectancy for the UK by 2030 is expected to be 83 and 85 for men and women respectively. A slowing of birth rates, coupled with this extended life expectancy is pushing the population of European countries towards those over 65.

The overall growth prospects of our sector are well documented, and we aim to be a market leader in developing and operating integrated retirement communities that enable better lives for older people.

There continue to be challenges around staffing, with difficulties in recruiting across a wide range of positions in the organisation and particularly within care roles. This is a sector wide issue relating to care. These are sector wide challenges and it is expected that these challenges will continue for some time to come given the current demands on employment across the country. Reliance on agency staffing continues to impact us and the wider sector: we are working to minimise the effect. During the year, we made a cost of living payment to all of our staff to help support our colleagues and improve retention by ensuring our pay scales are fair and competitive. We have budgeted for a further cost of living payment in 2023/24.

Late 2021 began to see inflation rise rapidly, owing somewhat to the price of utilities and then the Russian invasion of Ukraine. From a CPI figure of 3.1% at September 2021 (which was applied for 2022/23 rent increases), a figure of greater than 10% was reached later in 2022. This inflation 'gap' added a further strain in managing our income versus a landscape of rising costs. This impact is felt within our performance for 2022/23, where resident charges were set prior to increases being seen. Whilst this time lag helped our residents maintain stability in the fees they pay to us, it has made its way through to the 2023/24 year, where we seek to recover shortfalls. To help mitigate this, we have applied a charitable subsidy to all of our residents in the 2023/24 year (c.£3.5m in total) – a provision is included within our financial statements, shown in more detail on pages 61-62.

Understanding the future

Demand for our offer has remained strong. This is reflected in our sales performance throughout the year, but specifically towards the latter part of the period. We hold active waiting lists for our locations, which demonstrates just how popular our communities are. We have also continued to hold open days, proving valuable in getting customers through our doors, so that they can feel the experience we offer when living in our locations.

We continue to invest in better understanding our market and our customers to improve our services and refine and protect our unique model of homes people want, a lifestyle they can enjoy and care if it's needed.

During the year, we entered into discussions with Housing 21 around a potential merger. Whilst we could see clear benefits to be gained from a merger, we jointly felt that our residents can best be served by remaining as separate entities. We therefore agreed to end the discussions and focus on the delivery of our Corporate Plan 2022-27.

Our Integrated Model



Our mission is "Creating sustainable communities that provide homes older people want, lifestyles they can enjoy and care if it's needed".

We believe our model to be unique. It is based on **Homes**, **Lifestyle** and **Care**:

Homes: Our locations typically offer high-quality apartments for the over 55s; each home is accessible with its own front door, hallway, living room, typically one or two bedroom(s), kitchen and shower room. Most will have a balcony or patio. We are always learning

from previous developments and modernisation programmes and aim to 'future proof' our properties for our residents. This currently includes assessing the environmental impact of any components that we include in our design brief.

As at 31 March 2023, 35% of our properties are for social rent. In 2000 it was 94% and in 2010 it was 62%, which indicates how significantly our model has shifted over time. We have moved away from managing property on behalf of other Registered Providers to create the mix of social rented, shared ownership and full ownership homes: providing diverse integrated retirement communities that are available to all.

Lifestyle: Our locations provide leisure facilities which promote a healthy lifestyle and typically include: a bistro, café-bar, gym, greenhouse, craft and hobby rooms and village hall. The range of activities may include Zumba, choir singing, wheelchair aerobics, digital skills workshops, intergenerational activities such as stay and play groups, sociable outings, and entertainment.

We are able to generate customer insight by comparing data from our wellbeing assessments which are conducted before residents move in with our latest wellbeing assessments, focusing on improving areas including exercise frequency, loneliness, and social networks.

Volunteering is at the heart of our Charity's ethos, offering opportunities for people to use their skills and experience, build confidence and a sense of self-worth, whilst reducing potential loneliness. Resident and external volunteers provide invaluable support, helping run activities and facilities, or supporting fundraising within our communities or ExtraCare Charity Shops. Our Volunteer Organisers recruit, record, retain and recognise our volunteers to ensure that volunteering in ExtraCare remains a rewarding experience.

Our locations are vibrant social hubs and visitors include children, schools, universities, and community groups. Visitors can also use our facilities including our gyms as part of an affordable membership that supports our charitable income. A development study undertaken during the year highlighted the significance of intergenerational space, something which is built in by design to our newer locations (and considered as part of our rolling modernisation programme to existing Villages).

Care: Each of our locations offer care services via on-site care teams, delivered through both the day and night. Care services are predominantly assessed and delivered by our own staff, although we do allow external providers onsite. Our services are registered and inspected by the CQC.

Wellbeing Service: Operated by a team of Wellbeing Advisors, this award-winning service offers preventative health advice and promotes healthy life choices. Residents now have a comprehensive baseline assessment (carried out on our wellbeing app) before moving in, so that we have a better understanding of their health and social care needs. Our resilience tool (developed with Aston and Lancaster Universities) can re-assess those residents identified as frail and support them through personal goal setting to become personally more resilient.

Dementia and Mental Wellbeing Service: Implemented through specially trained staff, our Dementia and Mental Wellbeing Service offers tailored support for residents living with dementia or a cognitive impairment and common mental health conditions, aiming to reduce the impact of dementia and improve wellbeing.

Progress against our Annual Business Plan key targets

Our 2022/23 Annual Business Plan contained several targets for the financial year with progress for each of these targets being captured in our corporate Balanced Scorecard reported to our Board and Committees. Targets are set alongside our 5-year Corporate Plan (2022-27), that was approved by our Board in the year (and therefore marks year one of the five year plan). Six of these were key targets and our self-assessed performance against them is shown below:

Corporate Plan: Key Target	Annual Business Plan 2022/23: Target and Progress
Develop one new village and undertake two village extensions during the life of this corporate plan* delivering 400 new homes. (*subject to funding)	Start on-site at one extension; and secure an agreement in principle from Development Committee for our next development. • **Not achieved:** Our Shenley Wood extension experienced delays when the landowner tried to renegotiate the agreed price – now resolved. Our Wixams extension is undergoing further design/planning changes. Both are forecast to start on-site in 2023/24. Sites are identified for our next development opportunities, with designs complete and exclusivity being negotiated.

Corporate Plan: Key Target	Annual Business Plan 2022/23: Target and Progress
Achieve a resident experience rating of 80% or above in all villages and 90% or above in all schemes by the end of the corporate plan period.	Achieve or exceed the target. • **Achieved:** Villages rated 90% and Schemes rated 95%.
Each location will achieve a minimum CQC 'good' rating overall – with at least a third of our locations, by the end of this corporate plan period, having achieved 'outstanding' overall.	Achieve CQC 'Good' or 'Outstanding' for all locations inspected during the year. • **Achieved:** One inspection took place in the year (at Solihull Village) which achieved 'Good' overall.
Maintain the following staff satisfaction scores: 75% of our employees will be satisfied with ExtraCare as an employer and 90% of our employees will be fully committed to our vision.	Achieve or exceed the target. • **Achieved:** Staff satisfaction scores were 79% and 92% respectively.
Ensure we are capable of achieving a G1, V2 rating from the Regulator of Social Housing (RSH).	Revise our compliance self-assessment approach during 2022/23. • **Achieved:** We have revised our self-assessment in the year and sought an external review of governance and Board effectiveness. The overall findings were positive and complimentary – with only minor adjustments suggested.
Generate a total surplus in excess of £10m each year and our Operating deficit will progressively reduce, reaching break-even in year 4.	Achieve or exceed the target; and achieve a total sales target (initial and resales) of £65M. • **Total Surplus** and Sales Targets – Achieved**: Our overall surplus of £28.7M and total sales (initial sales and resales) achieved of £82.9M were in excess of our targets; and • **Operating Deficit – Not achieved:** Our operating deficit worsened in the year, with exceptionally high utility prices being incurred and a cost of living payment awarded to all staff.

** These figures are based upon our year end management accounts and not the financial statements. Operational performance in the management accounts focuses on our Locations' performance, rather than the overall Operating performance.

Financial Performance

Our financial performance for this year, and the previous three years is reflected below. These ratios are our Key Performance Indicators (KPIs), with operational performance indicators being shown within the 'ExtraCare VfM metrics, targets, & performance indicators' section on page 21.

	2022/23	2021/22	2020/21	2019/20
Operating deficit	(£8.0M)	(£1.3M)	(£3.1M)	(£3.3M)
Total Comprehensive Income	£28.7M	£17.2M	£18.4M	£47.3M
Turnover	£53.7M	£47.0M	£41.7M	£44.2M
Reserves	£311.6M	£282.9M	£265.7M	£247.3M

Whilst our overall financial performance for 2022/23 has improved compared to last year, our operating deficit worsened. This is unsurprising given the exceptional levels of inflation, particularly within energy costs, that we were unable to recover in the year and a cost of living payment we made to all of our staff. As a result of rising energy costs, we have applied a charitable subsidy to our residents charges at a cost of c.£3.1M, which we have made a provision for within 2022/23.

All properties that have leases granted (full and part equity) are held for capital appreciation and are considered by the Board to be investment properties. These are re-valued at each balance sheet date at their fair value, with any fair value movement recognised in

the Statement of Comprehensive Income for the period. This only applies to the leasehold properties; rented properties held for social housing remain on the balance sheet at historic cost and are depreciated over their useful life.

Value for Money (VfM)

Introduction and context

VfM informs how we plan, manage, and operate our Charity to ensure that we make the best use of our resources to deliver our vision of better lives for older people now and into the future.

We define VfM as getting the right balance of inputs, process and outcomes, as described by the 3 'E's:

- Economy: achieving the best price for what goes into providing a service, minimising the resources required focusing on cost saving, cost avoidance or income generation;
- Efficiency: to accomplish something with the best use of time and effort; and
- Effectiveness: the relationship between the intended and actual results.

VfM Strategy (2022-27)

Our strategy provides the direction to ensure the 3 'E's identified above are embedded in our decision making and that a 'VfM mindset' is encouraged throughout the Charity. It provides the framework for how we will deliver our VfM targets and has an associated action plan, comprising 10 specific actions which will help us achieve greater VfM. The strategy can be summarised, simply as:

'Working collaboratively in delivering our corporate objectives by spending our money wisely.'

The key priorities of the strategy in this first year (2022/23) have been greater sharing of best practice, defining key performance indicators (KPIs) which best represent the priorities of our business and working more closely with our benchmark partner HouseMark. We do not define Value for Money as being the cheapest option, but rather the option that adds most value, quality, and cost benefit.

Regulator of Social Housing (RSH) VfM metrics, targets, and performance indicators (PIs)

Our performance against the RSH metrics is shown below.

RSH VfM – metrics, targets & PIs	2021/22 Actual	2022/23 Target	2022/23 Actual	2023/24 Target
1. Reinvestment	0.7%	0.7%	2.1%	0.5%
2. New Supply				
- Social Housing	0.0%	0.0%	0.0%	0.0%
- Non-Social Housing	0.0%	0.0%	0.0%	0.0%
3. Gearing	17.7%	20.0%	15.3%	15.0%
4. EBITDA MRI*	23.7%	25.0%	-85.1%	25.0%
5. Headline Social Housing Cost per unit	£6,711	£6,000	£9,889	£6,500
6. Operating Margin				
- Overall	-2.7%	-2.0%	-15.0%	-2.0%
- Social Housing	21.4%	20.0%	11.7%	25.0%
7. Return on Capital Employed (ROCE)	-0.3%	0.0%	-1.7%	0.0%

* Earnings before interest, taxation, depreciation, amortisation, major repairs included, interest cover %

The external VfM metrics are modelled using HouseMark-led calculations. We know we are different to many other Registered Providers who complete the data, and therefore do not focus heavily on the Scorecard median. We also recognise that there were factors during the year that have heavily skewed our ability to improve upon prior year performance. We do however look to improve our operating cost per units and margins each year (excluding exceptional items), whilst ensuring the service we offer is not negatively impacted.

In 2022/23, our Headline Social Housing Cost per unit is disproportionately higher than expected, driven by high inflation (particularly within energy costs), a 'catch up' of maintenance works and support provided to our staff and residents. Without these exceptional items, we would have improved upon our target (and prior year) outturn.

As outlined in the new VfM Strategy, our VfM reporting has undertaken a significant review taking the opportunity to re-evaluate our KPIs and assess the most accurate metrics to monitor performance.

ExtraCare VfM metrics, targets, & performance

In addition to the mandatory RSH metrics above we set our own internal VfM targets. These were chosen based on areas of activity which directly impact VfM or where a need to enhance performance had been identified.

ExtraCare VfM – metrics, targets & performance	2021/22 Actual	2022/23 Target	2022/23 Actual
1. Arrears (reduce value of payments due)	2.3%	2.5%	3.1%
2. Rental Voids (reduce average period for re-let)	22.5 weeks	8 weeks	16.2 weeks
3. Operations Surplus/(Deficit)	(£0.8M)	(£1.1M)	(£1.6M)
4. Loan to Value	44.7%	55%	38.5%
5. CQC rating Good or Outstanding	95%	95%	95%
6. Resident satisfaction rating at villages	91% Villages 94.7% Schemes	80% Villages 90% Schemes	90% Villages 95% Schemes
7. Reduce energy usage (overall intensity)	3.23 tonnes CO2e resident/year	3.13 tonnes CO2e resident/year	2.96 tonnes CO2e Resident/year

Our VfM metrics have been reviewed during the year, we now place more focus on our performance against the HouseMark 'monthly pulse' data – which is a monthly 'at a glance' view of the key metrics across the sector. We compare ourselves to both our wider sector peers and a smaller peer group that are a closer comparative to our size and unique blend of services.

There is some relevant narrative supporting the two targets that have not seen improvements in the year:

- **Arrears:** have increased slightly but remain stable during a challenging year of rising inflation and the cost of living impact that has been felt by us all. We increased our communications with residents to provide information around the support that we can offer as a Charity, as well as the support that is available from the Government. Our Welfare Benefits teams generated £5M of new benefit entitlements to residents during the year and we formed a taskforce, should there have been a sudden increase in arrears due to the cost of living increases – thankfully, we have not needed it to date; and
- **Operations deficit:** there were some exceptional factors driving our worsening performance in the year, the most significant being energy costs, where costs had risen by triple figure percentages year on year (and the timing of these costs being seen means we are unable to fully recover them in the same year). Our clear intention is that the quality of our homes and our resident experience is a key priority – we have not compromised on the quality of our works and services to offset rising costs, for example.

In consultation with our benchmark partner, HouseMark, 2022/23 is the last period where these internal VfM metrics will be used. Instead, we will use KPIs that allow us measure progress internally, as well as against a peer group of similar organisations. This approach is outlined in more detail within the VfM Strategy.

Internal Benchmarking

Finance Business Partners work with Regional Operations Managers and Location Managers to monitor the income and expenditure between locations. We have developed our internal reporting to allow for the benchmarking between locations, driving a value for money mindset throughout our budget holder network. Our annual budget has varying layers of sign-off and scrutiny, from budget holder to Board level. This allows for meaningful comparisons and targets to be set, whilst our focus is still heavily geared towards driving our actual performance.

External Benchmarking

We are a member of HouseMark, who are one of the UK housing sector's largest membership organisations. As our benchmark partner they support us with data analysis and the external benchmarking process.

We are now completing the monthly HouseMark KPI surveys, known as Pulse surveys, and use this data to help drive our performance forward. Reassuringly, we perform in-line or ahead our sector peer group in most cases, with our focus on improving our performance further.

Energy Group

Prior to the sudden rise in utility costs, we had an already formed and well-established Energy Group consisting of key representatives across our organisation. The key focus for the group this year has also been supporting our residents. The government's Energy Bill Support Scheme Alternative Funding (EBSSAF) is one area that we have helped our residents access. Our new utility bill validation process has also helped achieve greater VfM, as any issues are being identified and addressed with suppliers in a timely manner. More effective contract management is also resulting in cost savings, such as discounts being applied for reduced payment terms. We have actively worked on strengthening relations with Crown Commercial Services (CCS) who procure our utilities and all three key suppliers for gas, electricity, and water.

The next phase is continuing engagement with our residents. An Energy & Sustainability dashboard has been created to help drive down consumption and achieve our corporate target of reaching carbon net-zero by 2035.

Outsourcing our facilities management: 'Project FM'

The core objective of 'Project FM' was to appoint a reduced number of facilities maintenance contractors in a manner compliant with the Public Procurement Regulations, creating a consolidated, more efficient, and manageable supply chain. Going live in April 2022, 'Project FM' is a five-year agreement and is already delivering upon greater quality and ultimately a lower 'cost per job'.

Benefits of 'Project FM' include cost visibility via the Schedule of Rates (SoR) and fixed prices for planned servicing and inspection works. ExtraCare has also been able to select contractors which align to our social value requirements and our sustainability/environmental agenda.

Social value

As a charity focused on improving the lives of older people, we also have a commitment to social value. Social value measures the positive value businesses create for the economy, communities, and society. We focus on the value that we can bring to our residents and our local communities through our procurement activity and collaboration with our suppliers. Our Procurement and Wellbeing teams work together to ensure that these initiatives are targeted towards areas that will benefit the most.

We ensure that each procurement exercise we undertake has at least 10% of the overall score allocated to how suppliers can assist us in delivering social value. The way social value could be delivered will differ, encompassing areas such as EDI, sustainability, and sometimes referring to our vision of better lives for older people. An example, in practice, is the procurement of 'Project FM', where successful contractors now operate activities that engage our residents and add value to our locations, such as gardening groups which increase the biodiversity of our landscapes.

We will continue to deliver social value through our procurement activity going forward, with an aim to base this on the UN Sustainable Development Goals, predominantly targets:

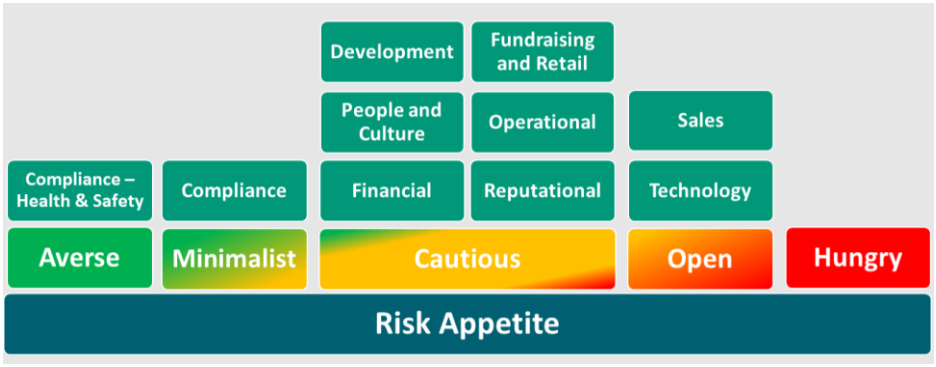
- 3.4 - By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being;
- 12.7 - Promote public procurement practices that are sustainable, in accordance with national policies and priorities; and
- 17.7 - Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed.

In addition, we will work with our suppliers to ensure that we are aware of any innovation and initiatives that are being developed within the sector, so we are able to benefit from these positive changes that assist with the fulfilment of ExtraCare's mission of creating sustainable communities. This will ensure initiatives continue to focus on the areas that are the most beneficial to our Charity and its residents.

Managing Key Risks and Uncertainties

We are committed to ensuring that risk management is an intrinsic element of governance arrangements and that our risk management process adds value to informing decision making processes to ensure the delivery of the Corporate Plan. Our Board revisited their risk appetite in March 2022 before signing off our Corporate Plan 2022-27 alongside our updated Risk Management Strategy and Risk Management Policy.

Our Board set the risk appetite across generic risk categories recognising that a 'one size fits all' approach does not easily fit with our business activities.



Our updated Risk Management Strategy and Risk Management Policy took effect from 1 April 2022. We updated our Risk management policy in March 2023 to place a greater emphasis on the identification and management of opportunity. Our strategy and policy help us to manage our risks, secure the right opportunities and deliver sustainable strategic priorities. We have extended our reporting in 2022/23 to include Early Warning Indicators for each of our strategic risks.

Our Board consider the Strategic risks faced by the Charity to be:

Risk	Appetite
Legal & Regulatory Compliance	**Averse to Minimalist**
Serious/major non-compliance with Legal and Regulatory requirements results in reportable breaches/incidents, potential investigations/sanctions/fines, reputational damage, and a weakened ability to deliver Corporate Plan objectives, targets and commitments. Mitigation and management measures include: • Strategies and supporting policies and procedures/work instructions; • Training, awareness and evaluation of ExtraCare staff; • External/Third Party visits/inspections/reviews/advice; and • Internal compliance processes and related procedures.	
People and Culture	**Cautious**
Failure to align our people and culture (as a shared set of values, beliefs, systems, practices, underlying assumptions, attitudes and behaviours) undermines delivery of strategic goals and Corporate Plan objectives, targets and commitments (e.g. as key employees become disengaged/dissatisfied and leave, behaviours slide, clarity and mission is lost). Mitigation and management measures include: • Culture reinforced internally (amongst personnel and residents) and externally (through outward/public facing channels); • Structure and succession planning; • Equality, Diversity and Inclusion strategy; • People Strategy; and • Independent/third party review and assurance provided (e.g. Investors in People).	

Funding Streams	**Cautious**

Marked decrease in funding at locations, including funding levels from local authorities (care and/or housing), loss of care contracts and marked reduction in other location income (e.g. lifestyle services such as catering, gyms and retail outlets), leads to a reduced ability to support the Charity's activities at locations and deliver related Corporate Plan objectives, targets and commitments.

Mitigation and management measures include:
- Strategies for Care & Support and Commercial;
- Charging policies for Property & Care and Lifestyle; and
- Community fee.

Cash flow	**Cautious**

Financing secured through borrowing and sales/resales, insufficient to support our funding needs, and or no satisfactory renegotiation of loan financing with Lloyds. This could result in failure to meet the development programme, a lack of key stakeholder confidence, a poor regulatory viability grading and affects delivery of Business Plan and/or Corporate Plan objectives, targets and commitments.

Mitigation and management measures include:
- Funding in place to provide adequate total facilities;
- Regular review of cashflow requirements;
- Active treasury management supplemented by specialist advice; and
- Regular reporting to Executive Leadership Team, Audit and Assurance Committee, and Board.

Property Market Sales	**Open**

A significant or sustained deterioration in the housing market (falling property prices/economic pressures/stagnation) or other factor affecting demand (for our properties) produces reduced levels of sales (new stock) and resales (existing stock) limiting the income (from sales) and profit (from resales) realisable in support of debt financing, reinvestment and achievement of Business Plan and or/Corporate Plan objectives, targets and commitments.

Mitigation and management measures include:
- Demand measures including introduction of incentives, increasing levels of shared ownership and rentals;
- Headroom maintained between available facilities and borrowings; and
- An agreed mitigation plan which can be invoked when required.

Development	**Cautious**

Challenges in suitable site locations/land and/or financing, combined with uncertainty in the housing market/demand/economy/construction industry causes delays in the construction/opening/extension or refurbishment of villages. Impacting sales income, cashflow, resident satisfaction, reputation and delivery of Business Plan and/or Corporate Plan objectives, targets and commitments.

Mitigation and management measures include:
- Development appraisal model in place which is refined for “lessons learnt” after each development;
- Approval required from Board of Trustees for new village developments;
- Regular review of cashflow requirements; and
- Contract management processes.

Infectious Disease (epidemic/pandemic)	**Cautious**

Failure to plan adequately for risk management of epidemic or pandemic infectious disease outbreaks (both established e.g. influenza or emerging/novel e.g. Covid-19) impacts significantly on ExtraCare's operations and corporate activities, threatens delivery of Corporate and operational objectives, plans and targets and jeopardises the Charity's continued viability.

Mitigation and management measures include:

- Covid-19 Governance team formed in response to pandemic – could be re-mobilised upon need;
- Evidence, feedback, and lessons learned demonstrates organisational agility, resilience, and effectiveness of response to Covid-19; and
- Maintenance of funding and cashflow management, with cash holding significantly increased as a key mitigation.

Internal Audit

Our internal audit function was outsourced to TIAA. In line with an approved Internal Audit Plan, our internal auditors assess the design and effectiveness of our risk management and internal controls, reporting to our Audit & Assurance Committee. The annual Internal Audit opinion for 2022/23 stated 'TIAA is satisfied that, for the areas reviewed during the year, ExtraCare Charitable Trust (the 'Trust') has reasonable and effective risk management, control, and governance processes in place..'

Internal Audit recommendations are tracked to ensure implementation, with oversight provided by the Audit & Assurance Committee. Since the year end, we have retendered our internal audit contract and have appointed Mazars as our internal auditor from 2023/24.

Risk Summary

Our Board of Trustees has:

- Considered the major risks and uncertainties to which the Charity is exposed;
- Satisfied themselves that systems or procedures are established to manage and mitigate these;
- Sought independent assurance from internal audit; and
- Recognised that controls will be strengthened as audit recommendations are implemented.

Developing Villages

Developing high quality, accessible and attractive villages with homes older people want is an essential component of the overall success of our Charity. Income from the granting of initial and subsequent property leases and from property rental is a major contributor to our overall surplus which underpins our ability to offer a range of high-quality charitable services and to ensure our buildings are maintained to a high standard.

Portfolio Development

It was decided when the pandemic first hit that development activity would be paused whilst we overcame the operational challenges we faced. This was made an easier decision given that we only had our Solihull Village and Earlsdon Phase 2 extension on site and that we were coming off the back of a healthy development pipeline delivered during the previous Corporate Plan. Since then our Board has signed off on our new Corporate Plan (2022-27) which sets out our growth ambitions. Alongside this, we have refinanced with Lloyds Bank and continued to grow our liquid asset reserves. It was always the Charity's plan to resume measured growth of our asset base, and this is what we will do.

The previously granted planning permission for Phase 2 at our Bedford Wixams Village has been extended for an additional three years and start on site for the build is currently expected to be during 2023/24. In addition, we intend to extend our Shenley Wood Village, with a third phase: we are currently reviewing the best method and build design (such as enhancing initial research we have made into urban village models) before seeking formal approval to continue.

We continue to look for new development opportunities working closely with local authorities, developers, housebuilders, and construction partners to identify new village sites and extension opportunities.

Construction and Building Innovation

We are continually exploring ways to improve our approach to construction and are investigating the benefits of modern methods of construction (MMC), such as panelised and modular build, with a view to reducing the time on site and the impact of noise and disruption to existing residents without compromising quality. We anticipate that future developments will include MMC via either modular build, offsite pod construction, or both.

Our Research and Innovation Strategy continues to drive change within our Villages and ensures our buildings meet our current and future customers' expectations.

Our Energy and Sustainability Strategy sets out the detail about how all our developments will be built at a standard at least to the future homes standard and we are assessing how to further reduce our carbon emissions, both in development and operating villages.

Modernisation

Our modernisation programme is committed to continually invest in our existing Villages to ensure their desirability remains at a high level throughout the building's life. We are always keen to listen to our residents and undertake extensive consultation with them whilst in planning and design stage of proceedings.

The key aims of our modernisation programme are:

- More outward looking village environment;
- Better space utilisation within the village;
- A more environmentally friendly village; and
- Technology enabled village.

During 2022/23 we resumed the modernisation programme with our Lark Hill Village, starting in April 2022. Following its successful completion we have now started the next modernisation at our New Oscott Village. It is our aim to undertake five modernisations across the five years of Corporate Plan 2022-27, with over £15M being allocated in our cash flow to undertake them.

Initial Property Leases (Initial Sales)

The progress on sales of our new village locations is as follows on 31 March 2023:

Village	Opened	Total initial leases available	Leases granted	% granted
Stoke Gifford	November 2018	180	165	92%
Bedford Wixams	June 2019	184	172	93%
Earlsdon Park Phase 2	November 2020	60	57	95%
Solihull*	January 2021	209	135	65%

* Solihull Village is our newest location and therefore the % of leases granted is lower than other locations.

Subsequent Property Leases (Resales)

Subsequent property leases were at their highest ever level in 2022/23. We granted 216 leases, generating £58.2m in cash. This compares to a figure of 160 subsequent property leases for £41.2m in 2021/22 and 121 leases for £34.5m in 2020/21.

We continue to see strong demand for our product, with sales performance remaining exceptionally healthy.

Lease surrenders (buy-backs) also peaked in 2022/23 as our locations mature. 211 leases were surrendered during the year for a combined value of £38.7m. By comparison, 191 property leases were surrendered in 2021/22, for a value of £35.6m and 140 leases were surrendered in 2020/21, for a total value of £25.1m.

Operating Villages

Operating our villages and schemes effectively is key to our residents enjoying an active and fulfilling lifestyle, reassured by the knowledge that they can access good quality care when needed, in the comfort of their own home.

Engaging customers/resident satisfaction

Residents have an extensive menu of engagement options at ExtraCare, both locally and organisation-wide. Residents can influence the local management of their services through Residents' Associations, as well as through 'We're Listening' feedback surveys, recruitment panels, monthly street meetings, local groups and volunteering.

Corporately, residents influence ExtraCare's policies via our Residents' Forum, with the Chair and Vice-Chair of the Resident Forum being shareholder members of ExtraCare, and therefore able to attend the annual AGM.

The Residents' Forum acts as the principal representative body for the purpose of consultation with residents concerning service delivery, performance and strategic plans. We work in partnership with our residents to create strong and cohesive communities to enable a positive experience of living in an ExtraCare location.

Care Quality

During 2022/23 there was one inspection undertaken by the CQC at our Solihull location, which achieved a 'Good' overall rating. We remain very proud that at the 31 March 2023, 19 of the 20 inspected locations were currently rated 'Good' or 'Outstanding' by the CQC.

- Five 'Outstanding' overall: Brunswick Gardens, Hagley Road, Lovat Fields, Reeve Court and Shenley Wood Villages;
- 14 'Good' overall: Bournville Gardens Village, Earlsdon Park Village, Hughenden Gardens Village, Humber Court, Lark Hill Village, Longbridge Village, New Oscott Village, Rosewood Court, Stoke Gifford Village, St Oswalds Village, Sunley Court, Solihull Village, Wixams Village and Yates Court;
- Four of the 14 rated 'Good' overall were rated outstanding in one domain; and
- One rating of 'Requires Improvement' at Pannel Croft Village (inspection carried out in June 2019). We can't improve on this rating until the next inspection, but in the meantime we have an internal inspection programme to improve the quality of our service.

Location Surpluses

Our Corporate Plan 2022-27 outlines our aim to ensure our locations break-even by 2027. We know that there have been exceptional factors this year, and it is expected that these will continue to impact our performance for the coming years. However, we remain committed to improving the profitability of our locations, whilst maintaining the highest levels of quality that our residents expect.

We regularly review income generating activities within our locations to identify opportunities to sell services and meet the needs of our residents safely.

Our Commercial Strategy, which relates to services such as catering, resident activities and gyms adopts a robust commercial approach, continues to underpin our efforts towards generating income and contributing to the limiting of losses within our services. It includes ways to maximise commercial opportunities that will contribute to our long-term financial viability as a charity: focusing on new or improved services that are attractive to residents, sustainable and affordable. In our locations, this Strategy is led by our Lifestyle Managers, who are 'front of house' and run our bars and bistros, gyms and retail outlets.

Streamlined Energy and Carbon Reporting

Our Charity is committed to improving its environmental performance and reducing our carbon footprint – we have set ourselves an ambitious target of achieving carbon net zero by 2035 and our strategy sets out our corporate-wide plan to take steps closer to this. Reports submitted to our Committees and Board include the requirement to evaluate any environmental considerations.

Emissions, Waste & Recycling

ExtraCare has an impact on the environment directly through the operation of property and indirectly through those operations which support our Charity such as business travel, purchasing of goods and services and of course key activities such as building new villages.

Whilst our Retail subsidiary helps raise valuable funds for our Charity, it also adds much value to our recycling contribution and the prevention of usable goods making its way to landfill.

In line with Government Environmental Reporting Guidance and the Streamlined Energy and Carbon Reporting (SECR) requirements, we have assessed the organisational boundary and scope/type of emissions as follows:

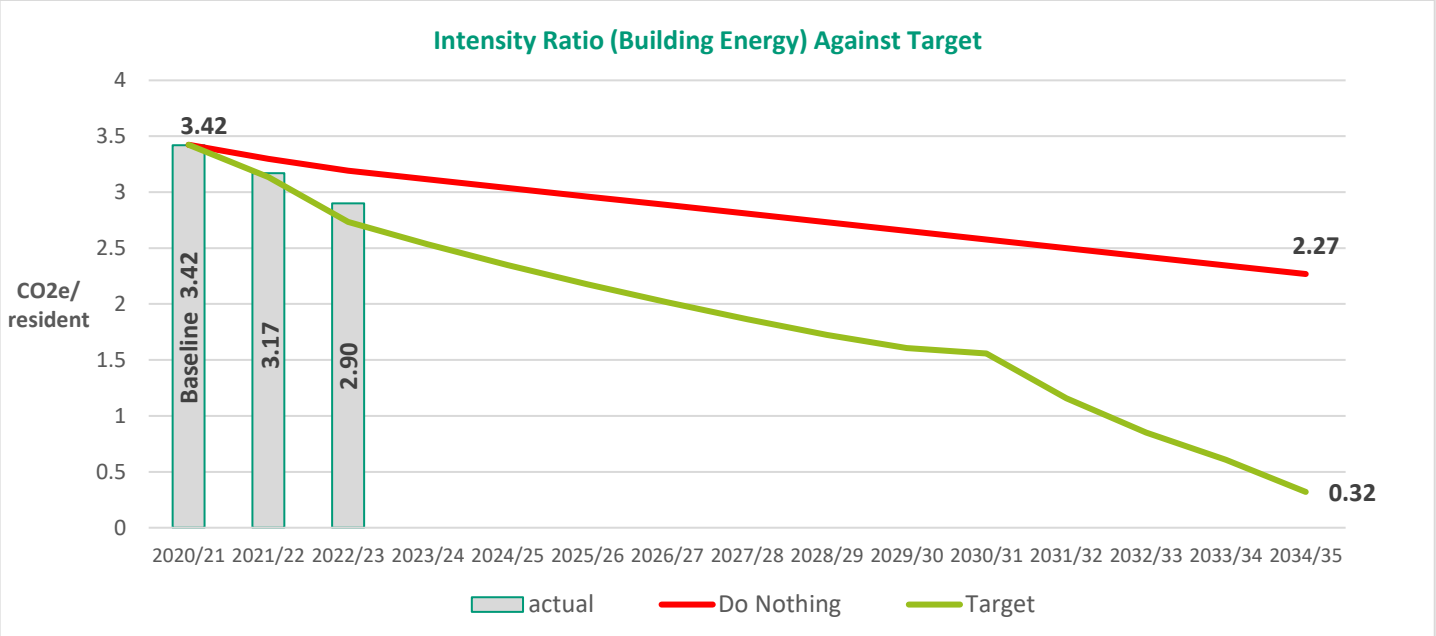
- *Reporting Boundary*: this report aims to identify and quantify the energy use and environmental impacts that occur owing to the operation of the villages and schemes owned by ExtraCare, the head office building in Coventry and all retail sites that were in operation throughout 2022/23 and the travel activities of staff in supporting the Charity and subsidiary.

- *Scope of Emissions:* this report aims to identify and quantify the following types of emissions:

  - Scope 1 Direct Emissions – emissions due to use of natural gas in boilers to provide heating, hot water, laundry equipment and catering within buildings;
  - Scope 2 Energy Indirect Emissions – emissions due to the use of electricity to provide lighting, catering, hot water and power for electrical equipment within buildings; and
  - Scope 3 Other Indirect Emissions – emissions due to the consumption of water within buildings and the disposal of liquid and solid waste.

Emission Type	Emission Source	Current Reporting Year			Previous Year		% change	
		Amount	Unit	Emissions (CO2e)	kWh	Tonnes CO2e	Units	Tonnes CO2e
Scope 1	Gas	43,234,166	kWh	7,892.0	45,584,675	8,349.3	-5.2%	-5.5%
Scope 2	Electricity	18,626,099	kWh	3,601.9	18,827.446	3,997.6	-1.1%	-9.9%
Scope 3	Water	379,725	m3	56.6	434,983	64.8	-12.7%	-12.7%
	Waste – Liquid	367,114	m3	99.9	423,409	115.2	-13.3%	-13.3%
	Waste – Solid	92	Tonnes	2.4	66	3.3	40.0%	-26.1%
	Travel	272,059	Miles	67.9	193,672	48.5	40.5%	40.0%
Total scope 1,2,3				**11,720.6**		**12,578.7**		**-6.8%**

- The emissions include Scope 1 (gas used in buildings), Scope 2 (electricity use in buildings) and a proportion of Scope 3 (water, waste and business travel). These are the emissions that are to some extent under the direct control and influence of ExtraCare and for which data was available to calculate emissions;
- The other major Scope 3 emissions are those relating to purchasing of goods and services by the organisation for which further work will be needed with suppliers to quantify the level of emissions;
- The calculated scope 1, 2 and 3 emissions for ExtraCare (gas, electricity, water, waste and business travel) have decreased by 7.2% compared to last year;
- There have been decreases in carbon emissions for all elements apart from travel which increased by 40% following decreases in previous years owing to the Covid-19 pandemic;
- The 2022/23 intensity ratio for ExtraCare is 2.90 tonnes CO2e/resident/year (including water, waste and staff travel) which is 14% below the 2020/21 baseline; and
- The long term target for ExtraCare is to be net-zero carbon for the stated emissions by 2035. This would require a 90% reduction in emission intensity, the trajectory of which is shown in the graph below. The target reduction by 2022/23 was 20% compared to the 14% achieved.



Intensity Ratio

We provide services for residents and hence the most appropriate metric to use is the emissions per resident, per year. This will allow for comparisons over time and eventually between villages.

	Current Reporting Year	Previous Reporting Year	% change
Number of residents	3,963	3,899	1.6%
Overall intensity (CO2e/resident)	2.96	3.23	-8.3%
Building energy (CO2e/resident)	2.90	3.17	-8.4%

Methodology used

The key processes in compiling this report were as follows:

- Energy and water data for the villages, head office and retail were collated based on supplier invoices;
- Waste and recycling data was provided by the contracted waste provider data portal and is based on transfer note data (NB: Waste figures do not cover Retail sites which have minimum waste disposal);
- Travel data was based on staff expense claims;
- Intensity ratio was based on our average resident population during 2022/23; and
- All conversion factors were based on 2020 UK Government Conversion Factors for greenhouse gas (GHG) reporting.

Supporting Villages

We are proud of our charitable status. We make surpluses from some areas of activity which are then used to subsidise other services which, as a charity, we provide to our beneficiaries. Through this subsidy we can deliver vital care and wellbeing services and keep these affordable and accessible to all our residents, regardless of their background and circumstances. We would not be able to continue to grow and improve these services, which are proven to be key to the health and wellbeing of residents, without the dedication, generosity and support of our donors, residents, staff and community volunteers, and our external supporters.

Volunteering

Volunteering is at the heart of our ExtraCare communities – we have nearly 2,100 active volunteers, of which most are residents. Volunteers help us in areas ranging from our charity shops, location facilities such as gyms, bistros and reception, events and activities, befriending and fundraising. Not only are volunteers invaluable to keeping our shops open and our locations running smoothly, volunteering also brings great mental and physical benefits to those who volunteer. Our resident volunteers proved crucial during the pandemic where they supported residents to get their shopping, deliveries and to maintain contact with friends and families.

Each individual's reason for volunteering is unique. They may wish to make good use of their skills and knowledge, to gain new skills and experience to enhance their CV, build their confidence, meet new people or make a difference to others lives. Whatever their reason, our aim is to support our volunteers to meet their goal whilst they support us in achieving our vision and mission.

As well as volunteering we also provide valuable opportunities for students requiring placements and Work Experience, for Duke of Edinburgh Award, participants and for other organisations seeking corporate volunteering opportunities within our locations and Charity shops.

ExtraCare Charity Shops

In 2022/23 our Retail activities, through our charity shops, generated a total surplus of £287K (2021/22: £360K).

The wider retail sector has seen some decline in recent years, with the impact of Covid-19 and more recently the rising cost of living reducing footfall (and ultimately increasing the cost of running a retail business). That said, demand for our offering remains high, sales performance targets continue to exceed those set out in our budgeted and strategic plan targets and we continue to be popular with the modern consumer. We take opportunities to strengthen our business model by exploring wider commercial activities, such as online sales and the enhancement of our 'bought in goods' market.

We are optimistic that we can continue to seek opportunities, as consumers look for ways to make their pound stretch further. Charity retail is ideally placed to deliver this both through donated goods and through new goods being sold at affordable prices. We achieved our highest profit level ever during the last recession, albeit there was not quite the hike in costs being experienced this time round.

It has been an exceptionally good year in relation to profits, especially given customer numbers on the high street are down on years gone by. We have continued our strategy of closing shops which are not profit generating, and this has reduced the number of shops we now have to 38. However, we are constantly on the lookout for new premises and expect to open a further two shops in the coming year.

Performance this year has demonstrated we have been right to continue with confidence about the future of ExtraCare Retail Ltd, despite the recent significant challenges we have been presented with.

We remain committed to the 5-year Retail Strategy agreed in 2020/21, which focuses on consolidating the retail estate, developing online sales at shop level, and promoting environmental sustainability: this will shape our direction moving forwards.

Fundraising Activity

We raised £40K in 2022/23 (£57K in 2021/22) through resident fundraising, trusts, foundations, challenge appeals and our corporate donations.

Given that we do not currently have a dedicated fundraising function in the Charity this is a good achievement and demonstrates how our charitable objectives really appeal to the public.

An additional £287K was raised through our charity shops in the year (£360K in 2021/22). This supports in reducing our operating shortfall with respect to underfunded or unfunded services such as Care, Wellbeing, Dementia and End of Life support.

Research and Innovation

We utilise both advanced and everyday technology to support our residents in their day-to-day lives and encourage the uptake of technology to improve digital skills and maintain independence.

- Our Smart Markets have continued to bring a wide variety of technology to our residents. Through collaboration with external organisations, we gave been able to provide residents with technology and broadband data access who may otherwise have not engaged with the Smart Market initiative. By continuing to showcase technology in the Innovation Apartment located at Solihull Village, we have created a popular space where residents and visitors can see technology in action;
- Sensor based technology continues to be an area of interest and has proven highly valuable tool in supporting residents at home and understanding behaviour with limited intrusion; and
- University partnerships have been a key part of our research and innovation activity. Partnerships have enabled residents to participate in good quality, ethical studies designed around creative better lives and understanding barriers. For staff these partnerships have offered the opportunity to learn and adapt our practice but to also be a point of contact for academics to aid their understanding of our model, its benefits and how to best engage with our residents.

People, Processes and Technology

People

Our strength lies in the quality and commitment of our workforce and volunteers. Creating the right environment for our customers depends on the collective effort of all our colleagues.

The 'Investors in People' (IiP) award is a recognition of good practice in how an organisation engages with, enables, develops and supports its people; we are incredibly proud to have maintained Gold Award status from IiP during the year.

Our 2021-24 People Strategy supports us in meeting our corporate commitment to review how we attract, retain, develop and engage with our people and develop our culture.

We are committed to providing a competitive pay and benefits package to current and prospective staff and have implemented the Real Living Wage to Trust staff. We acknowledge that recruitment and retention are issues both in our sector and across other sectors, and therefore investing in our employees is essential. In March 2023 our Board approved a 10% pay award increase to our frontline

care staff (and those receiving the Real Living Wage), with all other staff receiving a minimum of 5%. In recent years we have weighted our pay to those locations closer to London and continue to review the benefits that our employees receive as part of their employment, in order to attract and retain high quality colleagues.

Reassuringly, our efforts are seeing staff turnover reducing, yet we realise there is still work to be done to maintain this progress, particularly within staff retention.

Our 2022 staff survey showed that:

- **79% of our employees are satisfied** with ExtraCare as an employer – our target was 75%; and
- **92% of our employees remain fully committed** to our vision and values – our target was 90%.

IT and Digital

We continue to progress with our digital transformation programme with a focus on building a technology infrastructure and platform for future applications. We have deployed new laptops and smartphones to more employees to support mobile and hybrid working as well as new applications. We have a new management platform for these devices which improved security and allows remote support and application deployment.

We have mapped out our digital programme with workstreams covering five core applications, low-code solutions and data integration and business intelligence. The cloud environment is built and we have deployed our in-house solutions which allows maintenance staff to record quarterly "MOT" checks of our residents' homes to meet new housing regulations.

We have focussed on two core applications covering property sales and care - both business functions that are largely non-digital at the moment. A first increment of a sales system has been deployed which has replaced the need for over 300 spreadsheets, to manage the sales process from enquiry to completion. We understand the requirements and scope for a Care system and have a shortlist of solutions. For the care solution we are working with the NHS transformation directorate to secure grant funding and make use of their technical assurance and guidance.

Cyber Security is also a priority and we have implemented incremental improvements across our technology estate to protect ourselves against attack. We regularly undertake penetration testing and mock phishing attempts to raise awareness between our staff and residents.

On behalf of the Trustees:



Nick Baldwin CBE

Chair
18 September 2023

THE BOARD'S RESPONSIBILITIES IN THE PREPARATION OF ACCOUNTS

The Board as trustees (who are also the directors of The ExtraCare Charitable Trust for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company, housing and charity law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the income and expenditure of the Group for that period. In preparing the Group and Company financial statements, the Trustees, as Directors, are required to:

a. select suitable accounting policies and then apply them consistently;

b. observe the methods and principles in the Statement of Recommended Practice 'Accounting by Registered Housing Providers Update 2018';

c. make judgements and estimates that are reasonable and prudent;

d. state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

e. prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the ExtraCare Charitable Trust website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EXTRACARE CHARITABLE TRUST

Opinion

We have audited the financial statements of The ExtraCare Charitable Trust (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Comprehensive Income, the Group and Charity Statements of Financial Position, the Group and Charity Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the Parent Company's affairs as at 31 March 2023 and of the Group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly 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 2019.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent 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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

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 Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors Annual Report.

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of Trustees
As explained more fully in the Trustees' Responsibilities Statement set out on page 32 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 Trustees are responsible for assessing the Group's and Parent 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 Trustees either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the Group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the Group and Parent Company operates in and how the Group and Parent Company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019 and tax compliance legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that may have an indirect impact on the financial statements are Health and Safety at Work Act 1974 and Regulator of Social Housing Regulatory Standards (both Economic and Consumer standards), compliance with the Care Quality Commission requirements and the General Data Protection Regulations as set out in the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the Group is in compliance with these laws and regulations and inspected correspondence with licensing or regulatory authorities.

The Group audit engagement team identified the risk of management override of controls and the completeness, valuation and cut off risk for retail and other income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and substantive and controls testing along with data analytics for income.

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

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. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Anna Spencer-Gray

ANNA SPENCER-GRAY (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
103 Colmore Row
Birmingham
B3 3AG

28/09/23

The ExtraCare Charitable Trust
Consolidated statement of comprehensive income
For the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Turnover	3	53,665	46,998
Operating expenditure	3	(61,703)	(48,290)
Operating deficit	8	**(8,038)**	**(1,292)**
Profits on disposal of fixed assets	11	-	525
Interest receivable		246	1
Interest and financing costs	5	(5,492)	(5,560)
Decrease in fair value of listed investment	16	(551)	(405)
Increase in fair value of investment properties	12	43,596	22,644
Surplus before tax		**29,761**	**15,913**
Taxation	28	-	-
Surplus for the year		**29,761**	**15,913**
Defined benefit pension (costs)/surplus recognised in other comprehensive income	22	(1,100)	1,335
Total comprehensive income for the year		**28,661**	**17,248**

The results for both years are wholly attributable to continuing activities.

The notes on pages 40 to 67 form part of these financial statements.

These financial statements were approved by the Board of Directors on 18 September 2023 and signed on its behalf by:

Nick Baldwin CBE
Chair

Richard Clarke
Trustee

The ExtraCare Charitable Trust
Statement of financial position
As at 31 March 2023

	Note	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Fixed assets					
Intangible assets	9	500	31	500	31
Tangible fixed assets	10, 11	131,305	124,700	131,305	124,700
Investment properties	12	812,863	767,305	812,863	767,305
		944,668	**892,036**	**944,668**	**892,036**
Current assets					
Stocks and assets held for disposal	14	93	109	-	-
Trade and other debtors	15	7,910	3,898	7,751	3,838
Current asset investments	16	19,044	19,595	19,044	19,595
Cash and cash equivalents		23,126	10,686	23,053	10,684
		50,173	**34,288**	**49,848**	**34,117**
Creditors: Amounts falling due within one year	17	(509,614)	(471,223)	(509,289)	(471,013)
Net current liabilities		**(459,441)**	**(436,935)**	**(459,441)**	**(436,896)**
Total assets less current liabilities		**485,227**	**455,101**	**485,227**	**455,140**
Creditors: Amounts falling due after more than one year	18	(163,895)	(165,411)	(163,895)	(165,411)
Defined benefit pension liability	22	(6,608)	(6,760)	(6,608)	(6,760)
Other provisions	23	(3,141)	(8)	(3,141)	(8)
Total net assets		**311,583**	**282,922**	**311,583**	**282,961**
Capital & reserves:					
Restricted reserves	25	6,423	6,474	6,423	6,474
Revenue reserves		305,160	276,448	305,160	276,487
		311,583	**282,922**	**311,583**	**282,961**

Company registration number: 02205136

These financial statements were approved by the Board of Directors on 18 September 2023 and signed on its behalf by:

Nick Baldwin CBE
Chair

Richard Clarke
Trustee

The ExtraCare Charitable Trust
Statement of changes in reserves
As at 31 March 2023

	Group		Charity	
	Restricted reserve £'000	Income and expenditure reserve £'000	Restricted reserve £'000	Income and expenditure reserve £'000
At 1 April 2021	6,602	259,072	6,602	259,111
Surplus for the year	-	17,248	-	17,248
Transfer to/(from) restricted reserves	(128)	128	(128)	128
As at 31 March 2022	**6,474**	**276,448**	**6,474**	**276,487**
At 1 April 2022	6,474	276,448	6,474	276,487
Surplus for the year	-	28,661	-	28,622
Transfer to/(from) restricted reserves	(51)	51	(51)	51
As at 31 March 2023	**6,423**	**305,160**	**6,423**	**305,160**

The ExtraCare Charitable Trust
Consolidated statement of cash flows
For the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Net Cash generated from operating activities	**33**	**(10,245)**	**(3,457)**
Cash flow from investing activities			
Purchase of tangible fixed assets		(14,036)	(2,536)
Proceeds on sales of fixed assets		-	525
Grants received		-	-
Interest received		246	1
Investments in current assets		-	(20,000)
Net cash used in investing activities		**(13,790)**	**(22,010)**
Cash flow from financing activities			
Interest paid		(5,339)	(5,383)
New secured loans		-	-
Repayments of borrowings		(776)	(1,086)
Payments received on property leases		82,504	71,337
Settlement of property repurchase liability		(39,914)	(32,519)
Net cash used in financing activities		**36,475**	**32,349**
Net change in cash and cash equivalents		**12,440**	**6,882**
Cash & cash equivalents at beginning of the year		10,686	3,804
Cash & cash equivalents at end of the year		**23,126**	**10,686**

1. Legal status

The ExtraCare Charitable Trust is a private company limited by guarantee registered and incorporated in England and is an English registered social housing provider. The address of ExtraCare's registered office and principal place of business is 7 Harry Weston Road, Binley Business Park, Coventry, CV3 2SN. The principal activities are providing housing and care to older people.

2. Principal accounting policies

Basis of accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the requirements of the Companies Act 2006, including the provisions of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008. They are prepared under the historical cost convention modified to include certain financial instruments at fair value and according to the Housing SORP 2018 'Statement of Recommended Practice for Registered Housing Providers'. They also comply with the Accounting Direction for Private Registered Providers of Social Housing 2019. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Public Benefit Entity

The Charity is a Public Benefit Entity, as defined within FRS 102 as "an entity whose primary objective is to provide goods or services for the general public, community or social benefit and where any equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members".

Basis of consolidation

The group accounts consolidate the accounts of the Charity and its subsidiary undertaking. Intra group transactions, balances and profits are eliminated on consolidation. The consolidation is carried out on a line by line basis and each entity has coterminous year end dates.

The accounts for the Charity include recharges with a subsidiary undertaking which runs charity shops to raise charitable funds. The recharges are based on resources used and payments made. The parent Charity has taken advantage of the exemption from presenting its unconsolidated Statement of Comprehensive Income under Section 408 of the Companies Act 2006. The Company has taken advantage of the exemption from disclosing the following information in its company only accounts, as permitted by the reduced disclosure regime within FRS 102:

• Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures.

Going Concern

Our 30-year financial plan is based on robust assumptions and includes a target headroom of £20M in liquid asset reserves to allow us to withstand a range of potential risks. Following stress testing the Board agreed for prudent assumptions around the net cash inflow from granting of subsequent property leases to be factored into our business plan to mitigate our market risk exposure to factors such as a declining property market. Our balance sheet shows a net current liabilities position, which is expected given our property buyback model. The Board are comfortable with this, seeing a continually strong demand for our sales properties. We model the risk of any movement within our cashflow forecasting, stress testing and medium and long term business planning models. The Board recognises that the covenants in place with funders are appropriate to making an assessment of our financial position and are satisfied that covenant calculations for the loans disclosed in note 19 of the financial statements are compliant with those agreed by both our funders. Our financial statements comply with all the current statutory requirements and with the requirements of the Charity's Articles of Association. After making all reasonable enquiries, for a period of at least 12 months from sign off of these financial statements the Board have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. In coming to this decision, the Board have considered on-going financial performance data, stress testing of the cashflow, and any actual or potential future liabilities. The Board are therefore confident in confirming that the Charity is viable as a going concern.

Turnover

Turnover is measured at the fair value of the cash consideration received or receivable. The Charity generates the following material income streams:

- Rental income receivable (after deducting lost rent from empty properties available for letting); and
- Invoiced amounts receivable from the delivery of care and health services.

Rental income is recognised from the point when properties under development reach practical completion and are let. Grants, donations, legacies and similar income are accounted for as soon as their amount and receipt are certain. In the case of unsolicited donations, this is usually only when they are received, while fundraising results are accounted for when the commitment is made by the donor, subject to fulfilment. Grants, where entitlement is not conditional on the delivery of a specific performance by the Charity, are recognised when the Charity becomes unconditionally entitled to the grant.

Turnover is included on an accruals basis.

The income from goods donated for resale in the Charity shops is included in the accounts when those goods are sold. No value is placed on any stock of such goods. Donated services and facilities are included at the value to the Charity where this can be quantified.

Investment income is included when receivable by the Group.

Service charges

Where schemes are on fixed service charges, income is recognised in the financial statements in line with the amounts charged to the occupant. Certain villages operate variable service charges. Where there is any difference between the estimated cost recovered from tenants and leaseholders and the actual cost incurred, any such shortfall or surplus arising is carried forward and either collected or refunded against the future year's charge. Any shortfall or surplus arising is shown in the statement of financial position within debtors or creditors as appropriate.

Intangible fixed assets

Capitalised IT software expenditure is initially recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Capitalised IT software expenditure is amortised on a straight-line basis over its useful life which is 3 years.

Taxation

The parent Charity is exempt from Corporation Tax as a registered charity. The trading subsidiary is subject to corporation tax on any profits not distributed by gift aid to the parent Charity.

VAT

The parent Charity is partially exempt for VAT purposes, and consequently VAT incurred cannot be fully recovered. Where VAT is not recoverable the expenditure is shown inclusive of VAT.

Impairment (excluding investment properties)

Fixed assets are reviewed for impairment following an assessment at each reporting date if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairment losses in the Consolidated Statement of Comprehensive Income.

2. Principal accounting policies (continued)

Capitalisation of interest

Interest incurred up to the time that identifiable major capital projects are ready for service is capitalised as part of the cost of the assets and shown within fixed assets, based on interest charged on loans relating to each project.

Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal.

Restricted reserves

These are reserves that can only be applied for specified purposes. The reserve is held for the purpose as specified by the donor. This is usually for a specific appeal. Incoming reserves are accounted for on receipt but with reference to certain performance criteria within an agreement. Where cash has been received but performance criteria have not yet been met, such income is deferred and released to the Consolidated Statement of Comprehensive Income on achievement of such criteria.

Management of housing property for other social landlords

Where the Charity has been appointed as an agent by a Housing Association partner to provide support to the service users and the support contract with the Commissioning Authority is held (and carries the financial risk), the Consolidated Statement of Comprehensive Income includes only that income and expenditure which relates solely to the Charity.

Retirement benefits

Defined contribution pension scheme

The Charity's executive management are members of a flexible retirement plan operated by The Pensions Trust. The amount charged to the Consolidated Statement of Comprehensive Income is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Defined benefit pension scheme

The Charity's employees are members of the Social Housing Pension Scheme (SHPS). For the SHPS, retirement benefits to colleagues of the Company are funded by contributions from all participating employers and employees in the Scheme. Payments are made to a fund operated by the Pensions Trust, an independent trust providing superannuation benefits for employees of voluntary organisations. These payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating Companies taken as a whole.
Actuarial assumptions are applied to determine each company's share of liabilities. The assumptions are updated at the year end, and the changes to the position go through the 'Other Comprehensive Income' statement.
Calculations are carried out annually and independently of the pension triennial valuation.
The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

One employee is also a member of a growth plan operated by The Pensions Trust (being the SHPS managers). For the Growth Plan, contributions are recognised in expenditure in the period to which they relate as there is insufficient information available to use defined benefit accounting. A liability is recognised for contributions arising from an agreement with the multi-employer plan that determines how the Charity will fund a deficit. Contributions are discounted when they are not expected to be settled wholly within 12 months of the period end.

2. Principal accounting policies (continued)

Tangible fixed assets - Housing properties

Housing properties are properties for the provision of social housing and are principally properties available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements. Improvements are works to existing properties, and component replacements which have been treated separately for depreciation purposes, which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property in the business. Only the incremental direct overhead costs associated with new developments or improvements are capitalised. Direct overhead costs comprise the costs of staff time, including salary costs and other apportioned direct costs, incurred on the developments from the date from which it is reasonably likely that the development will go ahead, to the date of practical completion.

Investment properties

The classification of properties as investment property or property, plant and equipment is based upon the intended use of the property. Mixed use property is separated between investment property and property, plant and equipment. Investment properties are initially measured at cost and subsequently measured at fair value annually with any change recognised in the Statement of Comprehensive Income. This calculation is based on the lease price achieved for a property, or on the average price of a similar archetype (location, property size, and other design specifications). Each investment property is measured based upon active secured prices, impaired if there are known factors that are likely to affect them going forward (like a planned change of use or prices being discounted). Where there is an interest held by one of our partners in the profit on property buy backs and sales, we reflect the terms of the contractual agreement in the valuation of the investment property and accordingly in the fair value movement. This is a change in accounting from previous years. No restatement of comparatives has been made as the impact is considered immaterial. Payments due are accounted for as contingent rent in the period in which property sales occur.

Investment properties are not depreciated. Investment properties are leased through an upfront payment, equivalent in value (for the proportion of the property leased) to a commercial outright purchase. When a lease is terminated, the Charity has a contractual obligation to refund the payment, less a 1% per annum deduction (to a maximum of 10%). At the end of any lease the Trust could take the decision to lease the property under different terms, including removing the obligation to repurchase. It would be at this point that any capital appreciation would be realised as a capital gain. Such choice is within the powers of Trustees to make at a time when priorities may suggest it would better support the Charity's activities.

Donated land

Where land is transferred by local authorities and other public bodies for consideration below market-value, the difference between the market value and the consideration given is added to cost at the time of the donation and included within the Statement of Financial Position as a liability, in accordance with treatment as a non-government grant.

Fixed Asset Investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.
Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment, losses or reversals of impairment losses are recognised immediately in profit or loss.

Government grants

Government grants include grants receivable from Homes England, local authorities and other government bodies. Social Housing Grant (SHG) is a government grant made to the Charity towards the cost of acquiring and/or building additional housing for rent. No Grant is receivable in respect of Investment Properties.
Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. Government grants received for social housing properties are recognised in income over the useful economic life of the structure of the asset (excluding land) under the accruals model. Government grants relating to revenue are recognised as income over the periods when the related costs are incurred once reasonable assurance has been gained that the Charity will comply with the conditions and the funds will be received.

2. Principal accounting policies (continued)

Other grants

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

Depreciation

Assets costing more than £1,000 are capitalised at cost. Assets under construction for social housing are not depreciated until brought into operational use.

Depreciation of fixed assets is charged by equal instalments commencing with the date of acquisition at rates estimated to write off their cost or valuation less any residual value over the expected useful lives which are as follows:

Freehold land	not depreciated

Freehold buildings – Social housing

Main Fabric	100 years	Bathroom & WC	30 years
Roof & Covering	70 years	Mechanical Systems	30 years
Electrics	40 years	Lift	28 years
Windows & External Doors	30 years	Kitchen	20 years

Freehold buildings – Investment properties	not depreciated
Leasehold property	over period of lease
Furniture and equipment	over 2 to 6 years
Motor vehicles	over 3 years

Current Asset Investments policy

The Group's current asset investments are classified as financial instruments and accounted for at fair value through profit or loss, in accordance with the accounting policy set out under Financial Instruments on page 45.

Operating Leases

All leases are operating leases and the annual rental costs are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Financial Instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102, in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument, and are offset only when the Charity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Assets – Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Rent debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a rent debtor constitutes a financing transaction, the debtor is initially and subsequently measured at present value of future payments discounted at a market value rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Comprehensive Income for the excess of the carrying value of the rent debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Comprehensive Income.

2. Principal accounting policies (continued)

Financial Assets – Trade Investments

Trade investments are equity investments over which the Group has no significant influence, joint control or control and are initially measured at transaction price. Transaction price includes transaction costs, except where trade investments are measured at fair value through profit or loss when transaction costs are expensed to profit or loss as incurred.
Trade investments are measured at fair value through profit or loss. The fair value of trade investments quoted on a recognised stock exchange is the quoted bid price. The fair value of unlisted investments is measured using valuation techniques which include turnover multiple, earnings multiple, net assets or discounted cash flows, as appropriate, based on the nature and circumstances of the investment.

Financial Liabilities – Lease Buyback

The Directors have considered the buy-back obligation contained within property leases granted by the Charity and concluded that it meets the definition of a financial liability under FRS102. As such it has been presented with creditors: amounts falling due within one year to reflect the on-demand feature contained within the contractual arrangement.

Financial Liabilities - Trade Creditors (including amounts due to contractors)

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled. Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at the market rate of interest for a similar instrument.

Financial Liabilities - Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Provisions

The Group recognises provisions where it has an obligation at the reporting date as a result of a past event, which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.
Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and financing costs.

Critical Accounting Estimates and Areas of Judgement

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Residual value of Social Housing Assets

The Charity considers the fabric of buildings in Social Housing Assets it owns to retain a value at the end of their useful life. It reviews annually its estimate of the residual value, taking a precautionary approach and recognising reductions from changing market conditions and impairment.

Defined benefit pension assumptions

The discount rate and inflation rate are considered to be key estimates in calculating the defined benefit liability and sensitivities have been disclosed within Note 22.

2. Principal accounting policies (continued)

Critical Area of Judgement

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Charity as lessee, or to the lessee where the Charity is the lessor.

The granting of property leases are treated as financial instruments (under FRS102) as there is a contractual legal obligation within our leases for buyback: this clause is classified as repayable upon demand which meets the definition of being a financial instrument. As the terms of the lease require repayment upon demand, the buyback liability is reflected within creditors under 1 year. In practice, our experience of lease surrenders is that this pattern of buybacks does not materialise, nonetheless we are obligated to adhere to accounting standards.

The risk and reward of price movement in the intervening period on Investment Properties remain solely with the Charity. Consequently, granting of property leases is not treated as a sale on the basis that most of the risks and rewards of ownership are judged not to have been transferred to the lessee. Properties developed and let under a long lease are not held for social housing purposes, no Social Housing Grant has been received towards their construction and no restrictions exists to their allocation other than Charity policies. They are leased through an upfront payment, equivalent in value to a commercial outright purchase. The Trust has the obligation to "repurchase" the property when the lease is terminated. The purpose of this is two-fold: it ensures that the Village residency mix is maintained, with the Charity being able to select new occupants to maintain a vibrant community, and it also sustains the Trust's longer-term financial stability, by benefitting from property price inflation over time. Additionally, no rent is charged, but a deduction of 1% of the upfront payment is made from the buyback payment, to a maximum of 10%. This is below the commercial rent charged for such a property.

At the end of any lease the Trust could take the decision to lease the property under different terms, including removing the obligation to repurchase. It would be at this point that any capital appreciation would be realised as a capital gain. Such choice is within the powers of Trustees to make at a time when priorities may suggest it would better support the Charity's activities.

On the basis of these considerations the leased properties are treated as investment properties for capital appreciation.

Investment properties are valued annually at their fair value. This calculation is based on the lease price achieved for a property, or on the average price of a similar archetype (location, property size, and other design specifications). Each investment property is measured based upon active secured prices. There has been no valuation by an independent valuer. It is considered the volume of lease transactions in the period gives a sufficient dataset to provide a meaningful basis of fair value.

Investment properties that are under construction at the period end are held as assets under construction and are shown at their historic cost value. There is no readily available market data for an incomplete apartment in an incomplete retirement village, and valuations provided by surveyors for lending and payment purposes measure the cost of works complete at the survey date. Such assets are therefore classified as property, plant and equipment.

The Charity considers individual schemes to be separate Cash Generating Units (CGU's) when assessing for impairment of housing properties held for letting, in accordance with the requirements of FRS 102 and the Housing SORP 2018.

Provisions

Provisions are only recognised where the Charity has an obligation to incur future expenditure as a result of a past event. The provision is measured based on the best estimate of the amounts required to settle the obligation and is recognised as a liability in the Statement of Financial Position.

3. Operating income, operating costs and operating surplus - Group

	2023			2022		
	Turnover £'000	Operating Costs £'000	Operating Surplus / (Deficit) £'000	Turnover £'000	Operating Costs £'000	Operating Surplus / (Deficit) £'000
Social Housing lettings (Note 4)	**9,959**	**(8,789)**	**1,170**	**8,399**	**(6,603)**	**1,796**
Other Social Housing activities:						
Development services	-	(833)	(833)	-	(895)	(895)
Housing related support contract income	-	(2)	(2)	-	(2)	(2)
Management services	142	(1,023)	(881)	630	(364)	266
Other Social Housing activities	**142**	**(1,858)**	**(1,716)**	**630**	**(1,261)**	**(631)**
Non Social Housing lettings						
Residential property income	20,636	(18,551)	2,085	16,424	(11,830)	4,594
Other rent	354	(98)	256	319	(117)	202
Non Social Housing lettings	**20,990**	**(18,649)**	**2,341**	**16,743**	**(11,947)**	**4,796**
Other non Social Housing activities						
Development services	-	(1,692)	(1,692)	-	(1,813)	(1,813)
Care and health services	10,006	(15,278)	(5,272)	10,061	(14,131)	(4,070)
Community services	3,329	(3,738)	(409)	2,797	(2,969)	(172)
Other	4,719	(7,848)	(3,129)	4,201	(6,041)	(1,840)
Retail	3,051	(2,764)	287	2,903	(2,532)	371
Donations	1,469	(1,087)	382	1,264	(993)	271
Other non Social Housing activities	**22,574**	**(32,407)**	**(9,833)**	**21,226**	**(28,479)**	**(7,253)**
Total	**53,665**	**(61,703)**	**(8,038)**	**46,998**	**(48,290)**	**(1,292)**

In addition to the income and costs of providing care to our residents, “Care and Health Services” includes the income and costs relating to the Enriched Opportunities Programme. “Community Services” represents income and costs of activities provided for our residents and “Other” includes the income and costs of services such as restaurants and gym facilities at our retirement schemes and villages.

4. Income and expenditure from Social Housing lettings - Group

	2023 Supported Housing and Housing for Older People £'000	2022 Supported Housing and Housing for Older People £'000
Rent receivable and maintenance charge net of identifiable service charges	4,756	4,220
Service charge income	3,730	3,115
Amenity income	1,050	641
Amortised government grant	423	423
Turnover from Social Housing lettings	**9,959**	**8,399**
Management	2,581	2,241
Service charge costs	3,802	2,055
Routine maintenance	765	484
Planned maintenance	219	188
Depreciation of housing properties	1,422	1,635
Operating Costs on Social Housing lettings	**8,789**	**6,603**
Operating Surplus on Social Housing lettings	**1,170**	**1,796**
Void losses	408	465

5. Interest and financing costs - Group

	2023 £'000	2022 £'000
Bank loans	2,962	3,014
Other loans	2,362	2,362
Defined benefit pension charge	168	184
	5,492	**5,560**

No interest was capitalised in the year ending 31 March 2023 as no new construction activity has taken place in the year. (2022: £Nil).

6. Board members and executive directors - Group and Charity

Members of the Board of Management are the directors and trustees of the Charity, and act in an unpaid capacity. A total of £1,588 was reimbursed to Board members for travel expenses (2022: £1,937) in respect of five trustees who claimed expenses (2022: seven).
Key management personnel are defined on page 5 of the Trustees Report.
Expenses paid to the senior management team in the year totalled £5,636 (2022: £2,489).

	2023 £'000	2022 £'000
Aggregate Emoluments payable to key management personnel (including pension contributions and benefits in kind)	658	686
Emoluments (including benefits, but excluding pension contributions) payable to the Chief Executive who was also the highest paid member of the senior management team	222	229

The Chief Executive is a member of the defined contribution scheme. No enhanced or special terms apply to this or any other pension arrangement.
Pension contributions for the year ending 31 March 2023 were £21,811 (2022: £13,039).
There are no key management personnel in the defined benefit pension scheme (2022: Nil) and three in the defined contribution scheme (2022: Three).

7. Employee Information - Group and Charity

	Group		Charity	
	2023 Number	2022 Number	2023 Number	2022 Number
Average number of employees				
Executive directors	4	4	4	4
Care services	981	1,050	981	1,050
Administration, fundraising and publicity	253	258	159	151
	1,238	**1,312**	**1,144**	**1,205**
Full time equivalents				
Executive directors	4	4	4	4
Care services	593	636	593	636
Administration, fundraising and publicity	221	220	149	139
	818	**860**	**746**	**779**

Full Time Equivalents are calculated on the basis of a 37.5 hours week.

Staff Costs (For the above persons)

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Wages & Salaries	25,727	24,346	23,894	22,775
Social Security Costs	2,205	1,865	2,076	1,761
Other Pension Costs	835	862	781	810
	28,767	**27,073**	**26,751**	**25,346**

7. Employee Information - Group and Charity

The pension cost charge represents contributions payable to the pension fund, and are analysed below.

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Defined benefit schemes	(15)	83	(15)	83
Defined contribution schemes	821	779	768	727
	806	**862**	**753**	**810**

Details of the Group's pension schemes are detailed in Notes 22, 23 and 24.

Salary banding for all employees (excluding directors) earning over £60,000 (including salaries, performance related pay, payments in lieu of pension, benefits in kind and compensation for loss of office and contributions to company pension funds):

Salary Range	2023 Number	2022 Number
£220,001 to £230,000	1	-
£200,001 to £210,000	-	1
£160,001 to £170,000	1	-
£140,001 to £150,000	-	1
£130,001 to £140,000	2	-
£110,001 to £120,000	-	1
£100,001 to £110,000	2	1
£90,001 to £100,000	1	1
£80,001 to £90,000	4	3
£70,001 to £80,000	5	8
£60,001 to £70,000	15	10
	31	**26**

Pension contributions in respect of the above employees totalled £98,062 (2022: £81,757).
No higher paid employees are accruing benefits under the defined benefit pension scheme (2022: Nil).
Twenty-nine of the thirty-one higher paid employees are accruing benefits under the defined contribution scheme (2022: Twenty-four).

8. Operating deficit - Group

	2023 £'000	2022 £'000
The operating deficit is arrived at after charging/(crediting):		
Trustee indemnity insurance	10	9
External auditor's remuneration:		
In respect of the audit of the Charity's Financial Statements	64	60
In respect of other services:		
The audit of the charity's subsidiary Financial Statements	11	10
Taxation services	50	40
Audit-related assurance services	25	34
Other services	-	-
Operating leases		
Rent payable on buildings	1,161	1,140
Other	5	5
Depreciation of owned tangible fixed assets	3,607	3,550
Amortisation of intangible fixed assets	23	58
Amortisation of deferred Social Housing Grant	(486)	(486)

Amortisation of grants in the Income and Expenditure is split between management service (note 3) and amortised government grants (note 4).

9. Intangible assets - Group and Charity

	£'000
Cost:	
At 1 April 2022	1,141
Additions	492
At 31 March 2023	**1,633**
Depreciation:	
At 1 April 2022	1,110
Charged in the year	23
At 31 March 2023	**1,133**
Net Book Value	
At 31 March 2023	**500**
At 31 March 2022	31

Intangible Assets represent investment in software.

10. Fixed Assets - Housing Properties - Group and Charity

	Housing properties held for lettings £'000	Housing properties under construction £'000	Leasehold land and buildings £'000	Total £'000
Cost:				
At 1 April 2022	133,603	699	417	134,719
Additions	8,211	327	-	8,538
Change of tenure	272	-	-	272
At 31 March 2023	**142,086**	**1,026**	**417**	**143,529**
Depreciation:				
At 1 April 2022	15,146	-	85	15,231
Depreciation charged in the year	1,780	-	4	1,784
At 31 March 2023	**16,926**	**-**	**89**	**17,015**
Net Book Value				
At 31 March 2023	**125,160**	**1,026**	**328**	**126,514**
At 31 March 2022	118,457	699	332	119,488

	2023 £'000	2022 £'000
Expenditure on works to existing properties		
Components capitalised/improvements	450	314
Amounts charged to the statement of comprehensive income	984	672
	1,434	**986**
Finance Costs		
Aggregate amount of finance costs included in the cost of housing properties	4,022	4,022
Aggregate amount of finance costs included in the cost of properties under construction	-	-
	4,022	**4,022**

Impairment

The Charity considers individual schemes to be separate Cash Generating Units (CGU's) when assessing for impairment of housing properties held for letting, in accordance with the requirements of FRS 102 and the Housing SORP 2018.

During the current year the Charity has identified no impairment losses (2022: Nil).

11. Other Tangible Fixed Assets - Group and Charity

	Furniture and Other Equipment £'000
Cost:	
At 1 April 2022	13,201
Additions	1,402
Disposals	(54)
At 31 March 2023	**14,549**
Depreciation:	
At 1 April 2022	7,989
Charged in the year	1,823
Released on disposal	(54)
At 31 March 2023	**9,758**
Net Book Value	
At 31 March 2023	**4,791**
At 31 March 2022	5,212

12. Fixed Assets - Investment properties - Group and Charity

	Investment properties £'000
Fair Value:	
At 1 April 2022	767,305
Additions	2,234
Change of tenure	(272)
Movement in fair value	43,596
At 31 March 2023	**812,863**

Historic Cost

	2023 £'000	2022 £'000
Investment properties measured under the historic cost convention	399,421	397,459

Included within the above is £12,862K of capitalised interest (2022: £12,862K).

13.Fixed Asset Investments - Group and Charity

	2023	2022
	£	£
Investment in group companies (Note 32)	2	2

The parent company holds the whole of the equity share capital of the following group companies:

Name of subsidiary undertaking	Country of incorporation	Class of share	Nature of business
ExtraCare Retail Limited	England	Ordinary	Charity retail operation
Extracare Nominee 1 Limited	England	Ordinary	Dormant
Extracare Nominee 2 Limited	England	Ordinary	Dormant

All subsidiaries are registered at 7 Harry Weston Road, Binley Business Park, Coventry, CV3 2SN.

14. Stocks

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Goods for resale	93	109	-	-

15. Debtors

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Rent and service charges receivable	2,522	2,407	2,522	2,407
Less: provision for bad and doubtful debts	(637)	(514)	(637)	(514)
Net rent arrears	**1,885**	**1,893**	**1,885**	**1,893**
Value Added Tax	-	10	-	10
Amount owed by subsidiary undertaking	-	-	84	209
Prepayments and accrued income	2,976	1,833	2,756	1,585
Variable service charges debtor	3,025	141	3,025	141
Other Debtors	24	21	1	-
	7,910	3,898	7,751	3,838

16. Current Asset Investments- Group and Charity

	2023 £'000	2022 £'000
At 1 April	19,595	-
Invested in the period	-	20,000
Movement in fair value	(551)	(405)
At 31 March	**19,044**	**19,595**

The historical cost of the above investments is £20M (2022: £20M).

The fair value, based on the current bid price, of the investments above are:

	2023 £'000	2022 £'000
Fixed interest bonds	2,289	2,085
UK equities	2,416	2,265
Overseas equities	2,639	2,964
Alternatives	1,666	1,306
Cash	491	1,191
Sterling short duration credit fund	9,543	9,784
	19,044	**19,595**

17. Creditors: Amounts falling due within one year

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Loans (note 19)	1,086	776	1,086	776
Trade creditors	2,262	731	2,242	695
Amounts due to contractors for certified work	-	1,370	-	1,370
Rent and Charges received in advance	580	523	580	523
Other taxation and social security costs	6	10	6	10
Corporation Tax	-	-	-	-
Deferred capital grant (note 21)	487	487	487	487
Accruals and deferred income	8,290	7,104	7,985	6,930
Lease buyback liability	496,903	458,576	496,903	458,576
Variable service charge creditor	-	1,646	-	1,646
	509,614	**471,223**	**509,289**	**471,013**

18. Creditors: Amounts falling due after more than one year - Group and Charity

	2023 £'000	2022 £'000
Loans (note 19)	120,249	121,231
Deferred income (note 20)	35	83
Deferred capital grant (note 21)	43,611	44,097
	163,895	**165,411**

19. Loan Analysis - Group and Charity

	2023 £'000	2022 £'000
Due within one year		
Bank loans	1,086	776
Due after more than one year		
Other loans	57,500	57,500
Bank loans	63,521	64,607
	121,021	**122,107**
Less: Issue Costs	(772)	(876)
	120,249	**121,231**

Security

Loans are secured on the properties disclosed within housing properties (Note 10) and investment properties (Note 12). Loans are secured on both freehold and leasehold properties.
At 31 March 2023 there are no unencumbered completed units.

Terms of repayment and interest rates

Bank and other loans are repayable in instalments, at rates of interest between 3.25% and 5.9% per annum (2022: 3.25% and 5.9% per annum).
The final instalments fall to be repaid between 2026 and 2040.
The Charity has fixed interest rates to guard against future rate movements - these are embedded within the loans and do not have a separate fair value.

Based on the lender's earliest repayment date, borrowings are repayable as follows:

	2023 £'000	2022 £'000
Within one year or on demand	1,086	776
One year or more but less than two years	1,086	1,086
Two years or more but less than five years	40,735	40,581
Five years or more	79,200	80,440
	122,107	**122,883**

As at 31 March 2023 the Charity has no undrawn loan facilities (2022: £Nil).

20. Deferred income - Group and Charity

Deferred income will be credited to the Consolidated Statement of Comprehensive Income:

	2023 £'000	2022 £'000
Within one year	58	58
Between one and two years	32	74
Between two and five years	3	9
	93	**141**

	2023 £'000	2022 £'000
Lease premiums receivable, credited to the Consolidated Statement of Comprehensive Income over the period of the lease (up to twenty five years)	30	57
Other Care income	2	2
Care for Life income, amortised over life expectancy of plan holder	61	82
	93	**141**

Deferred income relates to lease premiums receivable £30K (2022: £57K) which will be released over the periods of the lease (up to twenty five years) and income relating to Care for Life £61K (2022: £82K) which will be released to income over the assumed life expectancy of the resident who has taken out the plan.

21. Deferred Capital Grant Income - Group and Charity

	2023 £'000	2022 £'000
Balance at 1 April	44,584	45,070
Released to income in the year	(486)	(486)
Balance at 31 March	**44,098**	**44,584**

	2023 £'000	2022 £'000
Amounts to be released within one year	487	487
Amounts to be released in more than one year	43,611	44,097
	44,098	**44,584**

The total of capital grants received at 31 March 2023 was £48,730K (2022: £48,730K).

22. Retirement benefits - Group and Charity

Social Housing Pension Scheme (SHPS)

The Charity participates in the Social Housing Pension Scheme ('the scheme'), a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560M. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2028.

The scheme is classified as a 'last-man standing arrangement'. Therefore the Charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the Charity to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2022. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2023 to 29 February 2024 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

Key results

The estimated position at 31 March 2023 shows a deficit of £6,608K (2022: £6,760K deficit).

The number of scheme members employed by the Group at 31 March 2023 was 7 (2022: 14). The charge to the Group for the year was a reduction of £15K (2022: cost of £83K).

Calculation method

The figures at 31 March are based on projecting forward the results of the last actuarial valuation of the Fund as at 30 September 2020.

Key assumptions

	2023	2022
Discount Rate	4.88%	2.79%
Inflation (RPI)	3.20%	3.62%
Inflation (CPI)	2.74%	3.21%
Salary Growth	3.74%	4.21%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male aged 65 in 2023	21.0
Female aged 65 in 2023	23.4
Male aged 65 in 2043	22.2
Female aged 65 in 2043	24.9

22. Retirement benefits (continued) - Group and Charity

Defined benefit costs recognised in Statement of Comprehensive Income

	2023 £'000
Current service cost	(15)
Expenses	41
Net interest expense	168
	194

Defined benefit costs recognised in Other Comprehensive Income

	2023 £'000
Experience on plan assets (excluding amounts included in net interest cost) - loss	(14,719)
Experience gains and losses arising on the plan liabilities - loss	(25)
Effects of changes in demographic assumptions underlying the present value of the defined benefit obligation - gain	90
Effects of changes in financial assumptions underlying the present value of the defined benefit obligation - gain	13,554
Total actuarial loss	**(1,100)**

Present values of defined benefit obligation, fair value of assets and defined benefit liability

	2023 £'000	2022 £'000
Fair value of plan assets	29,445	42,877
Present value of defined benefit obligation	(36,053)	(49,637)
Defined benefit liability to be recognised	**(6,608)**	**(6,760)**

Reconciliation of opening and closing balances of the defined benefit obligation

	2023 £'000
Defined benefit obligation at start of period	49,637
Current service cost	(15)
Expenses	41
Interest expense	1,365
Contributions by members	93
Actuarial losses due to scheme experience	25
Actuarial gains due to changes in demographic assumptions	(90)
Actuarial gains due to changes in financial assumptions	(13,554)
Benefits paid and expenses	(1,449)
Defined benefit obligation at end of period	**36,053**

22. Retirement benefits (continued) - Group and Charity

Reconciliation of opening and closing balances of the fair value of plan assets	2023 £'000
Fair value of plan assets at start of period	42,877
Interest income	1,197
Experience on plan assets (excluding amounts included in interest income) - loss	(14,719)
Employer contributions	1,446
Contributions by members	93
Benefits paid and expenses	(1,449)
Fair value of plan assets at end of period	**29,445**

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2022 to 31 March 2023 was a reduction of £13,522K.

The analysis of the scheme assets at the reporting date were as follows:

	2023 £'000	2022 £'000
Global Equity	549	8,228
Absolute Return	319	1,720
Distressed Opportunities	891	1,534
Credit Relative Value	1,111	1,425
Alternative Risk Premia	55	1,414
Emerging Markets Debt	158	1,248
Risk Sharing	2,168	1,412
Insurance-Linked Securities	743	1,000
Property	1,268	1,158
Infrastructure	3,363	3,054
Private Debt	1,310	1,099
Opportunistic Illiquid credit	1,260	1,441
High Yield	103	369
Opportunistic Credit	2	153
Cash	212	146
Corporate Bond Fund	-	2,860
Long Lease Property	888	1,103
Secured Income	1,352	1,598
Liability Driven Investment	13,562	11,964
Currency hedging	56	(168)
Net Current Assets	75	119
Total assets	**29,445**	**42,877**

22. Retirement benefits (continued) - Group and Charity

Analysis of the sensitivity to the principal assumptions of the present value of the defined benefit obligation

	Change in assumption	Change in liabilities £'000
Discount rate	Increase of 0.1% p.a.	453
Rate of inflation (CPI)	Increase of 0.1% p.a.	-279
Rate of salary growth	Increase of 0.1% p.a.	-2

The sensitivities shown above are approximate. Each sensitivity considers one change in isolation. The inflation sensitivity includes the impact of changes to the assumptions for revaluation, pension increases and salary growth where appropriate.

23. Other provisions - Group and Charity

	2023 £'000	2022 £'000
The Pensions Trust's Growth Plan	5	8
Provision for Charitable Subsidy	3,136	-
Total Other Provisions	**3,141**	**8**

The Pensions Trust's Growth Plan

The Charity participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the Charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3M, liabilities of £831.1M and a deficit of £31.6M. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

- £3.3M per annum From 1 April 2022 to 31 January 2025 (payable monthly):

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9M, liabilities of £926.4M and a deficit of £131.5M. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

- £11.2M per annum From 1 April 2019 to 30 September 2025 (payable monthly and increasing by 3.0% each year on 1st April):

The recovery plan contributions are allocated to each participating employer in line with their estimated share of Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and the Charity has agreed to a deficit funding arrangement it recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

23. Other provisions (continued) - Group and Charity

Present values of provision

	2023 £'000	2022 £'000
Present value of provision	5	8

Reconciliation of opening and closing provisions

	2023 £'000	2022 £'000
Provision at start of period	**8**	**42**
Unwinding of the discount factor (interest expense)	-	-
Deficit contribution paid	(3)	(11)
Remeasurements - impact of any change in assumptions	-	-
Remeasurements - amendments to the contribution schedule	-	(23)
Provision at end of period	**5**	**8**

Income and expenditure impact

	2023 £'000	2022 £'000
Interest expense	-	-
Remeasurements – impact of any change in assumptions	-	-
Remeasurements - amendments to the contribution schedule	-	23
Costs recognised in income and expenditure account	**-**	**23**

Assumptions

	31-Mar-23 % per annum	31-Mar-22 % per annum	31-Mar-21 % per annum
Rate of discount	5.52	2.35	0.66

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

23. Other provisions (continued) - Group and Charity

Provision for Charitable Subsidy

Following the sharp increases in fuel costs in the last year, residents charges were due to rise substantially for the year 2023/2024. The Charity has sought to mitigate the impact on its residents by agreeing a cap to Utilities Charges for one year. The cost of this measure has been reflected in these statements as a provision.

24. Defined contribution pension scheme - Group and Charity

The Charity also utilises the Pension Trust Flexible Retirement Plan (FRP). The FRP is a defined contribution scheme.

The estimated employer's contributions payable under all pension schemes for the year ended 31 March 2024 is £405K (2023: £733K).
Pension costs within creditors for the year ending 31 March 2023 are £nil (2022: £Nil).

25. Restricted reserves - Group and Charity

The incoming funds of the Charity include restricted funds comprising the following balances of donations and grants held on trust for specific purposes.

	At 1 April 2021 £'000	Income £'000	Expenditure £'000	At 31 March 2022 £'000	Income £'000	Expenditure £'000	At 31 March 2023 £'000
Fixed assets							
Hagley Road, Birmingham	1	-	-	1	-	-	1
Humber Court, Coventry	202	-	(3)	199	-	(2)	197
Lark Hill Village, Nottingham	2,829	-	(32)	2,797	-	(32)	2,765
New Oscott Village, Birmingham	1,178	-	(13)	1,165	-	(13)	1,152
Lovat Fields Village, Milton Keynes	924	-	(11)	913	-	(10)	903
Shenley Wood Village, Milton Keynes	166	-	(2)	164	-	(2)	162
Pannel Croft Village, Birmingham	518	-	(6)	512	-	(5)	507
St Oswalds Village, Gloucester	1	-	-	1	-	-	1
Rosewood Court, Wellingborough	229	-	(3)	226	-	(3)	223
Sunley Court, Kettering	221	-	(3)	218	-	(3)	215
Yates Court, Evesham	109	-	(1)	108	-	(1)	107
	6,378	**-**	**(74)**	**6,304**	**-**	**(71)**	**6,233**
Special projects and other funds							
Other miscellaneous funds	84	50	-	134	22	(2)	154
Other scheme restricted funds	140	7	(111)	36	18	(18)	36
	224	**57**	**(111)**	**170**	**40**	**(20)**	**190**
Total funds	**6,602**	**57**	**(185)**	**6,474**	**40**	**(91)**	**6,423**

Fixed assets

These funds resulted from specific appeals to fund the development of fixed assets. Expenditure represents depreciation on the assets.

Special projects and other funds

Most of these funds have been given to finance specific projects to improve the quality of life for older people.

26. Capital commitments - Group and Charity

There is no capital expenditure that has been contracted for but has not been provided for in these financial statements (2022: £Nil).

There is no capital expenditure that has been authorised by the Board but has not yet been contracted for (2022: £Nil).

27. Financial commitments - Group and Charity

The future minimum lease payments of non-cancellable leases are as set out below:

	2023		2022	
	Land & Buildings £'000	Other £'000	Land & Buildings £'000	Other £'000
Contracts expiring				
Within one year	802	31	1,070	32
Between one and 5 years	2,173	8	2,387	39
Over five years	3,116	-	3,847	-
	6,091	**39**	**7,304**	**71**

28. Taxation

The Trust is registered as a charity and its charitable activities are not liable to Corporation Tax.
The subsidiary of the Trust, Extracare Retail Limited, is subject to Corporation Tax. In this financial year no tax liability has been incurred.

29. Contingent assets

The Charity will receive pledges to fund new village developments. These pledges are contingent on various key events occurring during the village development phases. Funds are received in stages. Hence both received and receivable funds are recognised as contingent assets until such time that the conditions are met.
No new pledges have been received in the year ending 31 March 2023.

30. Contingent liabilities and other commitments

At 31 March 2023, there are no outstanding claims against the Group or Charity.

31. Related party transactions

The Group has taken advantage of the exemption conferred by paragraph 33.IA of FRS102, Related Party Disclosures, from the requirement to disclose transactions with its wholly owned subsidiary (ExtraCare Retail Limited).

The Charity has not entered into any transactions or other arrangement with any related parties.

32. Subsidiary undertakings - Charity

As shown in note 12, the Charity has three wholly owned subsidiaries which are incorporated in the United Kingdom:

- ExtraCare Retail Limited
- Extracare Nominee 1 Limited
- Extracare Nominee 2 Limited

Extracare Nominee 1 Limited and Extracare Nominee 2 Limited did not trade during the year, or in the prior year.

All companies have entered into Gift Aid arrangements to donate their taxable profits to The ExtraCare Charitable Trust.

A summary of the results of ExtraCare Retail Limited is shown below. Audited accounts will be filed with the registrar of Companies in line with requirements.

Within the Group accounts, the activity from ExtraCare Retail Limited is shown within Other Non Social Housing Activities (note 3).

	2023 £'000	2022 £'000
Turnover	3,051	2,892
Cost of sales	(325)	(271)
Staff costs	(2,088)	(1,811)
Other costs	(1,385)	(1,322)
Other operating income	1,034	872
Net profit	**287**	**360**
Taxation	-	-
Retained in subsidiary	**287**	**360**
Current assets	612	534
Current liabilities	(325)	(213)
Retained in subsidiary	**287**	**321**

The Charity received £321K Gift Aid from retail activity in the year ended 31 March 2023 (2022: £Nil).
A Gift Aid distribution of £287K is planned for payment in the following year from the Retail subsidiary retained profits.

33. Cash Flow Reconciliations

Reconciliation of operating surplus to net cash inflow from operating activities

	2023 £'000	2022 £'000
Surplus for the year	29,761	15,913
Interest payable	5,492	5,560
Interest receivable	(246)	(1)
Profit from sale of fixed assets	-	(525)
Operating surplus for the year	**35,007**	**20,947**
Adjustments for non-cash items:		
Change in fair value of investment properties	(43,596)	(22,644)
Change in fair value of investments	551	405
Release of Buyback liability	(4,263)	(3,906)
Depreciation of tangible fixed assets	3,607	3,550
Amortisation of intangible assets	23	58
Amortisation of deferred capital grants	(486)	(486)
Amortisation of finance costs	104	105
Defined benefit pension schemes	1,713	(1,327)
Operating cash flows before movements in working capital	**(7,340)**	**(3,298)**
Movements in working capital		
Decrease/(Increase) in stock	16	29
(Increase)/Decrease in rental and other debtors	(4,012)	(566)
Increase/(Decrease) in trade and other creditors	1,091	378
Net cash used in operating activities	**(10,245)**	**(3,457)**

Analysis of changes in net debt

	At 1 April 2022 £'000	Cash flows £'000	New finance leases £'000	Other non cash £'000	At 31 March 2023 £'000
Cash and cash equivalents	10,686	12,440	-	-	23,126
Investments	19,595	-	-	(551)	19,044
Bank loans due in less than 1 year	(776)	776	-	(1,086)	(1,086)
Bank loans due in more than 1 year	(63,731)	-	-	982	(62,749)
Other loans	(57,500)	-	-	-	(57,500)
Lease buyback liability	(458,575)	39,914	(82,504)	4,262	(496,903)
Total	**(550,301)**	**53,130**	**(82,504)**	**3,607**	**(576,068)**

34. Number of homes in management and development

	2023 Number	2022 Number
Social housing units		
Owned by the Charity	852	745
Managed on behalf of other organisations	144	288
Non-Social housing units		
Leased or part leased investment properties	2,605	2,607
Other		
Social housing properties managed under a partnership arrangement	431	431
Non-Social housing properties managed under a partnership arrangement	167	167
	4,199	**4,238**

35. Financial instruments

The carrying value of the Group and Charity's financial instruments at 31 March were:

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Financial assets				
Debt instruments measured at amortised cost:				
Trade and other debtors	6,661	2,744	6,845	3,050
Cash	23,126	10,686	23,053	10,684
	29,787	**13,430**	**29,898**	**13,734**
Debt instruments measured at fair value:				
Current Assets investments	19,044	19,595	19,044	19,595
	19,044	**19,595**	**19,044**	**19,595**
Financial liabilities				
Measured at amortised cost				
Trade and other creditors	552,075	514,476	551,750	514,266
Loans	122,107	122,883	122,107	122,883
	674,182	**637,359**	**673,857**	**637,149**

THE EXTRACARE CHARITABLE TRUST

England & Wales - Charity number 327816

Accounts

The ExtraCare Charitable Trust

ANNUAL REPORT & ACCOUNTS
31 March 2022

Registered Charity Number – 327816
Registered Social Landlord – 4706
Company Registered Number – 2205136

FRIDAY
ABDNB3SI
A18 30/09/2022 #311
COMPANIES HOUSE

The ExtraCare Charitable Trust

CONTENTS

	Page Number
Key Facts	2
Statement from our Chair	3
Foreword by the Chief Executive	4
Legal and administrative information	6
Report of the Board	8
Strategic Report	17
The Board's responsibilities in preparation of accounts	33
Independent auditor's report to the members of The ExtraCare Charitable Trust	34
Consolidated statement of comprehensive income	37
Statement of financial position	38
Statement of changes in reserves	39
Consolidated statement of cash flows	40
Notes to the financial statements	41

The ExtraCare Charitable Trust

FACTS

	2021/22	2020/21
Homes for older people	4,238	4,238
New homes completed	0	321
Our residents	4,532	4,404
Average age of our residents is	81	80
Villages	16	16
Schemes	5	5
Charity Retail Shops	40	44
Volunteers supporting our Charity	2,100	2,231
Staff working to a shared goal	1,312	1,293
Turnover	£47.0M	£41.7M
Reserves	£282.9M	£265.7M
Total comprehensive income	£17.2M	£18.4M
Awards include:	*Investors in People Gold Award*	

The ExtraCare Charitable Trust

STATEMENT FROM OUR CHAIR

I am delighted to present our Annual Report for 2021/22, after what has been another demanding year where ExtraCare has risen to the challenges faced as a result of the Covid-19 pandemic.

Our Charity continues to thrive and the cash reserves we've generated, as a response to issues we encountered when the pandemic initially hit in March 2020, shows what a strong financial position we are now in.

You will see within the Annual Report that we substantially achieved the main targets we set out in our Annual Business Plan for 2021/22. We continue to strive to improve our offering in relation to value for money, and any improvement in our bottom-line surplus will not be at the expense of the quality of service we offer.

I am happy to report we have been able to return to face-to-face Board meetings during 2021/22, which with so many new Trustees has been a real positive. The pandemic taught us so many things about new ways of working, many of which we will continue to use. However, there is no substitute for in person meetings when discussing the strategic objectives for the Charity over the coming years. Therefore, as we were setting the scene for the 2022-27 Corporate Plan, it was a pleasure to be doing this in person.

We were saddened in the year to receive the news that our Trustee, David Mell, had died. David was a valued Trustee, who undertook his role with such dedication and commitment to ExtraCare. He will be sorely missed by all that knew him.

I thank all our colleagues and volunteers who enable us to deliver our excellent services, and all those that donate to the Charity, through either money or goods donations which are then sold in our Retail shops.

Finally, I'd like to extend my thanks to our residents. The past couple of years have been difficult and I know at times you will have felt frustrated at the restrictions enforced. Your patience and understanding have enabled us to successfully manage a very difficult period for the Charity and ensured we are now in the best possible position to deliver a new ambitious five-year Corporate Plan.

Nicholas Baldwin CBE

Chair

FOREWORD BY THE CHIEF EXECUTIVE

This time a year ago I wrote how the Covid-19 pandemic had severely impacted the UK throughout 2020/21, including the huge impact it had on our operations. The challenges we faced did not just disappear as we entered 2021/22, with new variants and local lockdowns posing continuing challenges for us to navigate.

Our pandemic priorities have remained consistent over the previous two years, and I am extremely proud of my colleagues who have worked tirelessly to help us:

1) **Keep our residents and staff safe; and**
2) **Keep our Charity financially viable.**

During the pandemic we were able to keep our resident satisfaction levels high. 88% of our residents stated they felt safe living with us through the pandemic, with 80% saying they felt supported in getting essentials during lockdowns.

Sadly, a number of our residents died as a result of contracting Covid-19. However, the deaths in our locations were less than those seen in our core demographic across England overall, and markedly lower than those recorded in care homes.

Due to the uncertainty this time last year, we again agreed with the Trustees to formulate an Annual Business Plan and delay our five-year Corporate Plan until the external environment had settled. Within our 2021/22 Annual Business Plan we set ourselves six key targets, these being:

- **Secure all approvals (including planning and method of construction) for Shenley Wood 3 and one new village to enable both to start on site (subject to funding)**
  - The appraisal for Shenley Wood has been approved by the Board and the development was expected to commence in 2022/23 subject to the successful land purchase – which is now looking in doubt.
- **Achieve CQC good or outstanding for all locations inspected**
  - None of our locations were inspected by CQC during the year.
- **Achieve resident experience ratings of 80% in villages and 90% in schemes**
  - Resident satisfaction in our villages was 91%: and
  - Resident satisfaction in our schemes was 94.7%.
- **Achieve staff satisfaction scores: 75% of our employees will be satisfied with ExtraCare as an employer and 90% of our employees will be fully committed to our vision**
  - 68% of our employees were satisfied with us as an employer; and
  - 91% of our employees are fully committed to our vision.
- **Achieve a total surplus in excess of £12m and limit the underlying operational loss (i.e. excluding resales) to £1.2M**
  - Total surplus of £17M; and
  - Operational performance is break-even.
- **Ensure we meet or exceed the Regulator of Social Housing's expectations.**
  - We continued with our IDA readiness plan.

It has been great to see our locations returning to their vibrant best over the latter half of the year with residents back socialising and undertaking activities. Providing 'better lives for older people' is not only our vision, but it is also our passion, and this can only truly be maximised when our locations are completely open and full of residents, colleagues, customers, and visitors.

Financially we have continued to strengthen our cash holdings this year, a target in the Annual Business Plan for 2021/22. We were able to cancel our £10M revolving credit facility three months early, given that by the turn of the calendar year we had already surpassed our £20M cash target. These accounts demonstrate the return to a stronger sales market, which has seen our cash position (including investments) at the year-end increase to over £30M.

Given that uncertainty seems to be diminishing, our Board of Trustees have agreed now is the right time to commit to our medium-term future, and as such we have agreed our 2022-27 Corporate Plan. This plan was formulated with the support and input of Trustees, colleagues and most importantly our residents. We want to strengthen our connection with our residents further over the course of the next five years and ensure they are at the heart of every decision we make.

Our Corporate Plan focuses on three areas, these being:

- Developing new villages;
- Operating our villages and schemes; and
- Supporting our villages and schemes.

Throughout this report you will read how we have already been focusing on these areas, as well as the future plans we have in place. It is an exciting time to be involved with the Charity as we go from strength to strength in a fast-growing sector.

On behalf of the Executive Leadership Team, I'd like to give thanks to our Trustees, our colleagues, and our volunteers, who never cease to amaze me with their effort and dedication to ensure ExtraCare Charitable Trust continues to thrive.

Together, we will continue to create 'better lives for older people'.

Mick Laverty

Chief Executive

The ExtraCare Charitable Trust

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Name	The ExtraCare Charitable Trust
Governing Instrument	The Charity is a company limited by guarantee and not having a share capital. As such it is governed by its Memorandum and Articles of Association, which were last amended by special resolution on 13 November 2019. It was incorporated on 11 December 1987.
Registered Charity Number	327816
Registered Social Landlord	4706
Company Registered Number	2205136
Members	The Directors of the Charity from time to time and such other persons admitted to membership of the company under the Articles. The number of members is unlimited.

Board of Trustees (also referred to as a Directors of the Company for the purpose of Company law):	**Formally appointed**	**Retired/Resigned**
Nicholas Baldwin CBE (Chair)	11 November 2020	-
Richard Clarke (Senior Independent Director)	14 November 2018	-
Harpal Baines	21 June 2021	-
Richard Byrne	21 June 2021	-
Professor Guy Daly	18 March 2019	10 November 2021
Adrian Eggington	1 March 2020	-
Saba Gondal	20 September 2021	-
Andy Hardy	21 June 2021	-
Karen Helliwell	1 March 2020	13 July 2021
Susan Lock	1 March 2020	-
Mary Martin	15 November 2017	21 June 2021
David Mell	1 February 2018	17 December 2021
Philip Riman	23 April 2019	-
Susan Whelan Tracy	13 November 2019	-
Kim Wootton	10 November 2021	-

The ExtraCare Charitable Trust

Committee Memberships
Includes all Trustee members (current (√) and former (X))

Trustees	Audit & Assurance	Development	Nominations & Remuneration	Operations	Fundraising, Research & Advocacy**
Harpal Baines	√			√	
Nicholas Baldwin		√	√	√	
Richard Byrne*		√			
Richard Clarke	Chair		√		X
Professor Guy Daly					X Former Chair
Adrian Eggington	√	√			
Saba Gondal	√			√	
Andy Hardy	√	√			
Karen Helliwell		X		X	
Susan Lock	√			Chair	
Mary Martin	X Former Chair	X	X Former Chair		
David Mell	X			X Former Chair	X
Philip Riman		Chair	√		
Susan Whelan Tracy			Chair	√	X
Kim Wootton		√		√	

* Richard Byrne is also the Trust representative on the Board of ExtraCare Retail Limited
** *Committee now disbanded*

Company Secretary	Angela Carpenter	
Executive Leadership Team (principal members of staff and key management personnel as defined by the Companies Act)	Mick Laverty	Chief Executive
	Angela Carpenter	Executive Director Governance and Compliance (from 01/02/2022)
	Joanna Grainger	Executive Director Operations (from 01/09/2021)
	Angela Harding	Executive Director Operations (until 16/07/2021)
	Henriette Lyttle-Breukelaar	Executive Director Marketing and Innovation (until 30/04/2021)
	Chris Skelton	Executive Director Corporate Resources
	Kevin Willetts	Executive Director Development, Sales and Procurement (until 28/02/2022)
Registered and principal office	7 Harry Weston Road Binley Business Park Coventry CV3 2SN	
Principal Bankers	Lloyds Banking Group Plc	
Primary Solicitors	Shakespeare Martineau, Pinsent Masons	
Auditors	RSM UK Audit LLP	

REPORT OF THE BOARD

The Board presents The ExtraCare Charitable Trust's ('ExtraCare') Annual Report and the audited financial statements for the year ended 31 March 2022.

Charitable Objectives and Public Benefit

ExtraCare was incorporated in 1987 to provide services to older people and this is explicit in our Vision to deliver 'Better Lives for Older People' and our Mission 'Creating sustainable communities that provide homes older people want, lifestyles they can enjoy and care if it's needed.'

We are a registered charity and as such must carry out charitable purposes for the public benefit. Our charitable purposes ('Objects') are set out in our Articles of Association and include:

- The business of providing (directly or indirectly) and managing the provision of housing, social housing and other accommodation (including, without limitation, nursing homes, sheltered homes, hostels and care homes), and assistance to help house people, and associated facilities and amenities or services, for people who are poor, or for people who are in need by reason of their age, physical disability, mental disability, learning disability, mental illness or chronic sickness;
- The provision of care, welfare, medical, nursing, community and other services, and associated facilities and amenities, for people who are poor, or for people who are in need by reason of their age, physical disability, mental disability, learning disability, mental illness or chronic sickness;
- The relief of sickness and the preservation and promotion of health of people who are poor, or of people who are in need by reason of their age, physical disability, mental disability, learning disability, mental illness or chronic sickness;
- The relief of financial hardship amongst elderly people; and
- Any other charitable object not prohibited for a company registered with the Regulator as a non-profit, private, registered provider.

Our public benefit is reflected in the strands of our model. As a charity which pioneered retirement communities, we still believe our model is unique by virtue of:



We are a charity, and our surpluses are all re-invested in the charitable activities.



Our diverse tenure mix, which makes us affordable for people from a range of backgrounds and circumstances and supports the diversity of our communities.



Our villages are typically made up of 260+ apartments, housing 300-400 residents. This enables us to offer 10-15 communal facilities at an affordable price to residents. This scale is rare for the UK.



Our model of Homes, Lifestyle and Care is proven to benefit residents' physical and mental health and reduce pressure on the health and social care system.

Homes older people want

Our 16 retirement villages and four smaller housing schemes (we operated five smaller housing schemes throughout the year, however the agreement to manage Verona Court ended on 31 March 2022) are typically made up of individual one or two-bedroom homes, which are available for granting of a property lease, granting of a shared ownership property lease, or for social rent. Some of our villages also include bungalows and two or three-bedroom cottages.

The homes we offer and our communal spaces are attractive, comfortable, and suited to the emerging needs that our residents might face as they grow older. We continue to explore the installation of ('smart') digital technology and adaptations to ensure that our residents benefit from the ways in which technology can help prolong independence and enhance quality of life. An example is the 'smart apartments' in our new villages, showcasing a range of smart technology applications including smart speakers, electric blinds and adaptations to kitchens and bathrooms. The latest smart apartment in Solihull Village remains open to the public.

During the year we commissioned an exercise which examined our properties in great detail and how over time our offering is changing. This work, undertaken by Glenn Howells Architects, also focused on the demands of the sector and will be utilised in

planning our upcoming extensions and new village developments. The report has been presented to Trustees and Management and, amongst other things, gives a detailed insight into the design of our current villages, the external environment affecting the sector, our client base and the green agenda. This work will be used to inform our next developments and extensions.

Lifestyles they can enjoy

Our communities offer a wide range of communal facilities and opportunities for healthy, active, and fulfilling lifestyles. These include facilities such as a restaurant, gym, craft room, greenhouse, and games room, together with a dedicated activities coordinator in every location to deliver a varied programme to our residents.

Volunteering is at the heart of ExtraCare communities. We have over 2,100 volunteers, with two thirds of our volunteers in locations being residents. We understand the tremendous benefits of volunteering to our location, often delivering services which would otherwise be unaffordable, whilst also supporting our residents directly in a variety of ways. In addition to everything that volunteering brings to ExtraCare, we know that our volunteers also benefit from the experience. Our vast volunteering programme is exceptional in our retirement communities.

Our award-winning wellbeing service supports our residents, improves their health and enables them to remain independent for as long as possible. The team helps improve wellbeing through programmes such as the 'Engaged Lives Project', where we are equipping residents with the skills to build confidence and improve social connectedness. This project was enabled through funding received from the Community Lottery Fund.

We continue to facilitate and expand a programme of healthcare student placements in our Birmingham Cluster, which saw physiotherapy students spending time supporting residents again in some of our villages from early 2022. The focus of these placements is on falls prevention and supporting residents back to normal post-pandemic. Previously the physiotherapy programme had been very well received by both students and residents and is just one strand of our intergenerational activities.

Care when it's needed

In each of our villages and schemes we provide personal care and support to those residents who need it. Residents in receipt of care include both those whose care is funded by the local authority, as well as those who fund their own care. Where local authority funded care is at a rate lower than self-funded care, we are committed to providing the same high quality of care to all residents.

16 of our locations have now been accredited by the Gold Standards Framework (GSF) for end-of-life care, providing peace of mind to residents and their families that we are fully able to provide the care they need for as long as they need it. Out of the remaining four locations, two are implementing the GSF but do not yet have the accreditation and two further locations are awaiting the training which will enable them to become accredited.

Our Dementia and Mental Wellbeing Programme supports residents with dementia and dementia-related conditions and is partly funded by ExtraCare through our charitable fundraising. Where we charge for other services provided to residents and other beneficiaries (such as laundry and cleaning), we aim to maintain charges at an affordable level and, in doing so, Trustees have due regard to the public benefit guidance published by the Charity Commission. With all our services, we continue to embed value for money principles, therefore recognising that an affordable level will be different for each resident. The benefit to residents from the additional services can be significant and therefore, we endeavour to deliver our services at affordable prices.

Equality Act

The Equality Act 2010 generally prohibits discrimination on the grounds of a characteristic such as age. It does, however, allow charities to limit the group of people they help to those with a protected characteristic. This is provided the limitation is clearly stated in their objects and the benefits are provided in a proportionate way. The Board, having considered the governing documents of our Charity, are satisfied that the activities of our Charity fall within this exemption as:

- The provision of quality one and two-bedroom homes for older people releases their previous homes for families;
- The provision of safe and secure communities with a wide range of activities reduces loneliness and isolation increasingly faced by older people; and
- The promotion of wellbeing and healthy lifestyles improves the health of the individual and reduces their impact on NHS and other publicly-funded services.

In making these statements, the Trustees have had due regard to the Equality Act guidance published by the Charity Commission.

Safeguarding

Safeguarding is a key governance priority for ExtraCare, which is committed to protecting the right of everyone we come into contact with, ensuring they are able to live and work in safety and free from abuse or neglect. We operate procedures to respond to any vulnerable adult at risk, who is known to be experiencing, or is at risk of abuse or neglect and unable to protect themselves, and have regard to the safeguarding of children where applicable in our work.

Corporate Governance

ExtraCare is a registered charity and a private company limited by guarantee. It has no shareholders, and any surpluses are reinvested back into the Charity. It is led by a Board of Trustees, all of whom are directors for the purposes of the Companies Act 2006. The Charity is monitored and supervised by external regulators including the Regulator of Social Housing (RSH), the Care Quality Commission (CQC), the Charity Commission, the Health and Safety Executive, the Information Commissioner's Office and by the relevant trade associations, the National Housing Federation and the Associated Retirement Community Operators (ARCO).

ExtraCare Members and our Board of Trustees

The Board of Trustees is collectively accountable to ExtraCare's members and other stakeholders for the long-term success of the Charity. ExtraCare's members comprise past and current Trustees, past Executive Directors and the Chair of the Residents' Forum. New members may be appointed by the Board in accordance with the Charity's Articles of Association.

The Board is responsible for setting the vision, mission, and values of the Charity, holding the Executive Directors to account for the Charity's performance, standards of conduct and corporate governance. The Board is also responsible for ExtraCare's compliance with all relevant legislative and regulatory requirements. In accordance with the Articles of Association, Trustees may not be paid for their services, nor may they be employees of the Charity and as such they act in a non-executive capacity.

Board Composition, Tenure, and Renewal

The number of Trustees is limited by the Charity's Articles of Association to 12. Board members are appointed on a systematic and continuous basis in accordance with our Board Recruitment, Induction and Succession Policy. Appointment as a Trustee is for a term of office of three years and limited to two consecutive terms of office in normal circumstances.

Trustees come from a range of backgrounds, including public bodies, the housing sector, and the private sector. Trustee biographies are provided on the Charity's website (https://www.extracare.org.uk/about-the-charity/our-trustees-directors/). Details of Board appointments can be found on page 6 of this report.

During the year there were some changes to our Board membership following the resignation and retirement of three Trustees and we have used this opportunity to broaden diversity at Board level. Additionally, it was with great sadness that during the year we learned of the death of one of our Trustees, David Mell. David joined ExtraCare in 2018 and made a committed and valuable contribution to ExtraCare.

Chair of Trustees

Nicholas Baldwin CBE was appointed as Chair for an initial term of three years at the AGM in November 2020.

Board Meetings

The powers of the Trustees are set out in the Charity's Articles of Association and the Board may exercise all powers conferred on it by the Articles and in accordance with the Companies Act 2006, the Charities Act 2011 and other applicable legislation. In the 2021/22 financial year the Board had five scheduled meetings. This was increased to six bi-monthly meetings for 2022/23. Trustee attendance for the year ended 31 March 2022 is shown overleaf:

	Board Meetings	Committee Meetings~	AGM
Nicholas Baldwin CBE (Chair) [1]	5 of 5	11 of 11	1 of 1
Harpal Baines[2]	4 of 5	7 of 7	1 of 1
Richard Byrne[2]	4 of 5	2 of 3	0 of 1
Richard Clarke[9]	5 of 5	9 of 9	1 of 1
Guy Daly[7]	0 of 2	0 of 1	0 of 1
Adrian Eggington	4 of 5	8 of 9	0 of 1
Saba Gondal[3]	3 of 4	4 of 4	1 of 1
Andy Hardy[2]	3 of 4	4 of 7	1 of 1
Karen Helliwell[5]	n/a	n/a	n/a
Susan Lock	4 of 5	9 of 9	1 of 1
Mary Martin[6]	1 of 1	3 of 3	n/a
David Mell[8,9]	3 of 3	7 of 7	1 of 1
Philip Riman	5 of 5	4 of 4	0 of 1
Susan Whelan Tracy	5 of 5	7 of 7	0 of 1
Kim Wootton[4]	3 of 3	3 of 3	1 of 1

~ Decisions made electronically
[1] Attended one Audit & Assurance Committee meeting as observer
[2] Appointed as Interim Trustee 21 June 2021, stepped down 10 November 2021 and formal appointment as Trustee 10 November 2021
[3] Appointed as Interim Trustee 20 September 2021, stepped down 10 November 2021 and formal appointment as Trustee 10 November 2021
[4] Formal appointment as Trustee 10 November 2021
[5] Six-month sabbatical from 21 January 2021 and subsequently stepped down on 11 July 2021
[6] Stepped down 21 June 2021
[7] Stepped down 10 November 2021
[8] Reappointed at the Annual General Meeting 10 November 2021
[9] Died 17 December 2021

Board Committees

Throughout the year the work of our Board was supported by Board Committees:

- Audit and Assurance Committee;
- Development Committee;
- Fundraising, Research and Advocacy (dissolved June 2021);
- Nominations and Remuneration Committee; and
- Operations Committee.

Committees comprise of between three and six Trustees including Committee Chairs, and membership of each is determined considering individual's skills and experience. Committees meet three times per year with additional meetings scheduled if required. Committee Chairs provide written assurance reports to the Board on the work of the Committee and Committee minutes are made available to all Board members.

The Board has a formal schedule of matters specifically reserved for its approval which cannot be delegated. Other specific matters have been delegated to its Committees and these are clearly defined within each Committee's terms of reference.

At their June 2021 meeting the Board agreed to dissolve the Fundraising, Research & Advocacy Committee. A comprehensive review of the Board and Committee Terms of Reference was then undertaken to take account of the revised Committee structure and to respond to the results of our annual Board and Committee effectiveness review. New Committee and Board Terms of Reference were approved by the Board in June 2022. This year saw the introduction of bi-monthly Board meetings and a reduction in the number of Committee meetings.

Governance Arrangements

In 2021 ExtraCare adopted the National Housing Association Code of Governance 2020 and has used the 2021/22 financial year to embed compliance with the Code. The Board routinely assesses compliance with its Code of Governance to gain assurance that the Charity remains compliant and identify any areas for improvement. ExtraCare has complied with all provisions of the Code except as detailed below:

Code Ref.	Code of Governance Standard	Explanation
3.8 (7)	There is a policy and procedure setting out how disputes and grievances involving members of the Board can be raised and responded to.	Although there is a policy and procedure relating to grievances this does not apply to Board members. The Board do not consider a separate policy necessary as this is sufficiently covered by the Chair and SID roles. In addition, the Whistleblowing Policy (updated and approved by Board in March 2022) has been extended to members of the Board.

The Governance and Financial Viability Standard ('the Standard') of the RSH requires registered providers to assess their compliance with the Standard at least once a year and certify their compliance in the annual accounts. We have assessed ourselves against the Governance and Viability Standard, Value for Money Standard, Rent Standard and the Consumer Standards and we are compliant with the key requirements of these standards.

During the year we performed a detailed review of the social rents that we were charging to our residents. It was identified that 55 of our properties had rents being charged which were higher than the formula rent plus tolerance for supported housing. This issue was self-reported to the Regulator (RSH) and resolved quickly, with repayments being made to those residents affected.

One of the specific requirements of the Standard is that registered providers shall have governance arrangements which ensure that they adhere to all relevant law. Our Charity is satisfied that it has appropriate measures in place to ensure legislative and regulatory compliance, and the Board take appropriate measures to assure themselves of this compliance. Trustee indemnity insurance was in place for the financial year.

Future Developments

As we reshaped our priorities during the pandemic, we again delivered an Annual Business Plan in 2021/22, delaying our next five-year Corporate Plan until the external environment became a little less unpredictable.

During the year, it was agreed with the Trustees that we could now start to focus on the medium term, and as such we have finalised our Corporate Plan which covers 2022-27. This was signed off by the Board of Trustees in March 2022 with a focus on improving our operational performance and services, whilst also including modest levels of development over the coming years.

We are planning to extend our Wixams villages, starting on site as early as March 2023. The Corporate Plan also looks at starting a new village development in its final year, 2026/27. As detailed within the financial section of this Annual Report, refinancing discussions with current and potential funders are ongoing, and we hope to unlock further funding which we can in turn use to fund additional developments.

Going Concern

Using our experience, we risk assess those risks identified as presenting the biggest challenges to the Charity. These include, but are not limited to, the impact of the housing market on property prices; the continued inflation growth across the UK; and the potential impact of further waves of the pandemic. A detailed analysis of our income and expenditure, including possible implications for liquidity and covenant compliance is reviewed as part of this exercise.

Our 30 year financial plan is based on robust assumptions and now includes resilience created by building a minimum of £20m of liquid assets. The model is tested to ensure it can withstand a range of potential risks and reported to the Board, including a mitigation plan.

We are now looking to develop again, however would never do so unless we have access to available funds for the development. This criterion is included within our Medium-Term Financial Plan, which is an Appendix to Corporate Plan 2022-27.

Our financial statements comply with all the current statutory requirements and with the requirements of the Charity's Articles of Association. After making all reasonable enquiries, the Board have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. In coming to this decision, the Board have considered on-going financial performance data, stress testing of the cashflow, and any actual or potential future liabilities. The Board are therefore confident in confirming that the Charity is viable as a going concern.

Financial Viability

A huge success story from 2021/22 is the building of our £20M liquid asset contingency, in line with our 2021/22 Annual Business Plan. We have invested this money in accessible investment funds, and although the funds have reduced in value in the year following the turbulent Worldwide economic outlook created by the Ukrainian/Russian conflict, we remain confident that these funds will recover and are currently the most appropriate place to hold our funds. We remain open to changing our investment approach to help maximise the return on our funds.

During the year we cancelled our revolving credit facility (RCF) with Lloyds Bank three months early, as we no longer needed the facility following the build-up of our liquid asset reserves. This facility was £60M at the beginning of 2020/21, demonstrating how, despite the challenging environment faced due to the pandemic, we have continued to flourish as a Charity. Our property sales levels have increased to near pre-Covid levels since lockdown restrictions have been removed and our sales and resales experience is that consumer confidence has begun to return.

Our funding is made up of medium and long-term facilities with Lloyds of £39M to 2026 and £31M to 2040 and with BAE Pensions of £35M to 2031, £7.5M to 2037 and £15M to 2040.

We continue to work with our investors to restructure our debt portfolio to ensure that it matches our ambitions to continue to grow our property portfolio.

Both our funders, Lloyds and BAE Pensions, agreed to continue to monitor covenants under the previous accounting treatment of our properties. The Board are satisfied that covenant compliance will be assessed under the previous basis of accounting and based on mutually acceptable calculations. Calculations on this basis continue to demonstrate compliance with the loan covenants.

No new developments will start on site unless the full cost of the development can be funded from committed loan facilities together with undrawn loan facilities, and with remaining cash reserves being adequate to cover the Charity's financial contingencies.

Health and Safety Management

The health and safety (H&S) of our residents and staff is of the utmost importance to Trustees and over the last year we have continued to invest in our locations to ensure buildings are compliant, safe and well managed. H&S and fire safety are identified as risks on our Board Assurance Framework, which is monitored at our Audit and Assurance Committee and Legal and Regulatory compliance is identified as a strategic risk for the Charity.

ExtraCare has a comprehensive policy framework on H&S, fire and property compliance which demonstrates understanding of our legal and regulatory expectations. The H&S Manager is appointed as the competent person in accordance with Regulation 7 of the Management of Health and Safety at Work Regulations 1999. We have a Corporate H&S Group which monitors the management of H&S across the Trust and Retail subsidiary.

Lockdowns, caused by the Covid-19 pandemic, have resulted in unprecedented challenges regarding our compliance work. However, we remained compliant on the servicing of Gas, Lifts, Water Hygiene, Fire Safety Servicing/Fire Risk Assessments (FRA) and the completion of Asbestos surveys across all our locations during the pandemic. A challenge was fixed wiring testing, given the complexity involved in accessing every apartment during a pandemic. The National Inspection Council for Electrical Installation Contracting issued guidance advising a 6-month extension and all tests were completed within this timescale.

We entered into a partnership with West Midlands Fire Service Primary Authority Scheme in April 2021. The partnership provides us with access to their fire engineering team who act as consultants and a 'critical friend' for advice and support on all fire safety matters. The partnership will assist us in being prepared for the impact of the Fire Safety Act, and the forthcoming Building Safety Bill and the

industry-wide competency framework coming from the Hackett Review. We also became a Registered Signatory with 'Building a Safer Future' in May 2022.

Staff Engagement

We use several channels to ensure that our staff, regardless of their role or location, are informed and engaged on matters relating to their employment as well as more general matters relating to the Charity and its strategic direction.

During the year we were, for the second year running, unable to undertake our annual staff roadshows in person where a member of the Executive Leadership Team visits each location to meet staff. We felt it important that, even if we were not able to physically visit locations to deliver the roadshows, they should still be delivered both to update colleagues and also thank them for the work undertaken throughout the pandemic. We therefore ran the roadshows virtually, with a member of the Executive Leadership Team virtually meeting each location.

Our internal communications framework comprises of daily 'line up' meetings for staff in locations; a weekly email communication to staff with important updates and changes. In addition colleagues have monthly 1-2-1 work planning meetings with their line manager.

This is supported by our 'Workplace by Facebook' which is an online interactive staff communication platform and accessible to staff, at all times, from any device. This provides a corporate communication portal where, important announcements, vacancies and corporate publications, are posted.

Our annual staff survey is an opportunity for employees to express their views of the Charity as an employer. The results of the survey are fed back to locations and departments and action plans are developed as a result in addition to an overall organisational action plan. In addition, our 'we're listening' and 'suggestion scheme' are means for staff to suggest areas for improvement which are reviewed by senior management and responded to through 'you said, we did' communications.

The Liz Taylor Awards are our annual awards which highlight those staff and volunteers who have gone above and beyond.

In the year we developed an Equality, Diversity and Inclusion (EDI) Strategy which was approved by our Board in September 2021.The aim of this strategy is to set out the basis of a commitment to diversity with a driver for inclusion for all. The strategy has been written as a holistic document to encompass residents, staff and volunteers. There are five stages which are interlinked. They are:

- To define and clearly communicate ExtraCare's EDI vision;
- To seek ownership and commitment to EDI;
- To obtain and review diversity data;
- To identify policy gaps; and
- To undertake EDI initiatives.

Our strategy was developed by a working group and focus groups were run for interested staff and Trustees to seek views on what should be included. Following its approval an EDI Steering Group has been established with a cross section of staff. The Steering Group will review progress against EDI actions and make suggestions for development of EDI initiatives.

A staff forum 'Xchange' has been established where Staff Ambassadors representing each location, Head Office and the Retail subsidiary meet with senior managers and exchange information and views and contribute to the strategic direction of the Charity.

We hold the gold accreditation for Investors in People and will be aiming to maintain this during 2022/23 when we will be re-assessed.

Employees who have a disability

Our Charity's workforce includes 2.2% who have declared they have a disability. It is not mandatory for individuals to declare disabilities under the Equality Act, so the number is believed to be higher than our statistics show.

All our staff are treated equally and fairly as part of any recruitment process and all applicants invited for interview are offered support to assist them with the process. This may include access to buildings or assistance with tests where applicable.

We will, wherever possible, support any individual who becomes disabled during their employment by providing further training or adaptations to allow them to continue in their role. If the nature of the disability means this is not possible, e.g. if an individual

becomes physically disabled and is unable to carry out a physically demanding role, then considerations are made as to whether it is possible for us to provide re-training for the individual to carry out an alternative role if one exists.

Employees with a disability can access support through the Access to Work scheme, a publicly funded employment support programme that aims to help more disabled people start or stay in work, and apply for specialist equipment to assist them to continue in their job, with our Charity contributing towards the costs.

Fundraising

Our Charity greatly benefits from the kindness of those who donate time, goods and money to us. Their donations enable us to deliver services which would otherwise not be financially sustainable, and which are vital in helping us create better lives for older people.

Donations are largely generated through:

- ExtraCare Retail Limited, our wholly owned trading subsidiary which operates our charity shops;
- Funds raised through trusts, foundations, challenge appeals, legacies and our corporate donations;
- Dedicated residents and staff who lead or support fundraising activities at their locations, working alongside their local communities; and
- The contribution of our internal and external volunteers who generously give both their time and skills.

During the period we released a video which was sent to a small number of key stakeholders and asking if they could make a donation to help support our Charity. We received a positive response to this campaign and may look to roll this out further in the coming year.

We are registered with the Fundraising Regulator and adhere to its Code of Fundraising Practice. We also act in accordance with all regulations governing charity fundraising. With the dissolution of the Fundraising, Research & Advocacy Committee and the amendment of Board and Committee Terms of Reference, fundraising oversight has moved to the Board (with temporary oversight provided by our Development Committee until this change was made). There have been no complaints regarding our fundraising activities received in the year (2020/21: nil).

Capital Structure

Our Charity is a company limited by guarantee and does not have share capital. As such it is governed by its Memorandum and Articles of Association. It was incorporated on 11 December 1987.

Treasury Policy

Our Treasury Management Policy was updated during the year and was approved by the Board in January 2022. It outlines the principles on which we manage investments and borrowings. It also forms the bedrock for our Treasury Management Strategy which has been redrafted to align with our Corporate Plan ambitions.

It is our Charity's policy to take out loans at fixed rates of interest, whilst limiting the exposure to interest rate fluctuations on any development funding. Following the cancellation of the revolving credit facility, all our borrowings are at fixed rates of interest.

Our Treasury Management Policy outlines our plans to incrementally build our headroom, primarily as liquid assets, to protect against future unexpected events. We are very pleased that we have achieved this cash headroom target in 2021/22.

Internal Financial Control

The Board is provided with an Annual Assurance Statement by the Executive Director Governance & Compliance, which is signed by the Chief Executive and the Executive Director Corporate Resources, outlining the control measures that are in place to provide comfort to the Trustees on financial, governance and operational internal controls.

The Board has delegated authority for overseeing the adequacy and effectiveness of the internal control systems to the Audit and Assurance Committee. In addition to the internal controls exercised by the management and staff there is a rolling internal audit programme that provides additional assurances. During 2021/22 our appointed internal audit provider (TIAA) has attended each Audit and Assurance Committee meeting along with our External Auditor (RSM).

The work of the external auditors provides assurance through the interim and final audit visits and the provision of an audit report and management letter. Regular meetings are held with our external auditors to provide an update on changes in the Charity and to discuss strategic and technical matters.

A corporate Balanced Scorecard is used to provide the Board and its Committees with details of performance against any targets and commitments included in our 2021/22 Annual Business Plan.

Independent Auditor

In so far as each of the Directors is aware:

- There is no relevant audit information of which the group's auditor is unaware; and
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the Trustees:

Nick Baldwin

Nick Baldwin CBE

Chair
21 September 2022

STRATEGIC REPORT

Sector Outlook

Background

The later-living residential sector has changed significantly since the formation of ExtraCare. There are now a range of models for providing retirement living, ranging from a light touch approach to management to the institutional care home model. We believe that our model of quality older persons' housing with an option for care, still has huge demand in this space.

The age expectancy for the UK by 2030 is expected to be 83 and 85 for men and women respectively. A slowing of birth rates, coupled with this extended life expectancy is pushing the population of European countries towards those over 65.

The overall growth prospects of our sector are well documented, and we aim to be a market leader in developing and operating integrated retirement communities that enable better lives for older people.

There continue to be challenges around staffing, with difficulties in recruiting across a wide range of positions in the organisation and particularly within care roles. This is a sector wide issue relating to care. It is expected that these challenges will continue for some time to come given the current demands on employment across the country.

Late 2021 also began to see inflation rise rapidly, owing somewhat to the price of utilities and then the war in Ukraine. From a CPI figure of 3.1% at September 2021 (which is used for 2022/23 rent increases) it is projected that a figure of greater than 10% will be reached later in 2022. These factors have also resulted in a slow and steady increase in new borrowing costs, with the Bank of England increasing the base rate to 1.25% in June 2022, the highest figure since 2009.

On a positive note for ExtraCare, house prices continue to rise, with a 10% increase in the average house price through 2021. Although this was partially inflated due to government incentives around stamp duty, it is further proof that the property market currently remains strong despite the war in Ukraine, Brexit and the pandemic.

Covid-19

During 2021/22 we engaged our residents again for their feedback on our handling of the second wave of the pandemic. Our main objectives were to understand the resilience of our model of retirement communities in the face of an unprecedented global health crisis, and build upon our initial survey (undertaken in July 2020) to help inform our response to any further waves of the pandemic and support our vision for creating better lives for older people.

Findings of the survey included:

- 93% agreed that limiting visitors to the locations had been important in containing the spread of Covid-19;
- 88% felt safe in our locations during the pandemic;
- More than 80% felt supported in getting essentials such as groceries and medication; and
- 77% reported that we communicated well with residents during the pandemic.

In addition, we also question residents on their mental wellbeing during the pandemic, and found the following:

- 39% felt socially isolated during lockdowns;
- 41% stated that the pandemic had negatively affected their mental health;
- 73% felt sad at not being able to see children and grandchildren; and
- 63% were worried about friends and family members.

This insight is invaluable in helping our colleagues at locations deal with any future pandemic outbreaks, or another health crisis.

Understanding the future

Despite the Covid-19 pandemic and lockdown restrictions, demand for our offer has remained strong. This is reflected in our sales performance throughout the year, but specifically towards the latter part of the period. We have been able to return to hosting sales open days, which have significantly improved demand, demonstrating just how important these events are in getting customers through our doors, so that they can feel the experience we offer when living in our locations.

We are constantly striving to improve our understanding of the market and respond to emerging trends. Findings from competitor analysis in 2020 highlighted the following:

- Our model continues to be different to others, but other providers use our research and model to promote their products which are not wholly comparable to ours. We need to ensure we keep our profile high to generate understanding of the unique nature of our model and challenge those who use our research inappropriately;
- Our targeted marketing is both cost-effective and suited to our local markets, albeit we should continue to drive our digital marketing;
- Our lifestyle marketing needs to be strengthened for the benefit of resales, with unique selling points such as resident spokespeople and a regular supply of case studies being protected and built upon;
- New entrants in the market will compete with us for future sites. We should build on our existing partnerships with local authorities and others, to secure suitable sites; and
- Other providers and ARCO members use higher deferred charging (the fees charged on exit) as their business model. We should monitor this approach and consider if this could benefit us.

In addition, and in partnership with three other ARCO members, we have previously commissioned the International Longevity Centre UK (ILCUK) to undertake a study into the future market for retirement communities. The findings deepened our understanding of the needs and expectations of both current and future customers, and include:

- All older age groups are set to grow in absolute and relative terms, but single male households and couple households are particular growth groups. We should consider how we can adapt our offer and marketing to reflect this;
- People's choice to move is more driven by satisfaction, than by financials. Again, in our messaging and approach, we should be clear about satisfaction levels among residents, and other benefits we know from our Aston and Lancaster University research;
- If retirement communities don't grow in line with demand, there is a risk that mainstream housing providers will offer bespoke housing for older age groups;
- We need to understand our future customers and their drivers for moving better. In particular; are people by and large seeking security, or are they people who value their independence?; and
- There is a 'sweet spot' for moving into a retirement community, which seems to be between 70 and 85. Any earlier, and people are more likely to think they've moved too young, any later and people are more likely to think they left it too late.

We continue to invest in better understanding our market and our customers to improve our services and refine and protect our unique model of homes people want, a lifestyle they can enjoy and care if it's needed.

Section 172(1) Statement

S172(1) of the Companies Act 2006 requires a director of a company to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and in doing so have regard, amongst other matters, to:

- The likely consequences of any decision in the long-term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and the environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly between members of the company.

Our residents are our key stakeholders. Reports submitted to our Board for consideration include the requirement to outline any impact on our residents and any consultation that has taken place or is planned; this includes consultation requirements on the short-term impact and the longer-term implications of decisions. The consultation then informs the decisions and business planning. Now that we are once again able to have in person Board meetings, our Trustees are again taking the opportunity after some Board meetings to meet with groups of residents so that their voices are heard directly. This direct resident engagement is critical to ensuring that stakeholders have a voice and are part of the way in which the Board ensures community impact is addressed.

For further information on how we as a charity have engaged with our employees during the year please see section 'Staff engagement' on pages 14-15. Other stakeholder interests, such as those of our funders and suppliers, are also routinely considered and during the pandemic steps were taken to ensure that our business relationships continued as closely to normal as possible. We

were able to reassure our Board that arrangements were in place to ensure the payment of our staff and suppliers was uninterrupted during the pandemic.

Our Charity invests in technology to help improve our residents' quality of life and we also consider the impact of our operations on the environment and wider communities. See pages 28-29 for further information on environmental considerations and actions taken in the year, and pages 31-32 for People, Processes and Technology. Our investment in technology is also part of our long-term focus. Our Trustees consider both short-term and long-term implications of decisions made, and this has been especially important in relation to the unique circumstances of this financial year.

Our Trustees believe that, individually and together, they have acted in the way that they consider, in good faith, would be most likely to promote the success of the Charity for the benefit of its beneficiaries, having regard to the stakeholders and matters set out in S172(1) (a-f) of the Companies Act 2006 in the decisions taken during the year.

Our Integrated Model



Our mission is "Creating sustainable communities that provide homes older people want, lifestyles they can enjoy and care if it's needed".

Our unique model is based on **Homes, Lifestyle** and **Care:**

Homes: Our locations typically offer high-quality apartments for the over 55s; each home is accessible with its own front door, hallway, living room, typically one or two bedroom(s), kitchen and shower room. Most will have a balcony or patio. We are always learning from previous developments and modernisation programmes and aim to 'future proof' our properties for our residents. This currently includes assessing the environmental impact of any components that we include in our design brief.

As at 31 March 2022, 35% of our properties are for social rent. In 2000 it was 94% and in 2010 it was 62%, which indicates how significantly our model has shifted over time. We have moved away from managing property on behalf of other Registered Providers to create the mix of social rented, shared ownership and full ownership homes: providing diverse integrated retirement communities that are available to all.

Lifestyle: Our locations provide leisure facilities which promote a healthy lifestyle and typically include: a bistro, café-bar, gym, greenhouse, craft and hobby rooms and village hall. The range of activities may include Zumba, choir singing, wheelchair aerobics, digital skills workshops, intergenerational activities such as stay and play groups, sociable outings, and entertainment.

We are now able to generate customer insight by comparing data from our wellbeing assessments which are conducted before residents move in with our latest wellbeing assessments, focusing on improving areas including exercise frequency, loneliness, and social networks.

Volunteering is at the heart of our Charity's ethos, offering opportunities for people to use their skills and experience, build confidence and a sense of self-worth, whilst reducing potential loneliness. Resident and external volunteers provide invaluable support, helping run activities and facilities, or supporting fundraising within our communities or ExtraCare Charity Shops.

Our locations are vibrant social hubs and visitors include children, schools, universities, and community groups. Visitors can also use our facilities including our gyms as part of an affordable membership that supports our charitable income.

Care: Each of our locations offer care services via on-site care service, delivered through both the day and night. Care services are predominantly assessed and delivered by our own staff, although we do allow external providers onsite. Our services are registered and inspected by the CQC.

Wellbeing Service: Operated by a team of Wellbeing Advisors, this award-winning service offers preventative health advice and promotes healthy life choices. Residents now have a comprehensive baseline assessment (carried out on our wellbeing app) before moving in, so that we have a better understanding of their health and social care needs. Our resilience tool (developed with Aston and Lancaster Universities) can re-assess those residents identified as frail and support them through personal goal setting to become personally more resilient.

Dementia and Mental Wellbeing Service: Implemented through specially trained staff, our Dementia and Mental Wellbeing Service offers tailored support for residents living with dementia or a cognitive impairment and common mental health conditions, aiming to reduce the impact of dementia and improve wellbeing. It also supports residents to get a diagnosis of dementia where applicable, aligning with national targets in England.

Progress against our Annual Business Plan key targets

For 2021/22 we had an Annual Business Plan to inform our ambitions for the calendar year. This followed our Board's decision to defer our next five-year Corporate Plan to allow us to assess the external environment.

Our 2021/22 Annual Business Plan contained several targets for the financial year with progress for each of these targets being captured in our corporate balanced scorecard reported to our Board and Committees. Six of these were key targets and our self-assessed performance against them is shown overleaf:

Key Target	2021/22
Secure all approvals (incl. planning and method of construction) for Shenley Wood 3 and one new village to enable both to start on site (subject to funding).	• Partially achieved. Board approved purchase of land for SW3, use of modern methods of construction and the overall budget at their March 2022 meeting. SW3 start on site scheduled for autumn 2022. • Planning for Worcester village on-hold as Council now reviewing the local plan (which had not been adopted). £70M included in CP 2022-27 for a new village.
Achieve CQC good or outstanding for all locations inspected.	• Achieved. No CQC inspections took place in 2021/22. 18/20 registered locations have a rating of Good or Outstanding, 1 location has not yet had its first inspection and 1 location has a rating of Requires Improvement. Both locations have been audited internally and outcome indicates both meet the requirements for a rating of Good.
Achieve resident experience ratings of 80% in villages and 90% in schemes.	• Achieved. 91% Villages & 94.7% Schemes.
Achieve staff satisfaction scores: 75% of our employees will be satisfied with ExtraCare as an employer and 90% of our employees will be fully committed to our vision.	• Partially achieved. Satisfaction with ECCT not achieved – score was 68%. • Fully committed to our vision achieved – score was 91%.
Achieve a total surplus in excess of £12M and limit the underlying operational loss (i.e. excluding resales) to £1.2M*.	• Achieved. Year-end surplus is £17M and operational performance is break-even.
Ensure we meet or exceed the Regulator of Social Housing's expectations.	• Continued progress made against the Governance plan, with our RSH self-assessment reflecting that progress.

* These figures are based upon our year end management accounts and not the financial statements. Operational performance in the management accounts focuses on our Locations performance, rather than the overall Operating performance.

Financial Performance

Our financial performance over the last three years is reflected below.

	2021/22	2020/21	2019/20
Operating deficit	(£1.3M)	(£3.1M)	(£3.3M)
Total Comprehensive Income	£17.3M	£18.4M	£47.3M
Turnover	£47.0M	£41.7M	£44.2M
Reserves	£282.9M	£265.7M	£247.3M

All properties that have leases granted (full and part equity) are held for capital appreciation and are considered by the Board to be investment properties. These are re-valued at each balance sheet date at their fair value, with any fair value movement recognised in the Statement of Comprehensive Income for the period. This only applies to the leasehold properties; rented properties held for social housing remain on the balance sheet at historic cost and continue to be depreciated.

Value for Money (VfM)

Introduction and context

VfM informs how we plan, manage and operate our Charity to ensure that we make the best use of our resources to deliver our vision of better lives for older people now and into the future.

We define VfM as getting the right balance of inputs, process and outcomes, as described by the 3 Es:

- Economy: achieving the best price for what goes into providing a service, minimising the resources required focusing on cost saving, cost avoidance or income generation;
- Efficiency: to accomplish something with the best use of time and effort; and
- Effectiveness: the relationship between the intended and actual results

Regulator of Social Housing (RSH) VfM metrics, targets, and performance

Our performance against the RSH metrics is shown below.

RSH VfM – metrics, targets & performance	2020 Scorecard median	2020/21 Actual	2021/22 Target	2021/22 Actual	2022/23 Target
1. Reinvestment	6.1%	2.4%	0.4%	0.7%	0.7%
2. New Supply					
- Social Housing	1.3%	7.0%	0.0%	0.0%	0.0%
- Non-Social Housing	0.0%	10.3%	0.0%	0.0%	0.0%
3. Gearing	33.8%	23.0%	20.0%	17.7%	20.0%
4. EBITDA MRI*	196.1%	-0.7%	70.0%	23.7%	25.0%
5. Headline Social Housing Cost per unit	£4,023	£6,059	£6,000	£6,711	£6,000
6. Operating Margin					
- Overall	21.5%	-7.5%	-3.0%	-2.7%	-2.0%
- Social Housing	23.6%	19.4%	20.0%	21.4%	20.0%
7. Return on Capital Employed (ROCE)	2.8%	-0.7%	0.0%	-0.3%	0.0%

* Earnings before interest, taxation, depreciation, amortisation, major repairs included, interest cover %

The external VfM metrics are modelled using HouseMark-led calculations. We know we are different to many other Registered Providers who complete the data, and therefore do not focus heavily on the Scorecard median. We do however look to improve our operating cost per units and margins each year, whilst ensuring the service we offer is not negatively impacted.

Our VfM reporting is currently under review as we create a new strategy and assess which measures are important to our Charity whilst also ensuring we can successfully deliver our Corporate Plan.

ExtraCare VfM metrics, targets, & performance

In addition to the mandatory RSH metrics above we set our own internal VfM targets. These were chosen based on areas of activity which directly impact VfM or where a need to enhance performance had been identified.

ExtraCare VfM – metrics, targets & performance	2020/21 Actual	2021/22 Target	2021/22 Actual
1. Arrears (reduce value of payments due)	2.66%	2.5%	2.3%
2. Rental Voids (reduce average period for re-let)	20.2 weeks	8 weeks	22.5 weeks
3. Operations Surplus/(Deficit)	(£4.9M)	(£1.1M)	(£0.8M)
4. Loan to Value	50%	55%	44.7%
5. CQC rating Good or Outstanding	95%	100%	95%
6. Resident satisfaction rating at villages	90.5% Villages 96.2% Schemes	80% Villages 90% Schemes	91% Villages 94.7% Schemes
7. Reduce energy usage	3.45 tnes resident/year	3.13 tnes resident/year	3.23 CO2e/resident

- Rental voids – an ambitious target has been set within the Corporate Plan to reduce the re-let timing on our rental properties. There is much work being undertaken across the organisation to reduce this figure, with recent trend analysis showing this is already paying dividends.
- CQC rating – our CQC rating, which is amber, is due to us awaiting re-inspection at Pannel Croft Village. Given work undertaken internally, we are satisfied that if Pannel Croft Village was to be re-assessed we would be able to record 100% against this metric. Solihull Village, which as our newest village opening is yet to have its first inspection, is currently excluded from the calculation.
- Energy usage – our newly developed Energy and Sustainability Strategy will continue to support the aim of reducing energy use, with our Corporate Plan detailing our aim to be carbon neutral by 2035. Our target in 2021/22 was an overall intensity ratio of 3.13 CO2e/resident, and whilst we reduced our emissions by 6.5% per resident, we fell just short of this target.

As mentioned above, our VfM metrics are currently under review, and as such 2022/23 targets have not been set for these measures.

Internal Benchmarking

Finance Business Partners work with Regional Operations Managers and Location Managers to monitor the income and expenditure between locations. 2022/23 will see us internally benchmark a number of services across our locations and then promote the sharing of best practice to improve value for money and profitability.

External Benchmarking

We are a member of HouseMark, who are one of the UK housing sector's largest membership organisations and consultancy service. As our benchmark partner they support us with data analysis and the external benchmarking process.

We are now completing the monthly HouseMark KPI surveys, known as Pulse surveys, and plan to begin using this data to help drive our performance moving forward.

Social value

As a charity focused on improving the lives of older people, we also have a commitment to social value. Social value measures the positive value businesses create for the economy, communities, and society. We focus on the value that we can bring to our residents and our local communities through our procurement activity and collaboration with our suppliers. Our Procurement and Wellbeing teams work together to ensure that these initiatives are targeted towards areas that will benefit the most.

We ensure that each procurement exercise we undertake has at least 10% of the overall score allocated to how suppliers can assist us in delivering social value. The way social value could be delivered will differ, encompassing areas such as EDI, sustainability, and sometimes referring to our vision of better lives for older people.

An example of this in practice is the award of the facilities management contract in 2021/22, where due to the low numbers of women joining the construction industry, potential suppliers were assessed on their initiatives of encouraging women to join the industry and how they assisted women to develop careers within their organisation. Also during the year, we tendered our mobile phones contract, with potential suppliers being assessed on how they would recycle old handsets;, and for a catering tender, cooking classes for low sugar recipes to be delivered at those villages with higher levels of diabetic residents was explored.

We will continue to deliver social value through our procurement activity going forward, based on the UN Sustainable Development Goals, predominantly targets:

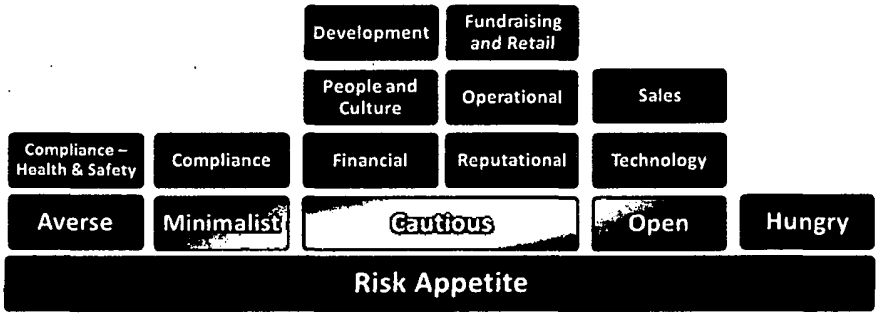
- 3.4 - By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being;
- 12.7 - Promote public procurement practices that are sustainable, in accordance with national policies and priorities; and
- 17.7 - Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed.

This will ensure initiatives continue to focus on the areas that are the most beneficial to ExtraCare and its residents.

Managing Key Risks and Uncertainties

We are committed to ensuring that risk management is an intrinsic element of governance arrangements and that our risk management process adds value to informing decision making processes to ensure the delivery of the Corporate Plan. Our Board revised their risk appetite in June 2021 to inform the preparation of the Corporate Plan 2022-27. This provided us with an updated framework to identify how much risk we can take and where to focus our attention on reducing risks to within levels of appetite. The Board revisited their Sales risk appetite in March 2022 before signing off our Corporate Plan 2022-27 and our updated Risk Management Strategy and Risk Management Policy.

Our Board set the risk appetite across generic risk categories recognising that a 'one size fits all' approach does not easily fit with our business activities.



Our updated Risk Management Strategy Risk Management Policy took effect from 1 April 2022. These help us to manage our risks, secure the right opportunities and deliver sustainable strategic priorities. We amended our risk reporting style during the year to introduce dashboard reporting to provide assurance to our Board.

Risks flowing from the pandemic have continued to be a focus throughout the financial year and have been mitigated effectively. We are developing our strategic, technical, and organisational approach to cyber security to focus our efforts on managing our cyber security risk.

We are in the early stages of identifying, planning, and committing to climate change actions. Our VfM statement and also Streamlined energy and carbon reporting section demonstrates the early work we are undertaking, and our targets, around climate change.

Our Board consider the Strategic risks faced by the Charity to be:

Risk	Appetite
Legal & Regulatory Compliance	**Averse to Minimalist**

Serious/major non-compliance with Legal and Regulatory requirements results in reportable breaches/incidents, potential investigations/sanctions/fines, reputational damage, and a weakened ability to deliver Corporate Plan objectives, targets and commitments.

Mitigation and management measures include:
- Strategies and supporting policies and procedures/work instructions;
- Training, awareness and evaluation of ExtraCare staff;
- External/Third Party visits/inspections/reviews/advice; and
- Internal compliance processes and related procedures.

People and Culture	**Cautious**

Failure to align our people and culture (as a shared set of values, beliefs, systems, practices, underlying assumptions, attitudes and behaviours) undermines delivery of strategic goals and Corporate Plan objectives, targets and commitments (e.g. as key employees become disengaged/dissatisfied and leave, behaviours slide, clarity and mission is lost).

Mitigation and management measures include:
- ExtraCare culture reinforced internally (amongst personnel and residents) and externally (through outward/public facing channels);
- Structure and succession planning;
- Equality, Diversity and Inclusion strategy;
- Development and implementation of a People Strategy that recognises the importance of diversity approved by the Board; and
- Independent/third party review and assurance provided (e.g. Investors in People).

Funding Streams	**Cautious**

Marked decrease in funding at locations, including funding levels from local authorities (care and/or housing), loss of care contracts and marked reduction in other location income (e.g. lifestyle services such as catering, gyms and retail outlets), leads to a reduced ability to support the Charity's activities at locations and deliver related Corporate Plan objectives, targets and commitments.

Mitigation and management measures include:
- Strategies for Care & Support and Commercial;
- Charging policies for Property & Care and Lifestyle; and
- Community fee.

Cash flow	**Cautious**

Financing secured through borrowing and sales/resales, insufficient to support our funding needs, and or no satisfactory renegotiation of loan financing with Lloyds. This could result in failure to meet the development programme, a lack of key stakeholder confidence, a poor regulatory viability grading and affects delivery of Business Plan and/or Corporate Plan objectives, targets and commitments.

Mitigation and management measures include:
- Funding in place to provide adequate total facilities;
- Regular review of cashflow requirements;
- Active treasury management supplemented by specialist advice; and
- Regular reporting to Executive Leadership Team, Audit and Assurance Committee, and Board.

Property Market Sales	Open
A significant or sustained deterioration in the housing market (falling property prices/economic pressures/stagnation) or other factor affecting demand (for our properties) produces reduced levels of sales (new stock) and resales (existing stock) limiting the income (from sales) and profit (from resales) realisable in support of debt financing, reinvestment and achievement of Business Plan and or/Corporate Plan objectives, targets and commitments. Mitigation and management measures include: • Demand measures including introduction of incentives, increasing levels of shared ownership and rentals; • Headroom maintained between available facilities and borrowings; and • An agreed mitigation plan which can be invoked when required.	
Development	**Cautious**
Challenges in suitable site locations/land and/or financing, combined with uncertainty in the housing market/demand/economy/construction industry causes delays in the construction/opening/extension or refurbishment of villages. Impacting sales income, cashflow, resident satisfaction, reputation and delivery of Business Plan and/or Corporate Plan objectives, targets and commitments. Mitigation and management measures include: • Development appraisal model in place which is refined for "lessons learnt" after each development; • Approval required from Board of Trustees for new village developments; • Regular review of cashflow requirements; and • Contract management processes.	
Infectious Disease (epidemic/pandemic)	**Cautious**
Failure to plan adequately for risk management of epidemic or pandemic infectious disease outbreaks (both established e.g. influenza or emerging/novel e.g. Covid-19) impacts significantly on ExtraCare's operations and corporate activities, threatens delivery of Corporate and operational objectives, plans and targets and jeopardises the Charity's continued viability. Mitigation and management measures include: • Covid-19 Governance team in place; • Evidence, feedback, and lessons learned demonstrates organisational agility, resilience, and effectiveness of response to Covid-19; • Vaccine monitoring and requirements for lateral flow testing in place; and • Maintenance of funding and cashflow management.	

Internal Audit

Our internal audit function is outsourced to TIAA. In line with an approved Internal Audit Plan, our internal auditors assess the design and effectiveness of our risk management and internal controls, reporting to the Audit & Assurance Committee. The annual Internal Audit opinion for 2021/22 stated 'TIAA is satisfied that, for the areas reviewed during the year, ExtraCare Charitable Trust (the 'Trust') has reasonable and effective risk management, control, and governance processes in place.'

Internal Audit recommendations are tracked to ensure implementation, with oversight provided by the Audit & Assurance Committee.

Risk Summary

Our Board of Trustees has:

- Considered the major risks and uncertainties to which the Charity is exposed;
- Satisfied themselves that systems or procedures are established to manage and mitigate these;
- Sought independent assurance from internal audit; and
- Recognised that controls will be strengthened as audit recommendations are implemented.

Developing Villages

Developing high quality, accessible and attractive villages with homes older people want is an essential component of the overall success of our Charity. Income from the granting of initial and subsequent property leases and from property rental is a major contributor to our overall surplus which underpins our ability to offer a range of high-quality charitable services and to ensure our buildings are maintained to a high standard.

Portfolio Development

It was decided when the pandemic first hit that development activity would be paused whilst we overcame the operational challenges we faced. This was made an easier decision given that we only had our Solihull Village and Earlsdon Phase 2 extension on site and that we were coming off the back of a healthy development pipeline delivered during the previous Corporate Plan. When our £20m liquid asset reserves target had been achieved it was always the Charity's plan to resume measured growth of our asset base, and as we approach 2022/23, that is what we will do.

The previous granted planning permission for Phase 2 at our Bedford Wixams Village has been extended for an additional three years and start on site for the build is currently expected to be towards the end of 2022/23 or early in 2023/24.

We continue to look for new development opportunities working closely with local authorities, developers, housebuilders, and construction partners to identify new village sites and extension opportunities.

Construction and Building Innovation

We are continually exploring ways to improve our approach to construction and are investigating the benefits of modern methods of construction (MMC), such as panelised and modular build, with a view to reducing the time on site and the impact of noise and disruption to existing residents without compromising quality.

We anticipate that future developments will include MMC via either modular build, offsite pod construction, or both.

Our Research and Innovation Strategy continues to drive change within our villages and ensures our buildings meet our current and future customers' expectations.

Our Energy and Sustainability Strategy sets out the detail about how all our developments will be built at a standard at least to the future homes standard and we are assessing how to further reduce our carbon emissions, both in development and operating villages.

Modernisation

Our modernisation programme is a committed to continually invest in our existing villages to ensure their desirability remains at a high level throughout the building's life. We are always keen to listen to our residents and undertake extensive consultation with them whilst in planning and design stage of proceedings.

The key aims of our modernisation programme are:

- More outward looking village environment;
- Better space utilisation within the village;
- A more environmentally friendly village; and
- Technology enabled village.

During 2021/22 we paused the modernisation programme alongside pausing development activity. This was a key mitigation for us in protecting our cash flow however we are now in a position where we are able to recommence with the programme and our Lark Hill Village modernisation started in April 2022.

It is our aim to undertake five modernisations across the five years of Corporate Plan 2022-27, with £15M being allocated in our cash flow to undertake these modernisations.

Initial Property Leases

Given lockdown restrictions in 2020/21, it was no surprise that the granting of our initial property leases for our new village locations was down on expectations during the year. It became difficult for customers to view our properties during this period and equally as challenging for any potential customer to sell their own property at certain times during lockdowns.

The beginning of the 2021/22 year again saw restrictions in place, with local lockdowns at some locations also affecting our ability to market properties. It is to be remembered that our offering is at its best when a potential customer can witness first-hand our thriving communities and the lifestyle activities that they could be part of if they move into our villages. During the latter half of the financial year, we have once again been able to run our village open days, and public confidence in mixing with other households has slowly begun to return to some sort of normality.

Our sales team has worked tirelessly to generate interest and convert this into sales, and this year generated £30.2M cash for the granting of initial property leases.

The progress on sales of our new village locations is as follows on 31 March 2022:

Village	Opened	Total initial leases available	Leases granted	% granted
Hughenden Gardens	May 2018	205	205	100%
Stoke Gifford	November 2018	180	141	78%
Bedford Wixams	June 2019	184	155	84%
Earlsdon Park Phase 2	November 2020	60	39	65%
Solihull	January 2021	209	103	49%

Subsequent Property Leases

The 2021/22 year witnessed the unwinding of our deferred buyback scheme, an initiative which asked lease custodians to defer the sale of the lease back to us. This unwinding in turn pushed our leasehold sales voids figures up, although these have now stabilised and are expected to fall over the coming months.

Despite the increase in sales voids referred to above, we have still managed to generate a resale surplus of £9.3M. During the year we granted 160 subsequent property leases (2020/21 - 121), generating cash of £41.2M (2020/21 - £34.5M).

Operating Villages

Operating our villages and schemes effectively is key to our residents enjoying an active and fulfilling lifestyle, reassured by the knowledge that they can access good quality care when needed, in the comfort of their own home.

Engaging customers/resident satisfaction

Residents have an extensive menu of engagement options at ExtraCare, both locally and organisation-wide. Residents can influence the local management of their services through Residents' Associations, as well as through 'We're Listening' feedback surveys, recruitment panels, monthly street meetings, local groups and volunteering. Corporately, they influence ExtraCare's policies via our Residents' Forum, topic groups and scrutiny exercises as well as the aforementioned member position held by the Chair of the Residents' Forum.

The Residents' Forum acts as the principal representative body for the purpose of consultation with residents concerning service delivery, performance and strategic plans. We work in partnership with our residents to create strong and cohesive communities to enable a positive experience of living in an ExtraCare location.

Care Quality

The challenging targets set for our care quality have been achieved with one exception within increasingly difficult care market conditions:

During 2021/22 there were no inspections undertaken by the CQC at our locations, and therefore we remain very proud that at the 31 March 2022, 19 of the 21 (including Verona Court) inspected locations were currently rated 'Good' or 'Outstanding' by the CQC. Our newest village, Solihull, has not received their first inspection and one other, Pannel Croft, is rated as 'Requires Improvement'. Our overall ratings remain as follows:

- Five 'Outstanding' overall: Brunswick Gardens, Hagley Road, Lovat Fields, Reeve Court and Shenley Wood Villages;
- 14 'Good' overall: Bournville Gardens Village, Earlsdon Park Village, Hughenden Gardens Village, Humber Court, Lark Hill Village, Longbridge Village, New Oscott Village, Rosewood Court, Stoke Gifford Village, St Oswalds Village, Sunley Court, Verona Court (landlord managed from 1st April 2022), Bedford Wixams Village and Yates Court;
- Four of the 14 rated 'Good' overall were rated outstanding in one domain;
- One rating of 'Requires Improvement' – Pannel Croft Village (an assessment of risk review has been undertaken by CQC which reported no concerns in care and was positive in all Key Lines of Enquiry); and
- One service not inspected yet – Solihull Village.

Location Surpluses

Prior to the pandemic, there was already substantial effort to limit losses and generate margins within our operations across all locations. With the onset of the pandemic and its negative impact on key income streams such as catering, care and apartment sales and rentals, there has been an even sharper focus.

We regularly review income generating activities within our locations to identify opportunities to sell services and meet the needs of our residents safely.

Our Commercial Strategy, which relates to services such as catering, resident activities and gyms, was updated during 2021/22, and now adopts a robust commercial approach, continues to underpin our efforts towards generating income and contributing to the limiting of losses within our services. It includes ways to maximise commercial opportunities that will contribute to our long-term financial viability as a charity: focusing on new or improved services that are attractive to residents, sustainable and affordable. In our locations, this Strategy is led by our Lifestyle Managers, who are 'front of house' and run our bars and bistros, gyms and retail outlets.

Streamlined Energy and Carbon Reporting

Our Charity is committed to improving its environmental performance and reducing our carbon footprint. Reports submitted to our Board for consideration now include the requirement to evaluate any environmental considerations.

Environmental Performance

Our most recently developed village and extension (Solihull Village and Earlsdon Park Village Phase 2) have been constructed in line with Fabric First principles and achieved a BREEAM rating of very good which contributes greatly to minimising the energy usage.

As part of the work undertaken by Glenn Howells Architects looking at our village design brief, there was a specific focus on environmental, economic and social sustainability factors. This work provides us with new avenues to explore in our next development or extension. We are also examining modern methods of construction when appraising all our future developments.

Emissions, Waste & Recycling

ExtraCare has an impact on the environment directly through the operation of property and indirectly through those operations which support our Charity such as business travel, purchasing of goods and services and of course key activities such as building new villages.

In line with Government Environmental Reporting Guidance and the Streamlined Energy and Carbon Reporting (SECR) requirements, we have assessed the organisational boundary and scope/type of emissions as follows:

- *Reporting Boundary*: this report aims to identify and quantify the energy use and environmental impacts that occur owing to the operation of the villages and schemes owned by ExtraCare, the head office building in Coventry and all retail sites that were in operation throughout 2021/22 and the travel activities of staff in supporting the Charity and subsidiary.

- *Scope of Emissions:* this report aims to identify and quantify the following types of emissions:
  - Scope 1 Direct Emissions – emissions due to use of natural gas in boilers to provide heating, hot water, laundry equipment and catering within buildings;
  - Scope 2 Energy Indirect Emissions – emissions due to the use of electricity to provide lighting, catering, hot water and power for electrical equipment within buildings; and
  - Scope 3 Other Indirect Emissions – emissions due to the consumption of water within buildings and the disposal of liquid and solid waste.

Emission Type	Emission Source	Current Reporting Year			Previous Year		% change	
		Amount	Unit	Emissions (CO_2e)	kWh	Tnes CO_2e	Units	Tnes CO_2e
Scope 1	Gas	45,584,675	kWh	8,349.3	42,813.389	7,872.1	6.5%	6.1%
Scope 2	Electricity	18,827.446	kWh	3,997.6	18,411,826	4,292.5	2.3%	-6.9%
Scope 2	Water	434,983	m3	64.8	235,128	80.9	85.0%	-19.9%
	Waste – Liquid	423,409	m3	115.2	227,179	160.8	86.4%	-28.4%
	Waste – Solid	66	Tnes	3.3	83	3.9	-20.6%	-16.1%
	Travel	193,672	miles	48.5	225,083	56.4	-14.0%	-13.9%
Total scope 1,2,3				**12,578.7**		**12,466.6**		**0.9%**

- Our overall performance is a reduction in emissions per resident of 6.5% (shown in the intensity calculations table below). This reduction is slightly below the target but is reasonable given the resources dedicated to Covid-19 measures over the past 12 months.
- Total emissions are similar to the 2020/21 figures. An increase in gas emissions has been countered by falls in all other emissions.
- Gas makes up 66% of emissions. The rise of 6.5% in energy and 6.1% in CO2 emissions is primarily due to the increase in resident numbers which are 7.9% higher following the opening of our Solihull Village and Earlsdon Park Village extension. Gas emissions per resident have fallen by just under 2%, this following campaigns on how to lower energy usage. We still have a long journey ahead on us in relation to changing the behaviours of our residents, although we are not alone in this challenge.
- Electricity usage has increased by 2.3% but emissions have reduced owing to the decarbonisation of the grid. Electricity emissions per resident have fallen by over 13%.
- Scope 3 emissions have fallen by over 23%, in part due to reducing emission factors but also due to a reduction of 14% in business travel due to new ways of working which were first implemented during the pandemic.

Intensity Ratio

We provide services for residents and hence the most appropriate metric to use is the emissions per resident per year. This will allow for comparisons over time and eventually between villages.

	Current Reporting Year	Previous Reporting Year	% change
Number of residents	3,899	3,612	7.9%
Overall intensity (CO_2e/resident)	3.23	3.45	-6.5%
Building energy (CO_2e/resident)	3.17	3.27	-6.0%

Methodology used

The key processes in compiling this report were as follows:

- Energy and water data for the villages, head office and retail were collated based on supplier invoices;
- Waste and recycling data was provided by the contracted waste provider data portal and is based on transfer note data (NB: Waste figures do not cover Retail sites which have minimum waste disposal);
- Travel data was based on staff expense claims;
- Intensity ratio was based on our average resident population during 2021/22; and
- All conversion factors were based on 2020 UK Government Conversion Factors for greenhouse gas (GHG) reporting.

Supporting Villages

We are proud of our charitable status. We make surpluses from some areas of activity which are then used to subsidise other services which, as a charity, we provide to our beneficiaries. Through this subsidy we can deliver vital care and wellbeing services and keep them affordable and accessible to all our residents, regardless of their background and circumstances. We would not be able to continue to grow and improve these services, which are proven to be key to the health and wellbeing of residents, without the dedication, generosity and support of our donors, residents, staff and community volunteers, and our external supporters.

Volunteering

Volunteering is at the heart of our ExtraCare communities. Volunteers help us in areas ranging from our charity shops, location facilities such as gyms, bistros and reception, events and activities, befriending and fundraising. Not only are volunteers invaluable to keeping our shops open and our locations running smoothly, volunteering also brings great mental and physical benefits to those who volunteer. Our resident volunteers proved crucial during the pandemic where they supported residents to get their shopping, deliveries and to maintain contact with friends and families.

Each individual's reason for volunteering is unique. They may wish to make good use of their skills and knowledge, to gain new skills and experience to enhance their CV, build their confidence, meet new people or make a difference to others. Whatever their reason, our aim is to support our volunteers to meet their goal.

As well as volunteering we also provide valuable opportunities for students requiring placements and Work Experience, for Duke of Edinburgh Award, participants and for other organisations seeking corporate volunteering opportunities within our locations and Charity shops.

ExtraCare Charity Shops

In 2021/22 ExtraCare Retail Ltd, through its charity shops, generated a surplus of £360K (2020/21 £39K loss after tax). Shops sell donated goods on behalf of the Charity, with profits generated from this route being retained within the Charity.

Our shops began to reopen in April 2021 following lockdown restrictions being lifted, and most have remained open since then. Some of our shops have been forced to close temporarily due to outbreaks of Covid-19 amongst staff and volunteers, but this has not substantially impacted trading in the year.

It has been an exceptional year in relation to profits, especially given customer numbers on the high street are down on years gone by. We have continued our strategy of closing shops which are not profit generating, and this has reduced the number of shops we now have to 40. We are constantly on the lookout for new premises and expect to open a further three shops in the coming year.

Performance this year has demonstrated we have been right to be confident about the future of ExtraCare Retail Ltd, despite the recent significant challenges we have been presented with.

The current economic climate, and substantial rise in the cost of living will inevitably drive consumers to seek greater value for money, which charity shops are ideally placed to deliver. This may drive an upturn in charity shop sales if the pattern from the 2008/09 recession is mirrored this time around.

We remain committed to the Retail Strategy agreed in 2020/21, which focuses on consolidating the retail estate, developing online sales at shop level, and promoting environmental sustainability: this will shape our direction moving forwards.

Fundraising Activity

We raised £57K in 2021/22 (£95K in 2020/21) through resident fundraising, trusts, foundations, challenge appeals and our corporate donations.

Given that we do not currently have a dedicated fundraising function in the Charity this is a good achievement and demonstrates how our charitable objectives really appeal to the public.

An additional £744K was raised through our charity shops in the year (£95K in 2020/21). This supports in reducing our operating shortfall with respect to underfunded or unfunded services such as Care, Wellbeing, Dementia and End of Life support.
During the year we released a fundraising video which has already been successful in generating donations from key stakeholders.

Research and Innovation

We utilise advanced technology in order to support our residents in their day-to-day lives.

- Supporting and signposting more of our residents through our smart markets to pilot and then purchase voice activated assistants such as Alexa and Google Home, and Fitbits to monitor their wellbeing. Residents who were isolated from the family or in location lockdown became lonelier, affecting their mental and physical health, and these technologies were a lifeline for some residents. More residents were helped by relatives to purchase tablets/smart devices to improve communication methods. With no dedicated smart technology staff in locations, our volunteers, resident IT champions, and location staff became our enablers;
- The Double Robot devices piloted at Wixams and Stoke Gifford villages were used during the pandemic to keep residents in contact with relatives, for virtual assessments with healthcare professionals, and to enable isolated residents to participate in exercise classes;
- The RGS Care sensors (sensors that check how residents are living in their apartment regarding heat, light, movement, noise etc.) were increased through a grant from Innovate UK to RGS Care, so that every location had a full set. Residents with issues such as dementia or mental health were supported during the pandemic and solutions identified to ensure safety and ongoing independence; and
- Our 'future proofing' research in conjunction with the International Longevity Centre UK and Covid-19 research with Aston University continued to provide the evidence for our model, approach in the pandemic, at the same time maintaining our profile as a leading provider and innovator in the sector.

People, Processes and Technology

People

Our strength lies in the quality and commitment of our workforce and volunteers. Creating the right environment for our customers depends on the collective effort of all our colleagues.

The 'Investors in People' (IiP) award is a recognition of good practice in how an organisation engages with, enables, develops and supports its people; we hold Gold Award status from IiP and we aim to maintain this level during our next moderation in the upcoming financial year.

Our 2021-24 People Strategy supports us in meeting our corporate commitment to review how we attract, retain, develop and engage with our people and develop our culture.

We are committed to providing a competitive pay and benefits package to current and prospective staff and have implemented the Real Living Wage to Trust staff. We acknowledge that recruitment and retention are issues both in our sector and across other sectors, and therefore investing in our employees is essential. In March 2022 our Board approved a 6% pay award increase, with all staff receiving a minimum of 4%, and many of our colleagues who undertake front line care delivery roles receiving a higher percentage increase from 1st April 2022.

27 Online Social Media Assistants and eight Administrative Assistants were recruited as Kickstart trainees in phase one of the Kickstart scheme. In addition to work experience additional training was delivered to the Kickstart individuals to develop their skills and experience on customer service, communication, interview techniques and updating their CVs. At the end of this phase one individual secured a permanent role with ExtraCare, two individuals secured relief contracts. Four individuals have continued to volunteer within

our charity shops. The employment experience and skills provided has also enabled nine individuals to secure permanent roles externally and two individuals chose to go to university. A further 17 individuals were recruited in phase two of the programme and are currently undertaking their six-month placements.

Our 2021 staff survey showed that:

- **68% of our employees are satisfied** with ExtraCare as an employer – our target was 75%; and
- **91% of our employees remain fully committed** to our vision and values – our target was 90%.

Our survey highlighted a need for us to do more around reward and recognition; an emphasis on learning and development opportunities; and the need for increased employee engagement activity.

IT and Digital

Globally, the proliferation of digital health technology continues and is set to build rapidly as a result of the Covid-19 impact on care and health provision. At ExtraCare we will continue to explore and deploy smart technology solutions where these improve residents' quality of life, promote independence, and reduce the operational costs associated with front line care provision. Digital technology will also support increased efficiency across our management and working practices; this approach has been accelerated as a result of a changed working environment linked to the crisis.

We have embarked on an ambitious digital transformation programme to improve performance within ExtraCare by making optimum use of digital solutions.

We will be working to a set of architectural principles that in part will see us introduce Microsoft Dynamics as our core commercial hub - an enterprise grade multi-functional platform that will give us a solid foundation for digital growth.

The highly integrated nature of data and solutions available on the Microsoft Dynamics platform will reduce the need for custom and bespoke integrations between disparate systems, making workflow and automation easier, and helping us to leverage data.

On behalf of the Trustees:

Nick Baldwin

Nicholas Baldwin CBE

Chair
21 September 2022

THE BOARD'S RESPONSIBILITIES IN THE PREPARATION OF ACCOUNTS

The Board as trustees (who are also the directors of The ExtraCare Charitable Trust for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company, housing and charity law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the income and expenditure of the Group for that period. In preparing the Group and Company financial statements, the Trustees, as Directors, are required to:

a. select suitable accounting policies and then apply them consistently;

b. observe the methods and principles in the Statement of Recommended Practice 'Accounting by Registered Housing Providers Update 2018';

c. make judgements and estimates that are reasonable and prudent;

d. state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

e. prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the ExtraCare Charitable Trust website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EXTRACARE CHARITABLE TRUST

Opinion

We have audited the financial statements of The ExtraCare Charitable Trust (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Comprehensive Income, the Group and Charity Statements of Financial Position, the Group and Charity Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).
In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the Parent Company's affairs as at 31 March 2022 and of the Group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly 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 2019.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent 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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

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 Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic Report and the Directors' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors Annual Report.

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of Trustees
As explained more fully in the Trustees' Responsibilities Statement set out on page 33 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 Trustees are responsible for assessing the Group's and Parent 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 Trustees either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the Group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the Group and Parent Company operates in and how the Group and Parent Company are complying with the legal and regulatory framework;

- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019 and tax compliance legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that may have an indirect impact on the financial statements are Health and Safety at Work Act 1974 and Regulator of Social Housing Regulatory Standards (both Economic and Consumer standards), compliance with the Care Quality Commission requirements and the General Data Protection Regulations as set out in the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the Group is in compliance with these laws and regulations and inspected correspondence with licensing or regulatory authorities.

The Group audit engagement team identified the risk of management override of controls and the completeness, valuation and cut off risk for retail and other income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and substantive and controls testing along with data analytics for income.

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

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. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Anna Spencer-Gray

ANNA SPENCER-GRAY (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
103 Colmore Row
Birmingham
B3 3AG

23/09/22

The ExtraCare Charitable Trust
Consolidated statement of comprehensive income
For the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Turnover	3	46,998	41,678
Operating expenditure	3	(48,290)	(44,821)
Operating deficit		**(1,292)**	**(3,143)**
Profits on disposal of fixed assets	11	525	-
Interest receivable		1	6
Interest and financing costs	5	(5,560)	(4,560)
Decrease in fair value of listed investment	16	(405)	-
Increase in fair value of investment properties	12	22,644	31,729
Surplus before tax	8	**15,913**	**24,032**
Taxation	28	-	-
Surplus for the year		**15,913**	**24,032**
Defined benefit pension surplus/(costs) recognised in other comprehensive income	22	1,335	(5,649)
Total comprehensive income for the year		**17,248**	**18,383**

The results for both years are wholly attributable to continuing activities.

The notes on pages 41 to 68 form part of these financial statements.

These financial statements were approved by the Board of Directors on 21 September 2022 and signed on its behalf by:

Nick Baldwin

Nicholas Baldwin CBE
Chair

Richard Clarke

Richard Clarke
Trustee

The ExtraCare Charitable Trust
Statement of financial position
As at 31 March 2022

	Note	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Fixed assets					
Intangible assets	9	31	83	31	83
Tangible fixed assets	10, 11	124,700	126,328	124,700	126,328
Investment properties	12	767,305	744,450	767,305	744,450
		892,036	**870,861**	**892,036**	**870,861**
Current assets					
Stocks and assets held for disposal	14	109	138	-	-
Trade and other debtors	15	3,898	3,332	3,838	3,431
Current asset investments	16	19,595	-	19,595	-
Cash and cash equivalents		10,686	3,804	10,684	3,788
		34,288	**7,274**	**34,117**	**7,219**
Creditors: Amounts falling due within one year	17	(471,223)	(436,587)	(471,013)	(436,493)
Net current liabilities		**(436,935)**	**(429,313)**	**(436,896)**	**(429,274)**
Total assets less current liabilities		**455,101**	**441,548**	**455,140**	**441,587**
Creditors: Amounts falling due after more than one year	18	(165,411)	(166,629)	(165,411)	(166,629)
Defined benefit pension liability	22	(6,760)	(9,203)	(6,760)	(9,203)
Other provisions	23	(8)	(42)	(8)	(42)
Total net assets		**282,922**	**265,674**	**282,961**	**265,713**
Capital & reserves:					
Restricted reserves	25	6,474	6,602	6,474	6,602
Revenue reserves		276,448	259,072	276,487	259,111
		282,922	**265,674**	**282,961**	**265,713**

Company registration number: 02205136

These financial statements were approved by the Board of Directors on 21 September 2022 and signed on its behalf by:

Nick Baldwin

Nicholas Baldwin CBE
Chair

Richard Clarke

Richard Clarke
Trustee

The ExtraCare Charitable Trust
Statement of changes in reserves
As at 31 March 2022

	Group		Charity	
	Restricted reserve £'000	Income and expenditure reserve £'000	Restricted reserve £'000	Income and expenditure reserve £'000
At 1 April 2020	6,606	240,685	6,606	240,668
Surplus for the year	-	18,383	-	18,439
Transfer to/(from) restricted reserves	(4)	4	(4)	4
As at 31 March 2021	**6,602**	**259,072**	**6,602**	**259,111**
At 1 April 2021	6,602	259,072	6,602	259,111
Surplus for the year	-	17,248	-	17,248
Transfer to/(from) restricted reserves	(128)	128	(128)	128
As at 31 March 2022	**6,474**	**276,448**	**6,474**	**276,487**

The ExtraCare Charitable Trust
Consolidated statement of cash flows
For the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Net Cash generated from operating activities	**33**	**(3,457)**	**(4,771)**
Cash flow from investing activities			
Purchase of tangible fixed assets		(2,536)	(14,325)
Proceeds on sales of fixed assets		525	-
Grants received		-	640
Interest received		1	6
Investments in current assets		(20,000)	-
Net cash used in investing activities		**(22,010)**	**(13,679)**
Cash flow from financing activities			
Interest paid		(5,383)	(6,046)
New secured loans		-	28,000
Repayments of borrowings		(1,086)	(44,086)
Payments received on property leases		71,337	64,943
Settlement of property repurchase liability		(32,519)	(25,759)
Net cash used in financing activities		**32,349**	**17,052**
Net change in cash and cash equivalents		**6,882**	**(1,398)**
Cash & cash equivalents at beginning of the year		3,804	5,202
Cash & cash equivalents at end of the year		**10,686**	**3,804**

1. Legal status

The ExtraCare Charitable Trust is a private company limited by guarantee registered and incorporated in England and is an English registered social housing provider. The address of ExtraCare's registered office and principal place of business is 7 Harry Weston Road, Binley Business Park, Coventry, CV3 2SN. The principal activities are providing housing and care to older people.

2. Principal accounting policies

Basis of accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the requirements of the Companies Act 2006, including the provisions of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008. They are prepared under the historical cost convention modified to include certain financial instruments at fair value and according to the Housing SORP 2018 'Statement of Recommended Practice for Registered Housing Providers'. They also comply with the Accounting Direction for Private Registered Providers of Social Housing 2019. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Public Benefit Entity

The Charity is a Public Benefit Entity, as defined within FRS 102 as "an entity whose primary objective is to provide goods or services for the general public, community or social benefit and where any equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members".

Basis of consolidation

The group accounts consolidate the accounts of the Charity and its subsidiary undertakings. Intra group transactions, balances and profits are eliminated on consolidation. The consolidation is carried out on a line by line basis and all entities have coterminous year end dates.

The accounts for the Charity include recharges with a subsidiary undertaking which runs charity shops to raise charitable funds. The recharges are based on resources used and payments made.

The parent Charity has taken advantage of the exemption from presenting its unconsolidated Statement of Comprehensive Income under Section 408 of the Companies Act 2006. The Company has taken advantage of the exemption from disclosing the following information in its company only accounts, as permitted by the reduced disclosure regime within FRS 102:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures.

Going Concern

Our 30-year financial plan is based on robust assumptions and includes a target headroom of £20M in liquid asset reserves to allow us to withstand a range of potential risks. Following stress testing the Board agreed for prudent assumptions around the net cash inflow from granting of subsequent property leases to be factored into our business plan to mitigate our market risk exposure to factors such as a pandemic.

The Board recognises that the covenants in place with funders are calculated using values from the financial statements as prepared based on the accounting policies in place prior to the 2019/2020 change of accounting policy. Having made enquires of the funders and received assurances from the funders and received legal guidance, the Board are satisfied that covenant compliance for the loans disclosed in note 19 of the financial statements will be judged by both funders under the previous basis of accounting, for a period of at least 12 months from sign off of these financial statements or until the Charity initiates the agreement of new covenants, based on mutually acceptable calculations. Covenant calculations have therefore been prepared, which demonstrate compliance, based on the previous accounting treatment and reconciled back to the financial statements prepared under the revised accounting basis.

Our financial statements comply with all the current statutory requirements and with the requirements of the Charity's Articles of Association. After making all reasonable enquiries, for a period of at least 12 months from sign off of these financial statements the Board have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. In coming to this decision, the Board have considered on-going financial performance data, stress testing of the cashflow, and any actual or potential future liabilities. The Board are therefore confident in confirming that the Charity is viable as a going concern.

Turnover

Turnover is measured at the fair value of the cash consideration received or receivable. The Charity generates the following material income streams:

- Rental income receivable (after deducting lost rent from empty properties available for letting); and
- Invoiced amounts receivable from the delivery of care and health services.

Rental income is recognised from the point when properties under development reach practical completion and are let. Grants, donations, legacies and similar income are accounted for as soon as their amount and receipt are certain. In the case of unsolicited donations, this is usually only when they are received, while fundraising results are accounted for when the commitment is made by the donor, subject to fulfilment. Grants, where entitlement is not conditional on the delivery of a specific performance by the Charity, are recognised when the Charity becomes unconditionally entitled to the grant.

Turnover is included on an accruals basis.

The income from goods donated for resale in the Charity shops is included in the accounts when those goods are sold. No value is placed on any stock of such goods. Donated services and facilities are included at the value to the Charity where this can be quantified.

Investment income is included when receivable by the Group.

Service charges

Where schemes are on fixed service charges, income is recognised in the financial statements in line with the amounts charged to the occupant. Certain villages operate variable service charges. Where there is any difference between the estimated cost recovered from tenants and leaseholders and the actual cost incurred, any such shortfall or surplus arising is carried forward and either collected or refunded against the future year's charge. Any shortfall or surplus arising is shown in the statement of financial position within debtors or creditors as appropriate.

Intangible fixed assets

Capitalised IT software expenditure is initially recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Capitalised IT software expenditure is amortised on a straight-line basis over its useful life which is 3 years.

Taxation

The parent Charity is exempt from Corporation Tax as a registered charity. The trading subsidiary is subject to corporation tax on any profits not distributed by gift aid to the parent Charity.

VAT

The parent Charity is partially exempt for VAT purposes, and consequently VAT incurred cannot be fully recovered. Where VAT is not recoverable the expenditure is shown inclusive of VAT.

Impairment (excluding investment properties)

Fixed assets are reviewed for impairment following an assessment at each reporting date if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairment losses in the Consolidated Statement of Comprehensive Income.

2. Principal accounting policies (continued)

Capitalisation of interest
Interest incurred up to the time that identifiable major capital projects are ready for service is capitalised as part of the cost of the assets and shown within fixed assets, based on interest charged on loans relating to each project.

Stock
Stock is valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal.

Restricted reserves
These are reserves that can only be applied for specified purposes. The reserve is held for the purpose as specified by the donor. This is usually for a specific appeal. Incoming reserves are accounted for on receipt but with reference to certain performance criteria within an agreement. Where cash has been received but performance criteria have not yet been met, such income is deferred and released to the Consolidated Statement of Comprehensive Income on achievement of such criteria.

Management of housing property for other social landlords
Where the Charity has been appointed as an agent by a Housing Association partner to provide support to the service users and the support contract with the Commissioning Authority is held (and carries the financial risk), the Consolidated Statement of Comprehensive Income includes only that income and expenditure which relates solely to the Charity.

Retirement benefits
Defined contribution pension scheme
The Charity's executive management are members of a flexible retirement plan operated by The Pensions Trust. The amount charged to the Consolidated Statement of Comprehensive Income is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Defined benefit pension scheme
The Charity's employees are members of the Social Housing Pension Scheme (SHPS). For the SHPS, retirement benefits to colleagues of the Company are funded by contributions from all participating employers and employees in the Scheme. Payments are made to a fund operated by the Pensions Trust, an independent trust providing superannuation benefits for employees of voluntary organisations. These payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating Companies taken as a whole.
The assets and liabilities of the Charity's share of the pension are now included on the Statement of Financial Position, where as in the prior year a provision was included linked to the stream of deficit contributions. Thereby adopting the amendment to FRS102 "Multi-employer defined benefit plans", issued in May 2019, early.
Actuarial assumptions are applied to determine each company's share of liabilities. The assumptions are updated at the year end, and the changes to the position go through the 'Other Comprehensive Income' statement.
Calculations are carried out annually and independently of the pension triennial valuation.
The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

One employee is also a member of a growth plan operated by The Pensions Trust (being the SHPS managers). For the Growth Plan, contributions are recognised in expenditure in the period to which they relate as there is insufficient information available to use defined benefit accounting. A liability is recognised for contributions arising from an agreement with the multi-employer plan that determines how the Charity will fund a deficit. Contributions are discounted when they are not expected to be settled wholly within 12 months of the period end.

2. Principal accounting policies (continued)

Tangible fixed assets - Housing properties

Housing properties are properties for the provision of social housing and are principally properties available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Improvements are works to existing properties, and component replacements which have been treated separately for depreciation purposes, which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property in the business. Only the incremental direct overhead costs associated with new developments or improvements are capitalised. Direct overhead costs comprise the costs of staff time, including salary costs and other apportioned direct costs, incurred on the developments from the date from which it is reasonably likely that the development will go ahead, to the date of practical completion.

Investment properties

The classification of properties as investment property or property, plant and equipment is based upon the intended use of the property.

Mixed use property is separated between investment property and property, plant and equipment.

Investment properties are initially measured at cost and subsequently measured at fair value annually with any change recognised in the Statement of Comprehensive Income. This calculation is based on the lease price achieved for a property, or on the average price of a similar archetype (location, property size, and other design specifications). Each investment property is measured based upon active secured prices.

Investment properties are not depreciated.

Investment properties are leased through an upfront payment, equivalent in value (for the proportion of the property leased) to a commercial outright purchase. When a lease is terminated, the Charity has a contractual obligation to refund the payment, less a 1% per annum deduction (to a maximum of 10%). At the end of any lease the Trust could take the decision to lease the property under different terms, including removing the obligation to repurchase. It would be at this point that any capital appreciation would be realised as a capital gain. Such choice is within the powers of Trustees to make at a time when priorities may suggest it would better support the Charity's activities.

Donated land

Where land is transferred by local authorities and other public bodies for consideration below market-value, the difference between the market value and the consideration given is added to cost at the time of the donation and included within the Statement of Financial Position as a liability, in accordance with treatment as a non-government grant.

Fixed Asset Investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment, losses or reversals of impairment losses are recognised immediately in profit or loss.

Government grants

Government grants include grants receivable from Homes England, local authorities and other government bodies. Social Housing Grant (SHG) is a government grant made to the Charity towards the cost of acquiring and/or building additional housing for rent. No Grant is receivable in respect of Investment Properties.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants received for social housing properties are recognised in income over the useful economic life of the structure of the asset (excluding land) under the accruals model.

Government grants relating to revenue are recognised as income over the periods when the related costs are incurred once reasonable assurance has been gained that the Charity will comply with the conditions and the funds will be received.

2. Principal accounting policies (continued)

Other grants
Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

Depreciation
Assets costing more than £1,000 are capitalised at cost. Assets under construction for social housing are not depreciated until brought into operational use.
Depreciation of fixed assets is charged by equal instalments commencing with the date of acquisition at rates estimated to write off their cost or valuation less any residual value over the expected useful lives which are as follows:

Freehold land	not depreciated		
Freehold buildings – Social housing			
Main Fabric	100 years	Bathroom & WC	30 years
Roof & Covering	70 years	Mechanical Systems	30 years
Electrics	40 years	Lift	28 years
Windows & External Doors	30 years	Kitchen	20 years
Freehold buildings – Investment properties	not depreciated		
Leasehold property	over period of lease		
Furniture and equipment	over 2 to 6 years		
Motor vehicles	over 3 years		

Current Asset Investments policy
The Group's current asset investments are classified as financial instruments and accounted for at fair value through profit or loss, in accordance with the accounting policy set out under Financial Instruments on page 46.

Operating Leases
All leases are operating leases and the annual rental costs are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Financial Instruments
The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102, in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument, and are offset only when the Charity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Assets – Debtors
Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Rent debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.
Where the arrangement with a rent debtor constitutes a financing transaction, the debtor is initially and subsequently measured at present value of future payments discounted at a market value rate of interest for a similar debt instrument.
A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Comprehensive Income for the excess of the carrying value of the rent debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Comprehensive Income.

2. Principal accounting policies (continued)

Financial Assets – Trade Investments

Trade investments are equity investments over which the Group has no significant influence, joint control or control and are initially measured at transaction price. Transaction price includes transaction costs, except where trade investments are measured at fair value through profit or loss when transaction costs are expensed to profit or loss as incurred.

Trade investments are measured at fair value through profit or loss. The fair value of trade investments quoted on a recognised stock exchange is the quoted bid price. The fair value of unlisted investments is measured using valuation techniques which include turnover multiple, earnings multiple, net assets or discounted cash flows, as appropriate, based on the nature and circumstances of the investment.

Financial Liabilities – Lease Buyback

The Directors have considered the buy-back obligation contained within property leases granted by the Charity and concluded that it meets the definition of a financial liability under FRS102. As such it has been presented with creditors: amounts falling due within one year to reflect the on-demand feature contained within the contractual arrangement.

Financial Liabilities - Trade Creditors (including amounts due to contractors)

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled. Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at the market rate of interest for a similar instrument.

Financial Liabilities - Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Provisions

The Group recognises provisions where it has an obligation at the reporting date as a result of a past event, which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and financing costs.

Critical Accounting Estimates and Areas of Judgement

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Residual value of Social Housing Assets

The Charity considers the fabric of buildings in Social Housing Assets it owns to retain a value at the end of their useful life. It reviews annually its estimate of the residual value, taking a precautionary approach and recognising reductions from changing market conditions and impairment.

Assets with a cost of £41,983K and a Net Book Value of £39,969K have not been depreciated in the year due to a change in estimate of their residual value. The change affects the structural element of freehold properties held within housing properties (Note 10). The net effect of this is a reduction in the depreciation charge of £412K, with assets being stated at an equivalent increased value. There is no effect on income or liabilities. The charge made on all other components and on leasehold property remains unchanged.

Defined benefit pension assumptions

The discount rate and inflation rate are considered to be key estimates in calculating the defined benefit liability and sensitivities

2. Principal accounting policies (continued)

Critical Area of Judgement
In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Charity as lessee, or to the lessee where the Charity is the lessor.

The granting of property leases are treated as financial instruments (under FRS102) as there is a contractual legal obligation within our leases for buyback: this clause is classified as repayable upon demand which meets the definition of being a financial instrument. As the terms of the lease require repayment upon demand, the buyback liability is reflected within creditors under 1 year. In practice, our experience of lease surrenders is that this pattern of buybacks does not materialise, nonetheless we are obligated to adhere to accounting standards.

The risk and reward of price movement in the intervening period on Investment Properties remain solely with the Charity. Consequently, granting of property leases is not treated as a sale on the basis that most of the risks and rewards of ownership are judged not to have been transferred to the lessee. Properties developed and let under a long lease are not held for social housing purposes, no Social Housing Grant has been received towards their construction and no restrictions exists to their allocation other than Charity policies. They are leased through an upfront payment, equivalent in value to a commercial outright purchase. The Trust has the obligation to "repurchase" the property when the lease is terminated. The purpose of this is two-fold: it ensures that the Village residency mix is maintained, with the Charity being able to select new occupants to maintain a vibrant community, and it also sustains the Trust's longer-term financial stability, by benefitting from property price inflation over time. Additionally, no rent is charged, but a deduction of 1% of the upfront payment is made from the buyback payment, to a maximum of 10%. This is below the commercial rent charged for such a property.

At the end of any lease the Trust could take the decision to lease the property under different terms, including removing the obligation to repurchase. It would be at this point that any capital appreciation would be realised as a capital gain. Such choice is within the powers of Trustees to make at a time when priorities may suggest it would better support the Charity's activities.

On the basis of these considerations the leased properties are treated as investment properties for capital appreciation.

Investment properties are valued annually at their fair value. This calculation is based on the lease price achieved for a property, or on the average price of a similar archetype (location, property size, and other design specifications). Each investment property is measured based upon active secured prices. There has been no valuation by an independent valuer. It is considered the volume of lease transactions in the period gives a sufficient dataset to provide a meaningful basis of fair value.

Investment properties that are under construction at the period end are held as assets under construction and are shown at their historic cost value. There is no readily available market data for an incomplete apartment in an incomplete retirement village, and valuations provided by surveyors for lending and payment purposes measure the cost of works complete at the survey date. Such assets are therefore classified as property, plant and equipment.

The Charity considers individual schemes to be separate Cash Generating Units (CGU's) when assessing for impairment of housing properties held for letting, in accordance with the requirements of FRS 102 and the Housing SORP 2018.

Provisions
Provisions are only recognised where the Charity has an obligation to incur future expenditure as a result of a past event. The provision is recognised as a liability in the Statement of Financial Position.

3. Operating income, operating costs and operating surplus - Group

	2022			2021		
	Turnover £'000	Operating Costs £'000	Operating Surplus / (Deficit) £'000	Turnover £'000	Operating Costs £'000	Operating Surplus / (Deficit) £'000
Social Housing lettings (Note 4)	**8,399**	**(6,603)**	**1,796**	**7,796**	**(6,280)**	**1,516**
Other Social Housing activities:						
Development services	-	(895)	(895)	-	(974)	(974)
Housing related support contract income	-	(2)	(2)	-	(2)	(2)
Management services	630	(364)	266	948	(526)	422
Other Social Housing activities	**630**	**(1,261)**	**(631)**	**948**	**(1,502)**	**(554)**
Non Social Housing lettings						
Residential property income	16,424	(11,830)	4,594	14,425	(10,535)	3,890
Other rent	319	(117)	202	310	(90)	220
Non Social Housing lettings	**16,743**	**(11,947)**	**4,796**	**14,735**	**(10,625)**	**4,110**
Other non Social Housing activities						
Development services	-	(1,813)	(1,813)	-	(1,979)	(1,979)
Care and health services	10,061	(14,131)	(4,070)	10,233	(14,578)	(4,345)
Community services	2,797	(2,969)	(172)	2,000	(2,442)	(442)
Other	4,201	(6,041)	(1,840)	3,005	(4,648)	(1,643)
Retail	2,903	(2,532)	371	2,331	(2,370)	(39)
Donations	1,264	(993)	271	630	(397)	233
Other non Social Housing activities	**21,226**	**(28,479)**	**(7,253)**	**18,199**	**(26,414)**	**(8,215)**
Total	**46,998**	**(48,290)**	**(1,292)**	**41,678**	**(44,821)**	**(3,143)**

In addition to the income and costs of providing care to our residents, "Care and Health Services" includes the income and costs relating to the Enriched Opportunities Programme. "Community Services" represents income and costs of activities provided for our residents and "Other" includes the income and costs of services such as restaurants and gym facilities at our retirement schemes and villages.

The prior year has been amended to reflect a different cost allocation between Social Housing and non Social Housing residential property, explained in more detail in note 4. Operating Costs on Social Housing Lettings have increased by £551K from £5,729K to £6,280K and Operating Costs on non Social Housing residential properties have reduced by £551K from £11,086K to £10,325K. The table below shows the impact on the two segments of Operating Surplus:

	2021 Published values £'000	Depreciation reclassified £'000	2021 after reclassification £'000
Social Housing lettings (Note 4)			
Operating Surplus	2,067	(551)	1,516
Non Social Housing lettings			
Non social housing lettings Surplus	3,559	551	4,110

4. Income and expenditure from Social Housing lettings - Group

	2022 Supported Housing and Housing for Older People £'000	2021 Supported Housing and Housing for Older People £'000
Rent receivable and maintenance charge net of identifiable service charges	4,220	3,988
Service charge income	3,115	2,742
Amenity income	641	664
Amortised government grant	423	402
Turnover from Social Housing lettings	**8,399**	**7,796**
Management	2,241	2,335
Service charge costs	2,055	1,562
Routine maintenance	484	368
Planned maintenance	188	231
Depreciation of housing properties	1,635	1,784
Operating Costs on Social Housing lettings	**6,603**	**6,280**
Operating Surplus on Social Housing lettings	**1,796**	**1,516**
Void losses	465	482

The value attributed to Depreciation of housing properties in 2021 has been adjusted by £551K from £1,233K to £1,784K. This reflects a more precise allocation of costs between Social Housing and Investment Properties, the latter not being subject to depreciation. The change has an opposite impact on the Operating Costs and Surplus from non Social Housing lettings activities (as reported in note 3). The table below shows the impact on Operating Surplus from Social Housing:

Social Housing lettings	2021 Published values £'000	Depreciation reclassified £'000	2021 after reclassific-ation £'000
Turnover	7,796	-	7,796
Operating Costs	(5,729)	(551)	(6,280)
Operating Surplus	2,067	(551)	1,516

5. Interest and financing costs - Group

	2022 £'000	2021 £'000
Bank loans	3,014	4,065
Other loans	2,362	2,013
Defined benefit pension charge	184	98
Interest payable capitalised on housing properties under construction	-	(1,616)
	5,560	**4,560**

No interest was capitalised in the year ending 31 March 2022 as no new construction activity has taken place in the year. (2021: Interest was capitalised to assets under construction at a rate of 3.86%).

6. Board members and executive directors - Group and Charity

Members of the Board of Management are the directors and trustees of the Charity, and act in an unpaid capacity. A total of £1,937 was reimbursed to Board members for travel expenses (2021: £1,212) in respect of seven trustees who claimed expenses (2021: one).
Key management personnel are defined on page 7 of the Trustees Report.
Expenses paid to the senior management team in the year totalled £2,489 (2021: £762).

	2022 £'000	2021 £'000
Aggregate Emoluments payable to key management personnel (including pension contributions and benefits in kind)	686	826
Emoluments (including benefits, but excluding pension contributions) payable to the Chief Executive who was also the highest paid member of the senior management team	229	233

The Chief Executive is a member of the defined contribution scheme. No enhanced or special terms apply to this or any other pension arrangement.
Pension contributions for the year ending 31 March 2022 were £13,039 (2021: £9,033).
There are no key management personnel in the defined benefit pension scheme (2021: Nil) and three in the defined contribution scheme (2021: Two).

7. Employee Information - Group and Charity

	Group		Charity	
	2022 Number	2021 Number	2022 Number	2021 Number
Average number of employees				
Executive directors	4	5	4	5
Care services	1,050	1,041	1,050	1,041
Administration, fundraising and publicity	258	247	151	139
	1,312	**1,293**	**1,205**	**1,185**
Full time equivalents				
Executive directors	4	5	4	5
Care services	636	633	636	633
Administration, fundraising and publicity	220	206	139	126
	860	**844**	**779**	**764**

Full Time Equivalents are calculated on the basis of a 37.5 hours week.

Staff Costs (For the above persons)

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Wages & Salaries	24,346	24,494	22,775	22,823
Social Security Costs	1,865	1,903	1,761	1,802
Other Pension Costs	862	803	810	745
	27,073	**27,200**	**25,346**	**25,370**

The Group has been in receipt of Coronavirus Job Retention Scheme funds for the value of £23K (2021: 956K) in relation to staff employed in Charity Shops, Gyms, Restaurants and activities related to the negotiations and allocation of property leases. The figures in this note report the gross value of staff costs.

7. Employee Information - Group and Charity

The pension cost charge represents contributions payable to the pension fund, and are analysed below.

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Defined benefit schemes	83	52	83	52
Defined contribution schemes	779	751	727	693
	862	**803**	**810**	**745**

Details of the Group's pension schemes are detailed in Notes 22, 23 and 24.

Salary banding for all employees (excluding directors) earning over £60,000 (including salaries, performance related pay, payments in lieu of pension, benefits in kind and compensation for loss of office but excluding contributions to company pension funds):

Salary Range	2022 Number	2021 Number
£200,001 to £210,000	1	1
£140,001 to £150,000	1	-
£130,001 to £140,000	-	2
£120,001 to £130,000	-	1
£110,001 to £120,000	1	1
£100,001 to £110,000	1	-
£90,001 to £100,000	1	2
£80,001 to £90,000	3	3
£70,001 to £80,000	8	5
£60,001 to £70,000	10	9
	26	**24**

Pension contributions in respect of the above employees totalled £81,757 (2021: £68,163).
No higher paid employees are accruing benefits under the defined benefit pension scheme (2021: Nil).
Twenty-four of the twenty-six higher paid employees are accruing benefits under the defined contribution scheme (2021: Twenty).

8. Operating deficit - Group

	2022 £'000	2021 £'000
The operating deficit is arrived at after charging/(crediting):		
Trustee indemnity insurance	9	9
External auditor's remuneration:		
In respect of the audit of the Charity's Financial Statements	60	60
In respect of other services:		
The audit of the charity's subsidiary Financial Statements	10	10
Taxation services	40	56
Audit-related assurance services	34	18
Other services	-	3
Operating leases		
Rent payable on buildings	1,140	1,192
Other	5	5
Depreciation of owned tangible fixed assets	3,550	3,582
Amortisation of intangible fixed assets	58	78
Amortisation of deferred Social Housing Grant	(486)	(465)

Amortisation of grants in the Income and Expenditure is split between management service (note 3) and amortised government grants (note 4).

9. Intangible assets - Group and Charity

	£'000
Cost:	
At 1 April 2021	1,135
Additions	6
At 31 March 2022	**1,141**
Depreciation:	
At 1 April 2021	1,052
Charged in the year	58
At 31 March 2022	**1,110**
Net Book Value	
At 31 March 2022	**31**
At 31 March 2021	83

Intangible Assets represent investment in software.

10. Fixed Assets - Housing Properties - Group and Charity

	Housing properties held for lettings £'000	Housing properties under construction £'000	Leasehold land and buildings £'000	Total £'000
Cost:				
At 1 April 2021	133,396	520	417	134,333
Additions	366	179	-	545
Disposals	(12)	-	-	(12)
Change of tenure	(147)	-	-	(147)
At 31 March 2022	**133,603**	**699**	**417**	**134,719**
Depreciation:				
At 1 April 2021	13,324	-	81	13,405
Depreciation charged in the year	1,834	-	4	1,838
Eliminated on disposal	(12)	-	-	(12)
At 31 March 2022	**15,146**	**-**	**85**	**15,231**
Net Book Value				
At 31 March 2022	**118,457**	**699**	**332**	**119,488**
At 31 March 2021	120,072	520	336	120,928

	2022 £'000	2021 £'000
Expenditure on works to existing properties		
Components capitalised/improvements	314	21
Amounts charged to the statement of comprehensive income	672	599
	986	**620**
Finance Costs		
Aggregate amount of finance costs included in the cost of housing properties	4,022	4,022
Aggregate amount of finance costs included in the cost of properties under construction	-	-
	4,022	**4,022**

Impairment

The Charity considers individual schemes to be separate Cash Generating Units (CGU's) when assessing for impairment of housing properties held for letting, in accordance with the requirements of FRS 102 and the Housing SORP 2018.

During the current year the Charity has identified no impairment losses.

11. Other Tangible Fixed Assets - Group and Charity

	Furniture and Other Equipment £'000
Cost:	
At 1 April 2021	12,135
Additions	1,524
Disposals	(458)
At 31 March 2022	**13,201**
Depreciation:	
At 1 April 2021	6,735
Charged in the year	1,712
Released on disposal	(458)
At 31 March 2022	**7,989**
Net Book Value	
At 31 March 2022	**5,212**
At 31 March 2021	5,400

During the year ending 31 March 2022 the Charity disposed of land held as a zero value asset in its Financial Statements. Proceeds of £525K were received and have been reported as Profit on sale of Fixed Assets in the Consolidated Statement of comprehensive income.

12. Fixed Assets - Investment properties - Group and Charity

	Investment properties £'000
Fair Value:	
At 1 April 2021	744,450
Additions	64
Change of tenure	147
Movement in fair value	22,644
At 31 March 2022	**767,305**

Historic Cost

	2022 £'000	2021 £'000
Investment properties measured under the historic cost convention	397,881	397,670

Included within the above is £12,862K of capitalised interest (2021: £12,862K).

13.Fixed Asset Investments - Group and Charity

	2022	2021
	£	£
Investment in group companies (Note 32)	2	2

The parent company holds the whole of the equity share capital of the following group companies:

Name of subsidiary undertaking	Country of incorporation	Class of share	Nature of business
ExtraCare Retail Limited	England	Ordinary	Charity retail operation
Extracare Nominee 1 Limited	England	Ordinary	Dormant
Extracare Nominee 2 Limited	England	Ordinary	Dormant

All subsidiaries are registered at 7 Harry Weston Road, Binley Business Park, Coventry, CV3 2SN.

14. Stocks

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Goods for resale	109	138	-	-

15. Debtors

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Rent and service charges receivable	2,407	2,435	2,407	2,435
Less: provision for bad and doubtful debts	(514)	(495)	(514)	(495)
Net rent arrears	**1,893**	**1,940**	**1,893**	**1,940**
Value Added Tax	10	126	10	126
Amount owed by subsidiary undertaking	-	-	209	381
Prepayments and accrued income	1,833	1,240	1,585	961
Variable service charges debtor	141	20	141	20
Other Debtors	21	6	-	3
	3,898	**3,332**	**3,838**	**3,431**

16. Current Asset Investments- Group and Charity

	2022 £'000	2021 £'000
At 1 April	-	-
Invested in the period	20,000	-
Movement in fair value	(405)	-
At 31 March	**19,595**	-

The historical cost of the above investments is £20M (2021: £Nil).

The fair value, based on the current bid price, of the investments above are:

	2022 £'000	2021 £'000
Fixed interest bonds	2,085	-
UK equities	2,265	-
Overseas equities	2,964	-
Alternatives	1,306	-
Cash	1,191	-
Sterling short duration credit fund	9,784	-
	19,595	-

17. Creditors: Amounts falling due within one year

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Loans (note 19)	776	1,086	776	1,086
Trade creditors	731	600	695	599
Amounts due to contractors for certified work	1,370	1,752	1,370	1,752
Rent and Charges received in advance	523	582	523	582
Other taxation and social security costs	10	436	10	436
Corporation Tax	-	-	-	-
Deferred capital grant (note 21)	487	487	487	487
Accruals and deferred income	7,104	6,246	6,930	6,153
Lease buyback liability	458,576	423,664	458,576	423,664
Variable service charge creditor	1,646	1,734	1,646	1,734
	471,223	**436,587**	**471,013**	**436,493**

18. Creditors: Amounts falling due after more than one year - Group and Charity

	2022 £'000	2021 £'000
Loans (note 19)	121,231	121,902
Deferred income (note 20)	83	144
Deferred capital grant (note 21)	44,097	44,583
	165,411	**166,629**

19. Loan Analysis - Group and Charity

	2022 £'000	2021 £'000
Due within one year		
Bank loans	776	1,086
Due after more than one year		
Other loans	57,500	57,500
Bank loans	64,607	65,383
	122,107	**122,883**
Less: Issue Costs	(876)	(981)
	121,231	**121,902**

Security

Loans are secured on the properties disclosed within housing properties (Note 10) and investment properties (Note 12). Loans are secured on both freehold and leasehold properties.

At 31 March 2022 there are no unencumbered completed units.

Terms of repayment and interest rates

Bank and other loans are repayable in instalments, at rates of interest between 3.25% and 5.9% per annum (2021: 3.25% and 5.9% per annum).

The final instalments fall to be repaid between 2026 and 2040.

The Charity has fixed interest rates to guard against future rate movements - these are embedded within the loans and do not have a separate fair value.

Caps have been purchased against interest risk on loans and have been valued at £Nil. (2021: £Nil).

Based on the lender's earliest repayment date, borrowings are repayable as follows:

	2022 £'000	2021 £'000
Within one year or on demand	776	1,086
One year or more but less than two years	1,086	776
Two years or more but less than five years	40,581	3,258
Five years or more	80,440	118,849
	122,883	**123,969**

As at 31 March 2022 the Charity has no undrawn loan facilities (2021: £10.0M).

20. Deferred income - Group and Charity

Deferred income will be credited to the Consolidated Statement of Comprehensive Income:

	2022 £'000	2021 £'000
Within one year	58	71
Between one and two years	74	70
Between two and five years	9	74
	141	**215**

	2022 £'000	2021 £'000
Lease premiums receivable, credited to the Consolidated Statement of Comprehensive Income over the period of the lease (up to twenty five years)	57	85
Other Care income	2	2
Care for Life income, amortised over life expectancy of plan holder	82	128
	141	**215**

Deferred income relates to lease premiums receivable £57K (2021: £85K) which will be released over the periods of the lease (up to twenty five years) and income relating to Care for Life £82K (2021: £127K) which will be released to income over the assumed life expectancy of the resident who has taken out the plan.

21. Deferred Capital Grant Income - Group and Charity

	2022 £'000	2021 £'000
Balance at 1 April	45,070	44,895
Received in the year	-	640
Released to income in the year	(486)	(465)
Balance at 31 March	**44,584**	**45,070**

	2022 £'000	2021 £'000
Amounts to be released within one year	487	487
Amounts to be released in more than one year	44,097	44,583
	44,584	**45,070**

The total of capital grants received at 31 March 2022 was £48,730K (2021: £48,730K).

22. Retirement benefits - Group and Charity

Social Housing Pension Scheme (SHPS)

The Charity participates in the Social Housing Pension Scheme ('the scheme'), a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560M. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2028.

The scheme is classified as a 'last-man standing arrangement'. Therefore the Charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the Charity to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2021. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2022 to 28 February 2023 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

Key results

The estimated position at 31 March 2022 shows a deficit of £6,760K (2021: £9,203K deficit).

The number of scheme members employed by the Group at 31 March 2022 was 14 (2021: 17). The charge to the Group for the year was £83K (2021: £52K).

Calculation method

The figures at 31 March are based on projecting forward the results of the last actuarial valuation of the Fund as at 30 September 2020.

Key assumptions

	2022	2021
Discount Rate	2.79%	2.15%
Inflation (RPI)	3.62%	3.29%
Inflation (CPI)	3.21%	2.86%
Salary Growth	4.21%	3.86%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2022	21.1
Female retiring in 2022	23.7
Male retiring in 2042	22.4
Female retiring in 2042	25.2

22. Retirement benefits (continued) - Group and Charity

Defined benefit costs recognised in Statement of Comprehensive Income

	2022 £'000
Current service cost	83
Expenses	43
Net interest expense	184
	310

Defined benefit costs recognised in Other Comprehensive Income

	2022 £'000
Experience on plan assets (excluding amounts included in net interest cost) - loss	(414)
Experience gains and losses arising on the plan liabilities - loss	(2,564)
Effects of changes in demographic assumptions underlying the present value of the defined benefit obligation - gain	817
Effects of changes in financial assumptions underlying the present value of the defined benefit obligation - gain	3,496
Total actuarial gains	**1,335**

Present values of defined benefit obligation, fair value of assets and defined benefit liability

	2022 £'000	2021 £'000
Fair value of plan assets	42,877	42,083
Present value of defined benefit obligation	(49,637)	(51,286)
Defined benefit liability to be recognised	**(6,760)**	**(9,203)**

Reconciliation of opening and closing balances of the defined benefit obligation

	2022 £'000
Defined benefit obligation at start of period	51,286
Current service cost	83
Expenses	43
Interest expense	1,091
Contributions by members	104
Actuarial losses due to scheme experience	2,564
Actuarial gains due to changes in demographic assumptions	(817)
Actuarial gains due to changes in financial assumptions	(3,496)
Benefits paid and expenses	(1,221)
Defined benefit obligation at end of period	**49,637**

22. Retirement benefits (continued) - Group and Charity

Reconciliation of opening and closing balances of the fair value of plan assets	2022 £'000
Fair value of plan assets at start of period	42,083
Interest income	907
Experience on plan assets (excluding amounts included in interest income) - loss	(414)
Employer contributions	1,418
Contributions by members	104
Benefits paid and expenses	(1,221)
Fair value of plan assets at end of period	**42,877**

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2021 to 31 March 2022 was £493K.

The analysis of the scheme assets at the reporting date were as follows:

	2022 £'000	2021 £'000
Global Equity	8,228	6,707
Absolute Return	1,720	2,323
Distressed Opportunities	1,534	1,215
Credit Relative Value	1,425	1,324
Alternative Risk Premia	1,414	1,585
Fund of Hedge Funds	-	5
Emerging Markets Debt	1,248	1,699
Risk Sharing	1,412	1,532
Insurance-Linked Securities	1,000	1,011
Property	1,158	874
Infrastructure	3,054	2,806
Private Debt	1,099	1,004
Opportunistic Illiquid credit	1,441	1,070
High Yield	369	1,260
Opportunistic Credit	153	1,154
Cash	146	-
Corporate Bond Fund	2,860	2,486
Liquid credit	-	502
Long Lease Property	1,103	825
Secured Income	1,598	1,750
Liability Driven Investment	11,964	10,695
Current hedging	(168)	-
Net Current Assets	119	256
Total assets	**42,877**	**42,083**

22. Retirement benefits (continued) - *Group and Charity*

Analysis of the sensitivity to the principal assumptions of the present value of the defined benefit obligation

	Change in assumption	Change in liabilities £'000
Discount rate	Increase of 0.1% p.a.	874
Rate of inflation (CPI)	Increase of 0.1% p.a.	(476)
Rate of salary growth	Increase of 0.1% p.a.	(6)

The sensitivities shown above are approximate. Each sensitivity considers one change in isolation. The inflation sensitivity includes the impact of changes to the assumptions for revaluation, pension increases and salary growth where appropriate.

23. Other provisions - Group and Charity

	2022 £'000	2021 £'000
The Pensions Trust's Growth Plan	8	42
SHPS obligation at 31 March	**8**	**42**

The Pensions Trust's Growth Plan

The Charity participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the Charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3M, liabilities of £831.1M and a deficit of £31.6M. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

- £3.3M per annum From 1 April 2022 to 31 January 2025 (payable monthly):

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9M, liabilities of £926.4M and a deficit of £131.5M. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

- £11.2M per annum From 1 April 2019 to 30 September 2025 (payable monthly and increasing by 3.0% each year on 1st April):

The recovery plan contributions are allocated to each participating employer in line with their estimated share of Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and the Charity has agreed to a deficit funding arrangement it recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

23. Other provisions (continued) - Group and Charity

Present values of provision

	2022 £'000	2021 £'000
Present value of provision	8	42

Reconciliation of opening and closing provisions

	2022 £'000	2021 £'000
Provision at start of period	42	50
Unwinding of the discount factor (interest expense)	-	1
Deficit contribution paid	(11)	(10)
Remeasurements - impact of any change in assumptions	-	1
Remeasurements -amendments to the contribution schedule	(23)	-
Provision at end of period	8	42

Income and expenditure impact

	2022 £'000	2021 £'000
Interest expense	-	-
Remeasurements – impact of any change in assumptions	-	(1)
Remeasurements - amendments to the contribution schedule	(23)	-
Costs recognised in income and expenditure account	(23)	(1)

Assumptions

	31-Mar-22 % per annum	31-Mar-21 % per annum	31-Mar-20 % per annum
Rate of discount	2.35	0.66	2.53

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

24. Defined contribution pension scheme - Group and Charity

The Charity also utilises the Pension Trust Flexible Retirement Plan (FRP). The FRP is a defined contribution scheme.

The estimated employer's contributions payable under all pension schemes for the year ended 31 March 2023 is £733K (2022: £748K).
Pension costs within creditors for the year ending 31 March 2022 are £Nil (2021: £276K).

25. Restricted reserves - Group and Charity

The incoming funds of the Charity include restricted funds comprising the following balances of donations and grants held on trust for specific purposes.

	At 1 April 2020	Income	Expenditure	At 31 March 2021	Income	Expenditure	At 31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets							
Hagley Road, Birmingham	1	-	-	1	-	-	1
Humber Court, Coventry	205	-	(3)	202	-	(3)	199
Lark Hill Village, Nottingham	2,861	-	(32)	2,829	-	(32)	2,797
New Oscott Village, Birmingham	1,191	-	(13)	1,178	-	(13)	1,165
Lovat Fields Village, Milton Keynes	934	-	(10)	924	-	(11)	913
Shenley Wood Village, Milton Keynes	167	-	(1)	166	-	(2)	164
Pannel Croft Village, Birmingham	524	-	(6)	518	-	(6)	512
St Oswalds Village, Gloucester	1	-	-	1	-	-	1
Rosewood Court, Wellingborough	232	-	(3)	229	-	(3)	226
Sunley Court, Kettering	224	-	(3)	221	-	(3)	218
Yates Court, Evesham	110	-	(1)	109	-	(1)	108
	6,450	**-**	**(72)**	**6,378**	**-**	**(74)**	**6,304**
Special projects and other funds							
Other miscellaneous funds	19	75	(10)	84	50	-	134
Other scheme restricted funds	137	20	(17)	140	7	(111)	36
	156	**95**	**(27)**	**224**	**57**	**(111)**	**170**
Total funds	**6,606**	**95**	**(99)**	**6,602**	**57**	**(185)**	**6,474**

Fixed assets
These funds resulted from specific appeals to fund the development of fixed assets. Expenditure represents depreciation on the assets.

Special projects and other funds
Most of these funds have been given to finance specific projects to improve the quality of life for older people.

26. Capital commitments - Group and Charity

There is no capital expenditure that has been contracted for but has not been provided for in these financial statements (2021: £Nil).

There is no capital expenditure that has been authorised by the Board but has not yet been contracted for (2021: £Nil).

27. Financial commitments - Group and Charity

The future minimum lease payments of non-cancellable leases are as set out below:

	2022		2021	
	Land & Buildings £'000	Other £'000	Land & Buildings £'000	Other £'000
Contracts expiring				
Within one year	1,070	32	1,030	28
Between one and 5 years	2,387	39	2,492	71
Over five years	3,847	-	3,695	-
	7,304	**71**	**7,217**	**99**

28. Taxation

The Trust is registered as a charity and its charitable activities are not liable to Corporation Tax.
The subsidiary of the Trust, Extracare Retail Limited, is subject to Corporation Tax. In this financial year no tax liability has been incurred. The charge incurred in the previous year relates to shop lease termination costs, expensed in year, which for tax purpose are considered of a capital nature. Such costs are not a regular occurrence and none were reported in 2021/22.

29. Contingent assets

The Charity will receives pledges to fund new village developments. These pledges are contingent on various key events occurring during the village development phases. Funds are received in stages. Hence both received and receivable funds are recognised as contingent assets until such time that the conditions are met.
In 2021 conditions were met and final stage payments were received, therefore there were no longer any contingent assets to report. No new pledges have been received in the year ending 31 March 2022.

30. Contingent liabilities and other commitments

At 31 March 2022, there are no outstanding claims against the Group or Charity.

31. Related party transactions

The Group has taken advantage of the exemption conferred by paragraph 33.IA of FRS102, Related Party Disclosures, from the requirement to disclose transactions with its wholly owned subsidiary (ExtraCare Retail Limited). The aggregate total of these costs recharged is £3,021K (2021: £1,542K).

The Charity has not entered into any transactions or other arrangement with any related parties.

32. Subsidiary undertakings - Charity

As shown in note 12, the Charity has three wholly owned subsidiaries which are incorporated in the United Kingdom:

- ExtraCare Retail Limited
- Extracare Nominee 1 Limited
- Extracare Nominee 2 Limited

Extracare Nominee 1 Limited and Extracare Nominee 2 Limited did not trade during the year, or in the prior year.

All companies have entered into Gift Aid arrangements to donate their taxable profits to The ExtraCare Charitable Trust.

A summary of the results of ExtraCare Retail Limited is shown below. Audited accounts will be filed with the registrar of Companies in line with requirements.

Within the Group accounts, the activity from ExtraCare Retail Limited is shown within Other Non Social Housing Activities (note 3).

	2022 £'000	2021 £'000
Turnover	2,892	2,331
Cost of sales	(271)	(192)
Staff costs	(1,811)	(1,260)
Other costs	(1,322)	(1,321)
Other operating income	872	403
Net profit	**360**	**(39)**
Taxation	-	-
Retained in subsidiary	**360**	**(39)**
Current assets	534	398
Current liabilities	(213)	(437)
Retained in subsidiary	**321**	**(39)**

The Charity received no Gift Aid from retail activity in the year ended 31 March 2022 (2021: £246K).
A Gift Aid distribution of £321K is planned for payment in the following year from the Retail subsidiary retained profits.

33. Reconciliation of operating surplus to net cash inflow from operating activities

	2022 £'000	2021 £'000
Surplus for the year	15,913	24,032
Interest payable	5,560	4,560
Interest receivable	(1)	(6)
Profit from sale of fixed assets	(525)	-
Operating surplus for the year	**20,947**	**28,586**
Adjustments for non-cash items:		
Change in fair value of investment properties	(22,644)	(31,729)
Change in fair value of investments	405	-
Release of Buyback liability	(3,906)	(3,129)
Depreciation of tangible fixed assets	3,550	3,582
Amortisation of intangible assets	58	78
Amortisation of deferred capital grants	(486)	(465)
Amortisation of finance costs	105	104
Defined benefit pension schemes	(1,327)	(1,310)
Operating cash flows before movements in working capital	**(3,298)**	**(4,283)**
Movements in working capital		
Decrease/(Increase) in stock	29	(6)
(Increase)/Decrease in rental and other debtors	(566)	46
Increase/(Decrease) in trade and other creditors	378	(528)
Net cash used in operating activities	**(3,457)**	**(4,771)**

Analysis of changes in net debt	At 1 April 2021 £'000	Cash flows £'000	New finance leases £'000	Other non cash £'000	At 31 March 2022 £'000
Cash and cash equivalents	3,804	6,882	-	-	10,686
Investments	-	20,000	-	(405)	19,595
Bank loans due in less than 1 year	(1,086)	1,086	-	(776)	(776)
Bank loans due in more than 1 year	(64,402)	-	-	671	(63,731)
Other loans	(57,500)	-	-	-	(57,500)
Lease buyback liability	(423,664)	32,519	(71,336)	3,906	(458,575)
Total	**(542,848)**	**60,487**	**(71,336)**	**3,396**	**(550,301)**

34. Number of homes in management and development

	2022 Number	2021 Number
Social housing units		
Owned by the Charity	745	742
Managed on behalf of other organisations	288	288
Non-Social housing units		
Leased or part leased investment properties	2,607	2,611
Other		
Social housing properties managed under a partnership arrangement	431	430
Non-Social housing properties managed under a partnership arrangement	167	167
	4,238	**4,238**

35. Financial instruments

The carrying value of the Group and Charity's financial instruments at 31 March were:

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Financial assets				
Debt instruments measured at amortised cost:				
Trade and other debtors	2,744	2,417	3,050	2,756
Cash	10,686	3,804	10,684	3,788
	13,430	**6,221**	**13,734**	**6,544**
Debt instruments measured at fair value:				
Current Assets investments	19,595	-	19,595	-
	19,595	**-**	**19,595**	**-**
Financial liabilities				
Measured at amortised cost				
Trade and other creditors	514,476	479,577	514,266	479,483
Loans	122,883	123,969	122,883	123,969
	637,359	**603,546**	**637,149**	**603,452**

THE EXTRACARE CHARITABLE TRUST

England & Wales - Charity number 327816

Accounts

The ExtraCare Charitable Trust

ANNUAL REPORT AND ACCOUNTS
31 March 2021

CONTENTS

	Page number
Key facts	1
Foreword by the Chief Executive	2
Legal and administrative information	5
Report of the Board	7
Strategic report	18
The Board's responsibilities in preparation of accounts	42
Independent auditor's report to the members of The ExtraCare Charitable Trust	43
Consolidate statement of comprehensive income	47
Statement of financial position	48
Statement of changes in reserves	49
Consolidated statement of cash flows	50
Notes to the financial statements	51

KEY FACTS

	2020/21	2019/20
Homes for older people	4,238	3,917
New homes completed	321	230
Villages in Development	0	1 plus 1 extension
New homes in development	0	321
Our Residents	4,404	4,416
Average age of our residents is	80	80
Villages	16	15
Schemes	5	5
Charity Retail Shops	44	52
Volunteers supporting our Charity	2,231	2,169
Staff working to a shared goal	1,293	1,307
Turnover	£41.7M	£44.2M
Reserves	£265.7M	£247.3M
Total comprehensive income	£18.4M	£47.3M
Awards include:	Investors in People Gold Award	

Foreword by the Chief Executive

The year 2020/21 will be remembered for the Covid-19 pandemic that severely impacted the UK and caused the country to 'lock down' for several months both at the beginning and at the end of the financial year. Our Charity and our residents were particularly impacted during this period as the virus disproportionately affected the older population. I am tremendously grateful to, and proud of, the ExtraCare staff, who worked tirelessly through the pandemic to deliver our two pandemic priorities, namely:

1. **Keeping our residents and staff safe; and**
2. **Keeping our Charity financially viable.**

We undertook – in partnership with Aston University – an independent evaluation of our response to the first wave of Covid-19 and the associated lockdown restrictions. I am also proud to say that this evaluation showed mortality among our residents to be low and – particularly among older age groups – lower than the society average. My sincere thanks go out to colleagues and volunteers across the Charity who worked to keep residents safe and physically and mentally well by putting on daily entertainment and exercise classes, organising delivery services and providing emotional support. The vast majority of residents told us they agreed with our lockdown measures (90%) and felt safe and supported carrying out essential tasks including obtaining food and medication. The lessons we learned from the evaluation were invaluable in preparing ourselves for the second and successive waves of the pandemic and lockdown.

At the same time, rigorous mitigation planning kept our cash balances at a prudent level, maintaining a 'buffer' to provide resilience in the face of reduced income from property leases and fundraising, and increased spend in areas such as personal protective equipment (PPE) and staffing.

Our financial position remains strong, demonstrated by the fact that we paid off £50M of our £60M revolving credit facility with Lloyds Bank by May 2021, more than a year early, and that we secured a further private placement for £15M with BAE Pensions to reduce our Lloyds funding. We continue to work with Lloyds so that further development funding can be secured that will allow new developments to be pursued once the pandemic has subsided. Our improved security position, being our assets pledged as protection against lending, will be helpful in this respect.

In view of the uncertainty arising from the pandemic and its impact on the economy, the health and care system and the property market, our Board of Trustees agreed to defer our next Corporate Plan, which was due to be issued in April 2020. Instead, we agreed an Annual Business Plan for 2020/21 and another for 2021/22. Since the year end, consultation has started with Trustees, and will be extended to staff and residents about the priorities for our next Corporate Plan to cover 2022-27.

Whilst we have largely focused on the two priorities we set ourselves at the start of the pandemic, I am proud to report that we also substantially achieved the six key targets that we set out in our 2020/21 Annual Business Plan, across our three main areas of focus:

1. **Developing new villages;**
2. **Operating our villages and schemes; and**
3. **Supporting our villages and schemes.**

As well as the key underpinning areas of:

4. **Our people, processes and technology; and**
5. **Our finances and governance.**

The six key targets we set ourselves in the 2020/21 Annual Business Plan were:

1. **We will complete the construction of Solihull Village and the Earlsdon Park 2 village extension.**
   - Practical completion of the Solihull village centre and apartments and full site was achieved in November 2020 and residents started moving in in January 2021; and
   - Practical completion of the Earlsdon Village extension was achieved in October 2020 and first residents moved in in November 2020.

2. **Each location inspected will achieve a minimum CQC 'Good' rating overall.**
   - Reeve Court was our only location to take part in a (virtual pilot of) CQC inspection. It retained its overall outstanding rating; and
   - Our locations received positive feedback from the CQC Covid-19 'Engagement and Support Calls' to determine if we were dealing with the virus safely.

3. **We will achieve a resident rating of 80% or above in all our villages and 90% or above in all our schemes.**
   - Resident satisfaction in our villages was 90.5%; and
   - Resident satisfaction in our schemes was 96.2%.

4. **We will achieve the following staff satisfaction scores: 75% of our employees will be satisfied with ExtraCare as an employer and 90% of our employees will be fully committed to our vison.**
   - 79.4% of our employees were satisfied with ExtraCare as an employer; and
   - 92% of our employees were fully committed to our vision.

5. **We will limit underlying Operating Loss to £2M and achieve a Total Surplus in excess of £15M.**
   - An Operating Loss* of c£1.8M was achieved; and
   - We achieved a Total Surplus* of c£10.5M**.

** Measured on the previous accounting basis when Operating Surplus was defined as the surplus attributable to the operation of our properties excluding resales.*

*** Due to the Covid-19 pandemic a revised budget was produced which targeted a Total Surplus of £9.8M.*

6. **We will ensure we meet the Regulator of Social Housing's expectations.**
   - Work continued to ensure readiness for an In Depth Assessment (IDA) by the Regulator – including taking a significant number of polices/strategies to successive Boards for approval; and
   - A number of actions on our IDA readiness action plan were progressed during the year.

Whilst the pandemic means we will face further uncertainty over the next months and possibly years, I am confident in our ability to continue to grow and thrive in the face of this uncertainty.

If anything, the pandemic has demonstrated that it is more important now than ever to create better lives for older people, by providing homes older people want, lifestyles they can enjoy and care if it's needed. Our 'model' of supported independent living has proved particularly resilient during the pandemic. Our staff, our volunteers and our residents have adopted new ways and new technologies to mitigate the impacts of isolation and restriction of movements and maintain a strong community spirit while keeping staff and residents safe. Our Charity is committed to building on these innovations going forward.

On behalf of the Executive Leadership Team, I'd like to thank our Trustees, our staff, and our volunteers who have collectively helped the ExtraCare Charitable Trust weather this extraordinary year in a resilient and compassionate way. We are looking to the future with the confidence that we will continue to create better lives for older people.

Mick Laverty, Chief Executive, The ExtraCare Charitable Trust

REPORT OF THE BOARD

Legal and Administrative Information

Charity Name	The ExtraCare Charitable Trust
Governing Instrument	The Charity is a company limited by guarantee and not having a share capital. As such it is governed by its Memorandum and Articles of Association, which were last amended by special resolution on 13 November 2019. It was incorporated on 11 December 1987.
Registered Charity Number	327816
Registered Social Landlord	4706
Company Registered Number	2205136
Members	The Directors of the Charity from time to time and such other persons admitted to membership of the company under the Articles. The number of members is unlimited.

Board of Trustees (also referred to as a Directors of the Company for the purpose of Company law**):**	**Formally appointed**	**Retired/Resigned**
Nicholas Baldwin CBE (Chair)	11 November 2020	-
Paul Jennings (Chair)	11 November 2010	11 November 2020
Mary Martin (Vice Chair)	15 November 2017	21 June 2021
Richard Clarke (Senior Independent Director)	14 November 2018	-
Professor Guy Daly	18 March 2019	-
Rebekah Eden	15 November 2017	11 November 2020
Adrian Eggington*	1 March 2020	-
Margaret Gardner	13 November 2019	15 January 2021
Karen Helliwell*	1 March 2020	13 July 2021
Susan Lock*	1 March 2020	-
David Mell	14 November 2018	-
Philip Riman	24 April 2019	-
Susan Whelan Tracy	13 November 2019	-
Harpal Baines**	21 June 2021	
Richard Byrne**	21 June 2021	
Andy Hardy**	21 June 2021	
** Interim appointment 1 March 2020, elected at AGM 11 November 2020.* ***Currently interim appointment, pending election at the next AGM*		

Development Committee: Philip Riman (Chair), Nicholas Baldwin, Richard Byrne, Adrian Eggington, Andy Hardy, Karen Helliwell, Paul Jennings, Mary Martin, *Includes all Trustee members (current and previous)*		**Operations Committee:** David Mell (Chair), Harpal Baines, Nicholas Baldwin, Richard Clarke, Karen Helliwell, Paul Jennings, Susan Lock, Susan Whelan Tracy, *Includes all Trustee members (current and previous)*
Fundraising, Research and Advocacy Committee: Professor Guy Daly (Chair), Richard Clarke, Margaret Gardner David Mell, Susan Whelan Tracy, *Includes all Trustee members (current and previous)*		**Audit and Assurance Committee:** Richard Clarke (Chair), Harpal Baines, Adrian Eggington, Andy Hardy, Susan Lock, Mary Martin, David Mell, *Includes all Trustee members (current and previous)*
Nomination and Remuneration Committee: Susan Whelan Tracy (Chair), Nicholas Baldwin, Richard Clarke, Rebekah Eden, Paul Jennings, Mary Martin *Includes all Trustee members (current and previous)*		
Company Secretary	Angela Carpenter (from 15 March 2021) Gemma Duggan (until 15 March 2021)	
Executive Leadership Team (principal members of staff)	Mick Laverty	Chief Executive
	Joanna Grainger	Executive Director Operations (from 01/09/2021)
	Angela Harding	Executive Director Operations (until 16/07/2021)
	Henriette Lyttle-Breukelaar	Executive Director Marketing and Innovation (until 30/04/2021)
	Chris Skelton	Executive Director Corporate Resources
	Kevin Willetts	Executive Director Development, Sales and Procurement
Registered and principal office	7 Harry Weston Road Binley Business Park Coventry CV3 2SN	
Principal Bankers	Lloyds Banking Group Plc	
Primary Solicitors	Shakespeare Martineau, Pinsent Masons	
Auditors	RSM UK Audit LLP	

The Board presents The ExtraCare Charitable Trust's ('ExtraCare') Annual Report and the audited financial statements for the year ended 31 March 2021.

Charitable Objectives and Public Benefit

ExtraCare was incorporated in 1987 to provide services to older people and this is explicit in our Vision to deliver 'Better Lives for Older People' and our Mission 'Creating sustainable communities that provide homes older people want, lifestyles they can enjoy and care if it's needed.'

We are a registered charity and as such must carry out charitable purposes for the public benefit. Our charitable purposes ('Objects') are set out in our Articles of Association and include:

- The business of providing (directly or indirectly) and managing the provision of housing, social housing and other accommodation (including, without limitation, nursing homes, sheltered homes, hostels and care homes), and assistance to help house people, and associated facilities and amenities or services, for people who are poor, or for people who are in need by reason of their age, physical disability, mental disability, learning disability, mental illness or chronic sickness;
- The provision of care, welfare, medical, nursing, community and other services, and associated facilities and amenities, for people who are poor, or for people who are in need by reason of their age, physical disability, mental disability, learning disability, mental illness or chronic sickness;
- The relief of sickness and the preservation and promotion of health of people who are poor, or of people who are in need by reason of their age, physical disability, mental disability, learning disability, mental illness or chronic sickness;
- The relief of financial hardship amongst elderly people; and
- Any other charitable object not prohibited for a company registered with the Regulator as a non-profit, private, registered provider.

Our public benefit is reflected in the strands of our model. As a charity which pioneered retirement communities, our model continues to be unique by virtue of:



The fact that we are a charity and our surpluses are all re-invested in the Charity.



Our diverse tenure mix, which makes us affordable for people from a range of backgrounds and circumstances and supports the diversity of our communities.



Our scale – our villages are typically made up of 260+ apartments, housing 300-400 residents. This enables us to offer 10-15 communal facilities at an affordable price to residents. We believe this scale to be unique/rare for the UK.



Our model of Homes, Lifestyle and Care is proven to benefit residents' physical and mental health and reduce pressure on the health and social care system.

Homes older people want

Our 16 retirement villages and five smaller housing schemes are typically made up of individual one or two-bedroom homes, which are available for granting of a property lease, granting of a shared ownership property lease, or for social rent. A number of our villages also include bungalows and two or three-bedroom cottages.

Our homes and our communal spaces are attractive, comfortable, and suited to the emerging needs our residents might face as they grow older. In 2020, we worked with accessible design experts Motionspot to upgrade our design standard to ensure new developments incorporate the latest insights in optimal design for older people. We continue to explore the installation of ('smart') digital technology and adaptations to ensure our residents benefit from the ways in which technology can help prolong independence and enhance quality of life. Examples include the installation of the warden call systems and the 'smart apartments' in our new villages, showcasing a range of smart technology applications including smart speakers, electric blinds and adaptations to kitchens and bathrooms. The latest smart apartment in Solihull Village is now open to the public. The recent developments at Earlsdon Park 2 and Solihull Village include improvements such as balcony enhancements, sprinklers in apartments, ensuite bathrooms and electric vehicle charging facilities.

Lifestyles they can enjoy

Our communities offer a wide range of communal facilities and opportunities for healthy, active and fulfilling lifestyles. These include facilities such as a restaurant, gym, craft room, greenhouse and games room together with a dedicated activities organiser in every location to deliver a varied programme.

Volunteering is at the heart of our communities. We have over 2,200 volunteers, over a third of whom are residents. We understand the tremendous benefits of volunteering to the community (often delivering services which would otherwise be unaffordable) as well as to the individuals in terms of social interaction, recognition and sense of purpose. Our vast volunteering programme is exceptional in our retirement communities.

During the pandemic and the lockdown periods in particular, our location staff have found and delivered new ways of engaging residents in lifestyle activities whilst adhering to government guidelines to reduce the risk of infection. This included balcony exercises, digitally streamed classes and outdoor socially distanced events.

In 2020, we commenced a rolling programme of student placements in our Birmingham Cluster, which saw physiotherapy students spending time in our villages supporting residents with physical exercise. The programme was very well received by both students and residents. However this was paused throughout the pandemic to minimise the risk for our residents.

Care when it's needed

In each of our villages and schemes we provide personal care and support to those residents who need it. Residents in receipt of care include both those whose care is funded by the local authority, as well as those who fund their own care. Although local authority funded care in particular does not currently cover its cost, we are committed to providing the same high

quality of care to all residents. In 2020, we have seen 16 of our locations accredited to the Gold Standards Framework for end of life care, providing peace of mind to residents and their families that we are fully able to provide the care they need for as long as they need it. In 2020 we introduced the use of sensor technology to enable a more swift and accurate assessment of care needs where needed. This is particularly beneficial at a time when physical contact was restricted during the pandemic.

Our Dementia and Mental Health Programme supports residents with dementia and dementia-related conditions and is partly funded by ExtraCare through our charitable fundraising. Where we charge for other services provided to residents and other beneficiaries, we aim to maintain charges at an affordable level and, in doing so, Trustees have due regard to the public benefit guidance published by the Charity Commission. We recognise that an affordable level will be different for different residents and seek to ensure that those who can afford to pay for their additional services do so.

The Equality Act 2010 generally prohibits discrimination on the grounds of a characteristic such as age. It does, however, allow charities to limit the group of people they help to those with a protected characteristic. This is provided the limitation is clearly stated in their objects and the benefits are provided in a proportionate way. The Board, having considered the governing documents of our Charity, is satisfied that the activities of our Charity fall within this exemption as:

- The provision of quality one and two-bedroom homes for older people releases their previous homes for families;
- The provision of safe and secure communities with a wide range of activities reduces loneliness and isolation increasingly faced by older people; and
- The promotion of wellbeing and healthy lifestyles improves the health of the individual and reduces their impact on NHS and other publicly-funded services.

In making these statements, the Trustees have had due regard to the Equality Act guidance published by the Charity Commission.

Corporate Governance

ExtraCare is a registered charity and a private company limited by guarantee. It has no shareholders and any surpluses are reinvested back into the Charity. It is led by a Board of Trustees, all of whom are directors for the purposes of the Companies Act 2006. The Charity is monitored and supervised by external regulators including the Regulator of Social Housing (RSH), the Care Quality Commission (CQC), the Charity Commission, the Health and Safety Executive, the Information Commissioner's Office and by the relevant trade associations, the National Housing Federation and the Associated Retirement Community Operators (ARCO).

ExtraCare Members and our Board of Trustees

The Board of Trustees is collectively accountable to ExtraCare's members and other stakeholders for the long-term success of the Charity. ExtraCare's members comprise past and current Trustees, past Executive Directors and the Chair and Vice Chair of the Residents' Forum. New members may be appointed by the Board in accordance with the Charity's Articles of Association.

The Board is responsible for setting the vision, mission and values of the Charity, holding the Executive Directors to account for the Charity's performance, standards of conduct and corporate governance. The Board is also responsible for ExtraCare's compliance with all relevant legislative and regulatory requirements. In accordance with the Articles of Association, Trustees may not be paid for their services nor may they be employees of the Charity and as such they act in a non-executive capacity.

Board Composition

The number of Trustees is limited by the Charity's Articles of Association to 12. During the year there were some changes to our Board membership following the resignation and retirement of some Trustees. Trustees come from a range of backgrounds, including public bodies, the housing sector and the private sector. Details of the Trustees are shown below and biographies are provided on the Charity's website (https://www.extracare.org.uk/about-the-charity/our-trustees-directors/).

Board Changes

Appointment as a Trustee is for a term of office of three years and limited to two consecutive terms of office in normal circumstances.

Details of Board appointments can be found on page 5 of this report.

Chair of Trustees

Paul Jennings retired from the Board in November 2020 and Nicholas Baldwin CBE was appointed as Chair for an initial term of three years at the AGM in November 2020.

Board Meetings

The powers of the Trustees are set out in the Charity's Articles of Association and the Board may exercise all powers conferred on it by the Articles and in accordance with the Companies Act 2006, the Charities Act 2011 and other applicable legislation. The Board have four (quarterly) scheduled meetings each financial year, with a number of additional monthly Board meetings held during the start of the Covid-19 pandemic. Trustee attendance for the year ended 31 March 2021 is shown below:

	Virtual Board Meetings~	Committee meetings~	AGM~
Nicholas Baldwin CBE (Chair)	2 of 2	3 of 3	1 of 1
Paul Jennings (retired Chair)[3]	5 of 5	3 of 5	1 of 1
Richard Clarke	7 of 7	10 of 10	1 of 1
Guy Daly	5 of 7	2 of 3	1 of 1
Rebekah Eden[3]	4 of 5	4 of 4	0 of 1
Adrian Eggington[1]	7 of 7	7 of 8	0 of 0
Margaret Gardner[4]	6 of 6	1 of 2	0 of 1
Karen Helliwell[2]	4 of 6	0 of 4	0 of 0
Susan Lock[1]	6 of 7	7 of 8	0 of 0
Mary Martin[5]	6 of 6	8 of 9	1 of 1

	Virtual Board Meetings~	Committee meetings~	AGM~
David Mell	7 of 7	7 of 7	1 of 1
Philip Riman	7 of 7	3 of 3	0 of 1
Susan Whelan Tracy	6 of 7	6 of 6	1 of 1

~ Decisions made electronically

[1] Appointed as Interim Trustee 1 March 2020, stepped down 11 November 2020 and formal appointment as Trustee 11 November 2020

[2] Appointed as Interim Trustee 1 March 2020, stepped down 11 November 2020, formal appointment as Trustee 11 November 2020, six-month sabbatical from 21 January 2021 and subsequently stepped down on 11 July 2021

[3] Stepped down 11 November 2020

[4] Stepped down 15 January 2021

[5] Stepped down 21 June 2021

The Board has a formal schedule of matters specifically reserved for its approval which cannot be delegated. Other specific matters have been delegated to its Committees and these are clearly defined within each Committee's terms of reference.

Board Committees

Throughout the year the work of our Board was supported by Board Committees:

- Development Committee;
- Operations Committee;
- Fundraising, Research and Advocacy Committee;
- Audit and Assurance Committee; and
- Nominations and Remuneration Committee.

Each Committee has written terms of reference which are approved by the Board. Committees comprise of between three and six Trustees including Committee Chairs and membership of each is determined considering individual's skills and experience. Committees meet quarterly with the exception of the Nominations and Remuneration Committee which meets three times a year. Committee Chairs provide written assurance reports to the Board on the work of the Committee and Committee minutes are made available to all Board members. At their June 2021 meeting the Board agreed to remove the Fundraising, Reaserach & Advocacy Committee.

Governance Arrangements

ExtraCare has adopted and is compliant with the National Housing Federation (NHF) 2015 Code of Governance. Our Board regularly assesses compliance with its Code of Governance to gain assurance that the Charity remains compliant and identify any areas for improvement. In order to provide continuity during a period where the majority of the Trustees retired within the space of 18 months, the Trustees and Members of the Charity agreed to extend the Chair of the Board of Trustees' term beyond the nine years stipulated in the Code. Our Regulator (RSH) was informed of this extension to the Chair's term in 2019 and a new Chair was appointed in November 2020. Mitigations have already been put in place to ensure Trustee renewal is better phased in the future.

The Governance and Financial Viability Standard ('the Standard') of the RSH requires registered providers to assess their compliance with the Standard at least once a year and certify their compliance in the annual accounts. We have assessed ourselves against the Governance and Viability Standard, Value for Money Standard, Rent Standard and the Consumer Standards and we are compliant with the key requirements of these standards. One of the specific requirements of the Standard is that registered providers shall have governance arrangements which ensure that they adhere to all relevant law. Our Charity is satisfied that it has appropriate measures in place to ensure legislative and regulatory compliance. Trustee indemnity insurance is in place for the financial year.

Future Developments

We deferred our Corporate Plan until 2022 and have an Annual Business Plan for 2021/22 to allow us time to reshape our priorities following the impact of Covid-19, informing our ambitions for our next Corporate Plan.

As we prepare for our next Corporate Planning period (2022-27) we are reviewing our development appetite and have no village developments currently on site.

Going Concern

Using our experience, we have risk assessed the potential impact of further waves of the pandemic on our income and expenditure including possible implications for liquidity and covenant compliance.

Our 30-year financial plan is based on robust assumptions and includes headroom of a combination of undrawn loan facilities and cash to allow us to withstand a range of potential risks. Following detailed stress testing the Board agreed for prudent assumptions around the net cash inflow from granting of subsequent property leases to be factored into our business plan to mitigate our market risk exposure to factors such as a pandemic.

Our development programme has been scaled back after a period of growth for the 2017-20 Corporate Planning period and there are currently no development projects planned whilst we review our financing arrangements and the impact of the pandemic. This has currently eliminated our exposure to development risk.

Our financial statements comply with all the current statutory requirements and with the requirements of the Charity's Articles of Association. After making all reasonable enquiries, the Board have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. In coming to this decision, the Board have considered on-going financial performance data, stress testing of the cashflow, and any actual or potential future liabilities. The Board are therefore confident in confirming that the Charity is viable as a going concern.

Financial Viability

During the year we extended our revolving credit facility (RCF) with Lloyds Bank from May 2021 to May 2022. However, the inflow of property lease receipts allowed the facility to be progressively reduced from £60M to £50M, then to £35M and finally to £10M during May 2021, thereby reducing our liabilities.

This is supported by further long-term facilities with Lloyds of £39M to 2026 and £31M to 2040. In addition to this BAE agreed to further funding of £15M to 2040 in September 2020, complementing our previous arrangements of £35M to 2031 and £7.5m to 2037: providing the Trust with a balance of short and mid to long-term financing.

During the year our Loan to Value (LTV) reduced further as we no longer hold any unencumbered assets. We are working with Lloyds to restructure our long-term debt to allow development funding to become available again from Lloyds or other parties.

The loan covenants with our funders, Lloyds and BAE, were agreed before a change of accounting policy applied in 2019/20. Having made enquires with our funders and received assurances and legal guidance, the Board are satisfied that covenant compliance will be assessed by both funders under the previous basis of accounting and based on mutually acceptable calculations. Calculations on this basis demonstrate compliance with the loan covenants.

No development will start on site unless the full cost of the development can be funded from committed loan facilities together with undrawn loan facilities and cash adequate to cover the Charity's financial contingencies.

Safety Management

The health and safety of our residents and staff is of the utmost importance to Trustees and over the last year we have continued to invest in our locations to ensure buildings are compliant, safe and well managed. Health and safety and fire safety are identified as risks on our Board Assurance Framework which is monitored quarterly at our Audit and Assurance Committee. Legal and Regulatory compliance is identified as a strategic risk for the Charity.

The Corporate Health and Safety Group monitors the management of health and safety areas across the Charity. During 2020 separate meetings were not held due to the pandemic; instead a Covid-19 Governance Team held meetings daily, then weekly – and these were used as a forum to raise any safety concerns. The dedicated Corporate Health & Safety Group meetings resumed from January 2021 and are held quarterly, led by the Health & Safety Manager. Updates are provided to the Executive Leadership Team monthly.

ExtraCare has in place a comprehensive policy framework on health and safety and property compliance which demonstrates its understanding of our legal and regulatory expectations. The Health & Safety Manager has been appointed as the competent person in accordance with Regulation 7 of the Management of Health and Safety at Work Regulations 1999.

As a result of the emerging findings from the Grenfell Fire Investigation, the Trustees ensured a more detailed Fire Risk Assessment (FRA) was put in place for each location, including a survey of all compartmentation and a fire door survey. Throughout 2020/21 we continued to carry out fire safety works across all locations, managing operational challenges created by local Covid-19 lockdowns and where contractors had a reduced workforce available due to the pandemic. Some FRA actions became overdue as a result of access limitations which were in place to prevent the spread of infection, and work is underway to resolve these.

We remained compliant on the servicing of Gas, Lifts, Water Hygiene, Fire Safety Servicing/ Fire Risk Assessments and the completion of Asbestos surveys across our locations during the pandemic. Our biggest challenge was fixed wiring testing due to the requirement to access every apartment. The National Inspection Council for Electrical Installation Contracting (NICEIC) issued guidance advising a 6-month extension and all tests were completed within this timescale bringing all 5-year electrical testing up to date and compliant.

In December 2020 we entered into discussions with West Midlands Fire Service Primary Authority Scheme (WMFSPAS) with a view to entering a partnership providing us with access to their fire engineering team who would act as consultants and a 'critical friend' for advice and support on all fire safety matters. The partnership came into effect in April 2021 and will be particularly beneficial to help our continued response to the tragic Grenfell Tower incident and assist us in being better prepared for the impact of the forthcoming Fire Safety Bill, the Building Safety Bill and the industry-wide competency framework coming from the Hackett Review.

Alongside the partnership with WMFSPAS, we have appointed a Building Safety, Environment Compliance Officer to support the Asset Management Team. This role will further support the partnership with WMFSPAS and delivery of any the forthcoming recommendations.

Staff Engagement

We use a number of channels to ensure that our staff, regardless of their functions or location, are informed and engaged on matters relating to their employment as well as more general matters relating to the Charity and its strategic direction.

During the year we were unable to undertake our usual annual staff roadshows where a member of the Executive Leadership Team visits each location to meet staff. We have therefore made greater use of our digital communications during the pandemic and this will continue during 2021/22.

Our 'Workplace by Facebook' online interactive staff communication platform is accessible to staff, at all times, from any device. This provides a corporate communication portal where, important announcements, vacancies and corporate publications, are posted.

Our internal communications framework comprises of daily 'line up' meetings for staff in locations; monthly work planning meetings between staff and their line management monthly team meetings and quarterly Directorate meetings.

Our annual staff survey is an opportunity for employees to express their views of the Charity as an employer. In addition, our 'we're listening' and 'suggestion scheme' are means for staff

to suggest areas for improvement which are reviewed by senior management and responded to through 'you said, we did' communications.

We also have an 'Extra Milers' scheme, which gives an opportunity to recognise and thank staff who have gone above and beyond for the Charity.

In 2020/21, several measures were introduced in response to staff feedback. They included:

- Additional methods of communication through daily communications and staff guidance to ensure that staff were kept informed of any changes relating to the pandemic; and
- The introduction of a new Attendance Management policy which improved sick leave for certain situations and increased compassionate leave.

Throughout the pandemic we provided regular and clear communications to colleagues including wellbeing advice and support. We continue to encourage colleagues to participate in the Covid-19 vaccination programme. Survey results told us that 86% of our workforce felt supported and informed about any alterations to working environment and practice coming about as a result of Covid-19.

Disabled Employees

Our Charity's workforce includes 1% who have declared a disability. It is not mandatory for individuals to declare disabilities under the Equality Act, so the number is believed to be higher than our statistics show.

All our staff are treated equally and fairly as part of any recruitment process and all applicants invited for interview are offered support to assist them with the process. This may include access to buildings or assistance with tests where applicable.

We will, wherever possible, support any individual who becomes disabled during their employment by providing further training or adaptations to allow them to continue in their role. If the nature of the disability means this is not possible, e.g. if an individual becomes physically disabled and is unable to carry out a physically demanding role, then considerations are made as to whether it is possible for us to provide re-training for the individual to carry out an alternative role if one exists.

Employees with a disability can access support through the Access to Work scheme, a publicly funded employment support programme that aims to help more disabled people start or stay in work, and apply for specialist equipment to assist them to continue in their job, with our Charity contributing towards the costs.

Fundraising

Our Charity greatly benefits from the kindness of those who donate time, goods and money to us. Their donations enable us to deliver services which would otherwise not be financially sustainable, and which are vital in helping us create better lives for older people.

Our charitable income and goods are largely generated through:

- ExtraCare Retail Limited, our wholly owned trading subsidiary which operates our charity shops;
- Funds raised through trusts, foundations, challenge appeals and our corporate donations;
- Significant donations of personal protective equipment through the pandemic;
- Dedicated residents and staff who lead or support fundraising activities at their locations, working alongside their local communities; and
- The contribution of our internal and external volunteers who generously give both their time and skills.

We are registered with the Fundraising Regulator and adhere to its Code of Fundraising Practice. We also act in accordance with all regulations governing charity fundraising. Our fundraising activities were monitored during 2020/21 by our Fundraising, Research and Advocacy Committee. In 2020/21 no complaints were raised with regards to our fundraising activities.

Capital Structure

Our Charity is a company limited by guarantee and does not have share capital. As such it is governed by its Memorandum and Articles of Association. It was incorporated on 11 December 1987.

Treasury Policy

Our Treasury Management Policy was updated during the year and was approved by the Board in December 2020. It outlines the principles on which we manage investments and borrowings and supports our Treasury Management Strategy which was approved by the Board in May 2019. The strategy outlined the approach to be followed for investment and borrowing and considered how that approach fitted with longer term funding requirements. It also set out our Charity's expectations for interest rates and highlighted the uncertainties and risks in the forecast. Furthermore, it considered those aspects of the Treasury Management Policy that change annually or more frequently: highlighting the Charity's views or interpretation of factors that may influence treasury management decisions and proposed how these matters would be dealt with.

It is our Charity's policy to take out long-term loans at fixed rates of interest, whilst limiting the exposure to interest rate fluctuations on any development funding. Interest rate caps remained in place to protect us against any interest rate increases on the revolving credit facility. All other borrowings are at fixed rates of interest.

Our policy outlines our plans to incrementally build our headroom, primarily as cash, to protect against future unexpected events.

Internal Financial Control

The Board is provided with an annual Assurance Statement by the Director of Governance & Compliance, which is signed by the Chief Executive and the Executive Director Corporate Resources, outlining the control measures that are in place to provide comfort to the Trustees on financial, governance and operational internal controls.

The Board has delegated authority for overseeing the adequacy and effectiveness of the internal control systems to the Audit and Assurance Committee. In addition to the internal controls exercised by the management and staff there is a rolling internal audit programme that provides additional assurances. During 2020/21 our appointed internal audit provider (TIAA) has attended each Audit and Assurance Committee meeting along with our External Auditor (RSM).

The work of the external auditors provides assurance through the interim and final audit visits and the provision of an audit report and management letter. Regular meetings are held with our external auditors to provide an update on changes in the Charity and to discuss strategic and technical matters.

A corporate balanced scorecard is used to provide the Board and its Committees with details of performance against those targets and commitments included in our 2020/21 Business Plan.

Independent Auditor

In so far as each of the Directors is aware:

- There is no relevant audit information of which the group's auditor is unaware; and
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the Trustees:



Nick Baldwin CBE – Chair
20 September 2021

STRATEGIC REPORT

Sector Outlook

Background

The demographics of an ageing population in the UK points to continued strong and growing demand for housing for older people. More than 10.2 million people aged over 65 live in England, and it is expected that the number of people aged over 75 will double in the next 30 years, with the number of households that include a person over the age of 85 predicted to grow to 1.42 million by 2037. Research shows that up to a third of older person households are amenable to rightsizing and will do so when choices around the type and tenure of home, lifestyle aspirations and care options are made available. Despite this clear market opportunity, only 0.6% of over 65s in the UK, equivalent to 75,000 people, live in a retirement community.

The overall growth prospects of our sector are well documented, and we aim to be a market leader in developing and operating retirement villages that enable better lives for older people.

Covid-19

As concerns grew about Covid-19 our first priority was to keep our residents and staff safe. We responded quickly and by the time that a national lockdown was called, we had already put in place comprehensive infection control measures and a pandemic response plan across all our locations.

As the first wave subsided and restrictions were eased, we commissioned Aston University to undertake an independent evaluation of our response, to capture lessons learnt and inform our response to future waves. Their findings included the following:

- Our residents had been well protected and mercifully our older residents (80+) had been safer: the level of fatalities we experienced at ExtraCare was significantly lower than for similar age groups (80 years-plus) across the wider population in England;
- Our residents had felt secure and supported by their community and our staff in making sure they had access to essentials, including groceries and medication when needed. As a result, we provided the same support measures during the subsequent lockdown;
- 90% of our residents expressed their support for our lockdown measures, which exceeded government guidance on occasion, although 40% of residents did express a feeling of loneliness at times;
- Residents in locations which had seen evidence of spread of the virus had been put in 'full lockdown' and unable to leave their apartment for two or more weeks. They reported that this had been mentally and physically difficult. As a result, we made adjustments to our criteria for instigating a full lockdown and thankfully did not need to take this measure during the second wave; and
- Most residents had been able to regularly communicate with family and friends outside of their location.

At the time of writing, we are engaging our residents again for their feedback on our handling

of the second wave. At the same time, the Covid-19 Delta variant is leading to increase infections nationwide. More than 90% of our residents have been double vaccinated, but we will remain vigilant and continue to take balanced action to keep our communities safe.

In terms of Covid-19's fiscal impact, in March 2021 the UK's GDP had shrunk by 6% compared to pre-pandemic levels. As the economy begins to re-open projections show that a strong recovery is underway, and as at June 2021 it is estimated that GDP will increase by 6.5% in 2021.

We monitored budgets closely from the outset of the pandemic to maintain a strong financial position. Looking forward, we will continue to monitor and adapt to the economic uncertainties and operational challenges associated with Covid-19 in the knowledge that fundamental demand for our unique model remains strong and evidence shows that our residents have been safer with us during the pandemic. We will continue to provide that assurance to them and to the many potential residents who consider a future in one of our retirement communities.

Digital

Globally, the proliferation of digital health technology continues and is set to build rapidly as a result of the virus's impact on care and health provision. At ExtraCare we will continue to explore and deploy smart technology solutions where these improve residents' quality of life and reduces the operational costs associated with front line care provision. Digital technology will also support increased efficiency across our management and working practices; this approach has been accelerated as a result of a changed working environment linked to the crisis.

Understanding the future

Despite the Covid-19 pandemic and lockdown restrictions, demand for our offer has remained strong. This is reflected in our sales performance and the waiting lists for most of our locations. But we are not complacent about demand and the need to continue to understand our market and respond to emerging trends. As such we, with input from our trade body ARCO, undertook a competitor analysis in 2020. Findings include:

- Our model continues to be different to others, but other providers use our research and model to promote their products which are not comparable to ours. We need to ensure we keep our profile high to generate understanding of the unique nature of our model and challenge those who use our research inappropriately;
- Our sales performance has continued to be strong and resilient during the pandemic, also in comparison with other providers;
- Our targeted marketing is both cost-effective and suited to our local markets, albeit we should continue to drive our digital marketing;
- Our lifestyle marketing needs to be strengthened for the benefit of resales, with unique selling points such as resident spokespeople and a regular supply of case studies being protected and built upon;
- New entrants in the market will compete with us for future sites. We should build on our existing partnerships with local authorities and others, to secure suitable sites;
- Other providers and ARCO members use higher deferred charging (the fees charged on exit) as their business model. We should monitor what they are doing and consider if this

might apply to us; and
- Where possible, we should build new developments in phases, over a longer period. This has big benefits with regards to financing and cash flow and could support us in getting more new villages on site.

In addition, and in partnership with three other ARCO members, we commissioned the International Longevity Centre UK (ILCUK) to undertake a study into the future market for retirement communities. The findings deepen our understanding of the needs and expectations of both current and future customers, and include:

- All older age groups are set to grow in absolute and relative terms, but single male households and couple households are particular growth groups. We should consider how we can adapt our offer and marketing to reflect this;
- People's choice to move is more driven by satisfaction, than by financials. Again, in our messaging and approach, we should be clear about satisfaction levels among residents, and other benefits we know from our Aston research;
- If retirement communities don't grow in line with demand, there is a risk that mainstream housing providers will offer bespoke housing for older age groups, although in all likelihood without the lifestyle and care element, and that demand for retirement communities declines as people choose such mainstream options instead;
- We need to understand our future customers and their drivers for moving better. In particular; are people by and large seeking security, or are they people who value their independence?; and
- There is a 'sweet spot' for moving into a retirement community, which seems to be between 70 and 85. Any earlier, and people are more likely to think they've moved too young, any later and people are more likely to think they left it too late.

We continue to invest in better understanding our market and our customers to improve our services and refine and protect our unique model of homes people want, a lifestyle they can enjoy and care if it is needed.

In June 2020, the ARCO and the County Councils Network, called for government reform including changes to ease sector planning rules, the establishment of a government task force on meeting current and future housing and care needs, and tailored funding pots to help incentivise the development of retirement communities. Their report, Planning for Retirement, states that providing retirement community options for 250,000 people across the UK by 2030 would:

- Help to tackle the housing crisis: releasing over 562,500 bedrooms in general housing;
- Aid the health and care systems: delivering £5.6bn aggregate savings and improving efficiency in delivery;
- Increase turnover in the Retirement Community sector to over £70bn; and
- Boost the economy: investing over £40bn.

This potential should be considered alongside the impact of the Covid-19 pandemic. Whilst the sector stands together to support all those who have been affected, emerging evidence continues to demonstrate the positive role retirement communities have played during the crisis: open spaces, self-contained accommodation, tailored service provision and strong community networks have all played their part in protecting lives and supporting the mental health of older people, particularly those who are most vulnerable.

Section 172(1) Statement

S172(1) of the Companies Act 2006 requires a director of a company to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and in doing so have regard, amongst other matters, to:

- The likely consequences of any decision in the long term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and the environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly between members of the company.

Our residents are our key stakeholders. Reports submitted to our Board for consideration include the requirement to outline any impact on our residents and any consultation that has taken place or is planned; this includes consultation requirements on the short-term impact and the longer-term implications of decisions. The consultation then informs the decisions and business planning. The Board would normally, in non-pandemic times, take the opportunity after some Board meetings to meet with groups of residents so that their voices are heard directly. This direct resident engagement is critical to ensuring that stakeholders have a voice and are part of the way in which the Board ensures community impact is addressed.

When considering our response to the Covid-19 pandemic, our actions were agreed after the Board had considered the safety of our residents as paramount. Our staff and volunteers are also key stakeholders and we use our staff survey and internal communication framework to support active, regular and consistent dialogue. This process and feedback ensured we had contemporaneous intelligence and views from across the organisation and the residents. In turn, this enabled the Board to take decisions based on "real time" information in a fast-moving pandemic.

For further information on how we as a charity have engaged with our employees during the year please see section 'Staff engagement' on pages 14-15. Other stakeholder interests, such as those of our funders and suppliers, are also routinely considered and during the pandemic steps were taken to ensure that our business relationships continued as closely to normal as possible. We were able to reassure our Board that arrangements were in place to ensure the payment of our staff and suppliers was uninterrupted during the pandemic.

Our Charity invests in technology to help improve our residents' quality of life and we also consider the impact of our operations on the environment and wider communities. See pages 35-37 for further information on environmental considerations and actions taken in the year, and pages 40-41 for People, Processes and Technology. Our investment in technology is also part of our long-term focus. Our Trustees consider both short-term and long-term implications of decisions made, and this has been especially important in relation to the unique circumstances of this financial year.

Our Trustees believe that, individually and together, they have acted in the way that they consider, in good faith, would be most likely to promote the success of the Charity for the benefits of its beneficiaries as a whole, having regard to the stakeholders and matters set out in S172(1) (a-f) of the Companies Act 2006 in the decisions taken during the year.

Our Integrated Model



Our mission is "Creating sustainable communities that provide homes older people want, lifestyles they can enjoy and care if it's needed".

Our unique model is based on Homes, Lifestyle and Care:

Homes: Our locations typically offer high-quality apartments for the over 55s; each home is accessible with its own front door, hallway, living room, typically one or two bedroom(s), kitchen and shower room. Most have a balcony or patio. On new developments the accessible design brief we developed with Motionspot will mean changes to our apartments and community areas, to help 'future proof' them for our residents. For example, bathrooms will have the infrastructure to adapt more readily for grab rails / shower seats if needed. Kitchen cupboards will be designed and fitted to enable drop down cupboards, corner cupboards, hide and slide ovens to be fitted or adapted if needed.

Today 35% of our properties are for **social rent**. In 2000 it was 94% and in 2010 it was 62%, which indicates how significantly our business model has shifted over time. We have moved away from managing property on behalf of other Registered Providers to create the mix of social rented, shared ownership and full ownership homes: diverse communities that are available to all.

Lifestyle: Our locations provide leisure facilities which promote a healthy lifestyle and typically include: a bistro, café-bar, gym, greenhouse, craft and hobby rooms and village hall. Diverse activities may include: Zumba, choir singing, wheelchair aerobics, digital skills workshops, intergenerational activities such as Stay and play groups, sociable outings and entertainment.

We are now able to use customer insights to compare data from wellbeing assessments conducted before residents moved in, with latest wellbeing assessments, with findings such as:

- **Exercise frequency**
  - Residents exercising once a week, or never, reduces by 12% (from 24% to 21% of residents);
  - Residents exercising once to four times a week, increases by a quarter from 27% to 33%; however
  - Residents exercising five to seven times a week, reduces 6% (from 48% to 45%).

- **Loneliness**
  - High Loneliness Score's reduce by half from 6% to 3%; and
  - A feeling of a lack of companionship reduces by nearly half from 42% to 27%. Even so, 6% of residents feel a lack of companionship 'often'.
- **Family Social Network**
  - Interestingly, high Social Network scores (based on family) reduce from 56% to 45%; and
  - Anecdotal feedback from the Wellbeing team indicates that families give a lot of support and input prior and during moving and then families can step back once residents move in and become part of the village community.

Volunteering is at the heart of our Charity's ethos, offering opportunities for people to use their skills, build confidence and a sense of self-worth, whilst reducing potential loneliness. Resident and external volunteers provide invaluable support, helping run activities and facilities, or supporting fundraising within our communities or ExtraCare Charity Shops.

Our locations are vibrant social hubs and visitors include children, schools, universities and community groups. Visitors can also use our facilities and gyms as part of an affordable membership that supports our charitable income.

Every location offers:

Care: Each of our locations offers a 24/7 on-site care service which is assessed and delivered by our own staff. Our service is scrutinised by both residents and the CQC.

Wellbeing Service: Operated by a team of Wellbeing Advisors, this award-winning service offers preventative health advice and promotes healthy life choices. Residents now have a comprehensive assessment before moving-in so we have a better understanding of their health and social care needs, carried out on a wellbeing app. The resilience tool developed with Aston and Lancaster Universities can re-assess those residents identified as frail and support them through personal goal setting to become personally more resilient. 59% of current residents have had a digital wellbeing assessment using the wellbeing app. Whilst Covid-19 restrictions have contributed to this percentage being lower than planned with fewer assessments carried out, this has been counterbalanced by more 'drop-in' assessments by the Wellbeing Advisors when access to primary care/GPs was very much reduced.

Dementia and Mental Wellbeing Service : Implemented through specially-trained staff, our Dementia and Mental Wellbeing Service offers tailored support for residents living with dementia and common mental health conditions, aiming to reduce the impact of dementia and improve wellbeing.

Our Dementia and Mental Wellbeing service can receive over 345 referrals per year for residents requiring additional help and support to understand their condition and find practical ways of enabling independence.

Progress against our Annual Business Plan key targets

For 2020/21 we had an Annual Business Plan to inform our ambitions for the calendar year. This followed our Board's decision to defer our next five-year Corporate Plan to allow us to progress with our refinancing work and navigate our way through the Covid-19 pandemic. The Annual Business Plan contained several targets for the financial year with progress for each of these targets being captured in our balanced scorecard reported to our Board and our Committees. Six of these were key targets and our self-assessed performance against them is shown below:

Key Target – end of March 2021	2020/21
Complete the construction of Solihull village and the Earlsdon Park 2 village extension	Achieved
Achieve CQC good or outstanding for all locations inspected during the year	Achieved
Achieve resident experience ratings of: • 80% in villages; and • 90% in schemes	Achieved
Achieve staff satisfaction scores of: • 75% - satisfied with ExtraCare as an employer; and • 90% - fully committed to the vision	Achieved
Achieve a total surplus in excess of £15M and limit the underlying operational loss (i.e. excluding resales) to £2M. **Targets are measured here on the previous basis of accounting*	Not Achieved ▪ Revised target following Covid-19 to £10M surplus and £2M operating loss limit – Achieved
Ensure we meet the Regulator of Social Housing's expectations	**Not inspected**

Financial Performance

Our financial performance over the last three years is reflected below.

	2020/21	2019/20	2018/19
Operating deficit	(£3.1M)	(£3.3M)	(£7.3M)
Total Comprehensive Income	£18.4M	£47.3M	£46.3M
Turnover	£41.7M	£44.2M	£38.2M
Reserves	£265.7M	£247.3M	£200.0M

The figures shown in the table are based upon the current accounting treatment for investment properties as seen within the financial statements. Figures used in the Annual Business Plan and referred to within various sections of the Annual Report, were based on the previous accounting basis as targets were set against these figures originally. The target operating deficit using this method of accounting for 2020/21 was £1.8M, therefore the underlying loss was limited to £2M.

All properties that have leases granted (full and part equity) are held for capital appreciation and are considered by the Board to be investment properties. These are re-valued at each balance sheet date at their fair value, with any fair value movement recognised in the Statement of Comprehensive Income for the period. This only applies to the leasehold properties; rented properties held for social housing remain on the balance sheet at historic cost and continue to be depreciated.

Value for Money (VfM)

Introduction and context

VfM informs how we plan, manage and operate our Charity to ensure that we make the best use of our resources to deliver our vision of **better lives for older people** now and into the future. Achieving VfM requires us to be clear about its purpose and role in order to define what value, and therefore VfM, means in our own context. In the context of austerity and the Covid-19 pandemic, an increasingly challenging operating environment this year has resulted in a sense that we need to redouble our efforts in terms of delivering and demonstrating VfM.

We define VfM as getting the right balance of inputs, process and outcomes, as described by the 3 Es:

- Economy: achieving the best price for what goes into providing a service, minimising the resources required focusing on cost saving, cost avoidance or income generation;
- Efficiency: to accomplish something with the least waste of time and effort; and
- Effectiveness: the relationship between the intended and actual results

VfM Roles and Responsibilities

In October 2020 we invested in a full-time permanent post of Business Efficiency Manager, to reinforce the commitment to VfM across the organisation. However, we acknowledge each strand of our organisation, from the Board, Executive Leadership Team and colleagues, to the residents and contractors, has a role to play in achieving our VfM objectives.

Regulator of Social Housing (RSH) VfM metrics, targets, and performance

Our performance against the RSH metrics is shown below.

RSH VfM – metrics, targets & performance	2020 Scorecard median	2020 Actual	2021 Target	2021 Actual	2022 Target
1. Reinvestment	6.1%	14.5%	15.0%	2.4%	0.4%
2. New Supply					
- Social Housing	1.3%	6.6%	6.9%	7.0%	0.0%
- Non-Social Housing	0.0%	7.9%	6.7%	10.3%	0.0%
3. Gearing	33.8%	26.2%	25.0%	23.0%	20.0%
4. EBITDA MRI*	196.1%	-6.0%	0.0%	-0.7%	70.0%
5. Headline Social Housing Cost per unit	£4,023	£6,905	£6,775	£6,059	£6,000
6. Operating Margin					
- Overall	21.5%	-7.5%	-6.5%	-7.5%	-3.0%
- Social	23.6%	25.0%	26.0%	26.5%	20.0%
7. Return on Capital Employed (ROCE)	2.8%	-0.8%	-0.7%	-0.7%	0.0%

* Earnings before interest, taxation, depreciation, amortisation, major repairs included, interest cover %

These metrics against target demonstrate that performance has again been good in 2020/21, despite an extremely challenging year for both ExtraCare and the wider economy.

The target previously set for reinvestment was stretching given the development programme in place for 2020/21 and the capital expenditure required on our properties, which remain in good condition. The modernisation programme continues to be undertaken, however our development programme has been scaled back after a period of growth for the 2017-20 Corporate Planning period and there are currently no development projects planned whilst we review our financing arrangements and the impact of the pandemic.

ExtraCare VfM metrics, targets, & performance

In addition to the RSH obligatory metrics above it is important for us to create our own VfM targets. These were chosen based on areas of the organisation which directly impact VfM or where a need to enhance performance had been identified.

ExtraCare VfM – metrics, targets & performance	2020 Actual	2021 Target	2021 Actual	2022 Target
1. Arrears (reduce value of payments due)	3.18%	2.75%	2.66%	2.50%
2. Rental Voids (reduce average period for re-let)	10.8 weeks	8 weeks	20.2 weeks	8 weeks
3. Operations Surplus	£4.7M	£1to3M	£4.9M	£1.1M
4. Loan to Value	55.3%	50%	50%	55%

5. CQC rating Good or Outstanding	95%	100%	95%	100% - 21/21 locations
6. Resident satisfaction rating at villages	84.5% Villages 91.7% Schemes	80% Villages 90% Schemes	90.5% Villages 96.2% Schemes	80% Villages 90% Schemes
7. Reduce energy usage	n/a	n/a	3.45 tnes resident/year	- 5% 3.28 tnes resident/year

As in the RSH VfM metrics table shown earlier within this section, the above tables demonstrate a strong performance during 2020/21.

Rental voids are a significant issue and this was not helped by the pandemic or by local authority nomination processes. A project group has been tasked with dramatically improving performance through 2021/22, which is why the target remains at 8 weeks.

Operations surplus is calculated on previous accounting treatment for property, however in this table the target set also included property resales.

Corporate/Strategic VfM objectives

Our two key priorities during Covid-19 have always been keeping our residents and staff safe and staying financially viable. Being efficient, delivering good VfM and generating surpluses is the best way of ensuring we remain successful and sustainable.

Internal Benchmarking

Finance Business Partners work with Regional Operations Managers and Location Managers to monitor the income and expenditure between locations. We will increase the use of internal benchmarking to identify potential efficiency improvements. A 'Unit Cost Analysis Tool' has been created to support this benchmarking process.

External Benchmarking

We are a member of HouseMark, who are one of the UK housing sectors largest membership organisations and consultancy service. As our benchmark partner they support us with data analysis and the external benchmarking process.

Social value

As a charity focussed on improving the lives of older people, we also have a commitment to social value. Social Enterprise UK defines social impact as 'the effect of an activity on the social fabric of the community and wellbeing of the individuals and families' and social value is what is created. Social value asks the question: If £1 is spent on the delivery of services, can that £1 be spent in a way that also produces a wider benefit to the community? Social value aims to move beyond making decisions based on financial cost or price alone. Instead it advocates seeking 'Value for Money', as discussed in the section above, in its widest sense by considering potential social benefits (involving people, culture and interactions), economic benefits (such as financial resources) and environmental benefits (improving our villages/schemes and use of resources).

We ensure that social value principles are applied in a way that aligns with our corporate values.

Throughout the year, our student placements represent a good example of our commitment to social value. Whilst placements were paused during national lockdowns, we have physiotherapists and nursing placements in some of our locations. They help deliver an enhanced and additional service for residents. This added resource for our locations has helped improve resident physical health and independence, which can be measured using the resilience tool. These efforts directly increase resident and staff satisfaction and helps ensure health professionals of the future have a better understanding of us and the work we do. Working with Wellbeing Advisors these students generate income for locations because of the tariff that Universities offer to community placements for health care students as recompense for supporting them.

Student placements illustrate how supporting students with their qualifications not only benefits them but also gives a wider benefit to the community of trained/qualified health care professionals with a better understanding of older people, but equally delivers better value for money for our residents as it increases the services we can offer within locations. This saves our residents time and money having to attend appointments elsewhere, helps capacity within the NHS and helps increase resident satisfaction.

Another example of social value this year is that we were awarded a grant from a supplier for £10K, to improve connectivity in older locations with poor coverage. This funded 'Yellow Box Wi-Fi' units which enabled staff to support digitally excluded residents who needed help to access video GP consultations during Covid-19 lockdown periods.

Managing Key Risks and Uncertainties

We recognise that our approach to risk management needs to be robust and effective and during 2020/21 we considered and included additional risks in response to the pandemic. Our Board determined that their risk appetite for 2019/20 was sufficient to ensure that the Charity was not subject to undue risk and therefore remains unchanged for 2020/21. This risk appetite is being reviewed by the Board using a new framework in advance of the completion of our next Corporate Plan. The Board had a mixed risk appetite ranging from:

- Areas where only a minimal or low level of risk is acceptable, such as legal and regulatory, reputation and service quality risks;
- Areas where a willingness to engage with risk to achieve our objectives is a necessary aspect of the activity undertaken, such as our development programme or from granting property leases; or where the risk is a component of our independent living model, such as resident wellbeing; and
- Areas where a higher level of risk is accepted, such as research and innovation where outcomes are inherently uncertain.

Our Board consider the principal risks faced by the Charity to be those outlined below:

Risk	Appetite
Legal & Regulatory Compliance	Averse
Serious/major non-compliance with Legal and Regulatory requirements results in reportable breaches/incidents, potential investigations/sanctions/fines, reputational damage and a weakened ability to deliver Corporate Plan objectives, targets and commitments. Mitigation and management measures include: • Strategies and supporting policies and procedures/work instructions; • Training, awareness and evaluation of ExtraCare personnel; • External/Third Party visits/inspections/reviews/advice; and • Internal compliance processes and related procedures.	
People and Culture	Cautious
Failure to align our people and culture (as a shared set of values, beliefs, systems, practices, underlying assumptions, attitudes and behaviours) undermines delivery of strategic goals and Corporate Plan objectives, targets and commitments (e.g. as key employees become disengaged/dissatisfied and leave, behaviours slide, clarity and mission is lost). Mitigation and management measures include: • ExtraCare culture reinforced internally (amongst personnel and residents) and externally (through outward/public facing channels); • Structure and succession planning supported by Organisational Design and our talent pipeline; • Development and implementation of a People Strategy that recognises the importance of diversity approved by the Board; and, • Independent/third party review and assurance provided (e.g. Investors in People).	
Funding Streams	Cautious
Marked decrease in funding at locations, including funding levels from local authorities (care and/or housing), loss of care contracts and marked reduction in other location income (e.g. lifestyle services such as catering, gyms and retail outlets), leads to a reduced ability to support the Charity's activities at locations and deliver related Corporate Plan objectives, targets and commitments. Mitigation and management measures include: • Strategies for Care & Support and Commercial; • Charging policies for Property & Care and Lifestyle; and • Community fee.	

Risk	Appetite
Cash flow	Cautious
Financing secured through borrowing and income from granting of property leases is insufficient to support our funding needs, resulting in failure to meet the development programme, lack of key stakeholder confidence, a poor regulatory viability grading and affects delivery of related Corporate Plan objectives, targets and commitments. Mitigation and management measures include: • Funding in place to provide adequate total facilities; • Regular review of cashflow requirements; • Active treasury management supplemented by specialist advice; and • Regular reporting to Executive Leadership Team (ELT), Audit and Assurance Committee, and Board.	
Property Market Sales	Cautious
A significant or sustained deterioration in the housing market (falling property prices/economic pressures/stagnation) produces reduced levels of initial and subsequent property leases granted, limiting cash to support debt financing, reinvestment and achievement of related Corporate Plan objectives, targets and commitments. Mitigation and management measures include: • Close monitoring and review of the property lease pipeline and its components; • Headroom maintained between available facilities and borrowings; and, • An agreed mitigation plan which can be invoked when required.	
Development	Cautious
Challenges in securing land and/or financing, combined with uncertainty (in the housing market/demand/economy/construction industry) causes delays (in the construction/ opening/extension or refurbishment of villages), impacting income, cashflow, resident satisfaction, reputation and delivery of related Corporate Plan objectives, targets and commitments. Mitigation and management measures include: • Development appraisal model in place which is refined for "lessons learnt" after each development; • Approval required from Board of Trustees for new village developments; • Regular review of cashflow requirements; • Contract management processes; and • Parent company guarantee in place for construction partner/company.	

In March 2020 the Board added an additional risk to the Strategic Risk Register considering Covid-19's classification as a pandemic and has recognised and monitored the wide-ranging impact it has had on the Charity. The Board continue to monitor the impact on the Charity and have reviewed the comprehensive evaluation of our Covid-19 response. Equally, we have learnt lessons from this experience, which has allowed us to avoid repeating any mistakes or reinventing the wheel in our response to further waves of Covid-19 and has enabled us to enhance our 'business as usual' operations providing additional general benefits.

Risk	Appetite
Infectious Disease (epidemic/pandemic)	Cautious

Failure to plan adequately for risk management of epidemic or pandemic infectious disease outbreaks (both established e.g. influenza or emerging/novel e.g. Covid-19) impacts significantly on ExtraCare's operations and corporate activities, threatens delivery of Corporate and operational objectives, plans and targets and jeopardises the Charity's continued viability.

Mitigation and management measures include:

- Scenario planning for Covid-19 in early March to identify key risks and actions needed;
- Covid-19 Governance Team established with daily meetings in phase one (11 March to 1 June);
- Mitigation Plan utilised to support financial resilience including building cash reserves;
- Dedicated resources deployed to focus on PPE procurement and management;
- Robust infection prevention and control plans implemented across locations and Head Office to minimise the risks to residents and staff;
- Continuity plans adopted for key services to ensure our obligations to residents and regulators continued to be met in a way that reduced the spread of the virus;
- Adoption of an agile approach to adapt to the latest guidance, complimented by consistent messaging and effective communications;
- Targeted application for financial support to cover additional expenditure during this time and freeze to non-essential budgets; and
- Monthly Board meetings and weekly updates to Trustees in phase one (11 March to 1 June) ensured appropriate levels of governance throughout a period of uncertainty.

Internal Audit

Our internal audit function is outsourced to TIAA. In line with an approved Internal Audit Plan, our internal auditors assess the design and effectiveness of our risk management and internal controls, reporting to the Audit & Assurance Committee. The annual Internal Audit opinion for 2020/21 stated 'TIAA is satisfied that, for the areas reviewed during the year, ExtraCare Charitable Trust (the 'Trust') has reasonable and effective risk management, control and governance processes in place.'

Risk Summary

Our Board of Trustees has:

- Considered the major risks to which the Charity is exposed;
- Satisfied themselves that systems or procedures are established to manage these;
- Sought independent assurance from internal audit; and
- Recognised that controls will be strengthened as audit recommendations are implemented.

Developing Villages

Developing high quality, accessible and attractive villages with homes older people want is an essential component of the overall success of our Charity. Income from granting of initial and subsequent property leases and from property rental is a major contributor to our overall surplus which underpins our ability to offer a range of high-quality charitable services and to ensure our buildings are maintained to a high standard.

Portfolio Development

2020/21 saw the successful continuation of this growth programme as we expanded our portfolio of villages and added 321 apartments:

- 60 apartments in Earlsdon Park Village Phase 2 (opened November 2020); and
- 261 apartments in Solihull Village (opened January 2021).

In addition, we progressed planning for an additional 62 properties in Bedford at Wixams Village Phase 2, with planning achieved in February 2020.

We continue to look for new development opportunities working closely with local authorities, developers, housebuilders and construction partners to identity new village sites and extension opportunities. We have entered into exclusivity agreements on two sites which we are currently progressing. Both opportunities are on schedule for full planning applications to be submitted during 2021/22.

Construction and Building Innovation

We are continually exploring ways to improve our approach to construction and are investigating the benefits of modern methods of construction, such as panelised and modular build, with a view to reducing the time on site and the impact of noise and disruption to existing residents without compromising quality. This is particularly important for locations where we invest in extensions to existing villages. Our Research and Innovation Strategy continues to drive change within our villages and ensures our buildings meet our current and future customers' expectations.

Modernisation

We have continued our investment in our existing villages in improving our village desirability by continuing our modernisation programme. This year we completed the modernisation of our Pannel Croft village. The new design means the village centre is a more open and inviting place where residents and their family can relax and enjoy the communal facilities. We have also started the design process for the modernisation of our Lark Hill village and we will ensure that we undertake extensive consultation with the residents. Due to the size of the Lark Hill village and the proposed scope of the modernisation project an investment figure of £3M has been budgeted for the works. We expect to start on site during 2021/22, with the project lasting for 12 months.

Initial Property Leases

The pandemic meant that demand in our locations dropped during 2020/21 as it became impossible for our customers to view our properties due to lockdown restrictions and it was extremely difficult for them to market their existing homes. Pushing through completions during lockdown became exceptionally challenging.

The following progress has been made in our new village locations, as at 31 March 2021:

- Hughenden Gardens (opened in May 2018) – 194 of 205 initial property leases granted (95%);
- Stoke Gifford (opened in November 2018) – 122 of 180 initial property leases granted (68%);
- Bedford Wixams Village (opened June 2019) – 137 of 184 initial property leases granted (74%);
- Earlsdon Park Phase2 (opened in November 2020) – 22 out of 60 initial property leases granted (37%); and
- Solihull Village (opened in January 2021) – 49 out of 209 initial property leases granted (23%).

We have generated £34.51M of cash from the granting of initial property leases across the aforementioned five locations during 2020/21.

Subsequent Property Leases

Our net cash generation target for the granting of subsequent property leases during 2020/21 was £4.0M. This was a consciously prudent budget set by the Board following stress testing in order to mitigate any reliance on there being a net cash inflow from granting of subsequent property leases: an approach which was helpful to mitigate our exposure to Covid-19 and has been mirrored for our 2021/22 budget. Our final position at 31 March 2021 showed that we achieved £6.73M net cash inflow for subsequent property leases granted. 121 subsequent property leases were granted during the year, which was an 11% decrease on 2019/20, but reflective of the country being in lockdown for a large proportion of the year.

Owing to the pandemic we introduced a deferred buyback scheme during the year. Lease custodians were asked to defer the sale of the lease back to us. This was part of our mitigation plan, which enabled this cash flow to be successfully managed throughout the pandemic.

Operating Villages

Operating our villages and schemes effectively is key to our residents enjoying an active and fulfilling lifestyle, reassured by the knowledge that they can access good quality care when needed, in the comfort of their own home.

Engaging customers/resident satisfaction

Residents have an extensive menu of involvement options at ExtraCare, both locally and organisation wide. Residents can influence the local management of their services through Residents' Associations, as well as through 'We're Listening' feedback surveys, recruitment panels, monthly street meetings, local groups and volunteering. Corporately, they influence ExtraCare's policies via our Residents' Forum, topic groups and scrutiny exercises.

The Residents' Forum acts as the principal representative body for the purpose of consultation with residents concerning service delivery, performance and strategic plans. We work in partnership with our residents to create strong and cohesive communities to enable a positive experience of living in an ExtraCare location. We continue to monitor resident satisfaction, via 'We're Listening' real-time feedback surveys. Resident satisfaction this year has risen and is now above our ambitious Business Plan Targets.

- **Schemes satisfaction level 96.2% against a target of 90%;** and
- **Villages satisfaction level 90.5% against a target of 80%.**

Care Quality

The challenging targets set for our care quality have been achieved with one exception within increasingly difficult care market conditions. We are very proud that at the 31 March 2021, 19 of the 20 inspected locations are currently rated 'Good' or 'Outstanding' by the CQC. Our newest village, Solihull, - has not received their first inspection. During 2020/21, four of our locations were inspected by the Care Quality Commission. Two of our villages – Hagley Road and Reeve Court – achieved 'Outstanding' overall and the other two – Earlsdon Park and Wixams - were rated 'Good' overall. This brings our overall ratings to:

- Five 'Outstanding' overall: Brunswick Gardens, Hagley Road, Lovat Fields, Reeve Court and Shenley Wood;
- 14 'Good' overall: Bournville Gardens, Earlsdon Park, Hughenden Gardens, Humber Court, Lark Hill, Longbridge, New Oscott, Rosewood Court, Stoke Gifford, St Oswalds, Sunley Court, Verona Court, Wixams and Yates Court;
- Four of the 14 rated 'Good' overall were rated outstanding in one domain;
- One rating of 'Requires Improvement' – Pannel Croft (an assessment of risk review has been undertaken by CQC which reported no concerns in care and was positive in all Key Lines of Enquiry); and
- One service not inspected yet – Solihull (opened 2021).

Location Surpluses

Prior to the pandemic, there was already substantial effort to limit losses and generate margins within our operations across all locations. With the onset of the pandemic and its negative impact on key income streams such as catering, care and apartment sales and rentals, there has been an even sharper focus.

As part of our response to the pandemic, we have regularly reviewed income generating activities within our locations, in accordance with UK Government guidance, to identify opportunities to sell services and meet the needs of our residents safely.

The pandemic restrictions also affected sales and rentals of our apartments the consequence being the number of void apartments increased with a corresponding effect there were fewer residents moving in and therefore fewer residents paying for those services that we offer.

Our Commercial Strategy which adopts a robust commercial approach, continues to underpin our efforts towards generating income and contributing to the limiting of losses. It includes ways to maximise commercial opportunities that will contribute to our long-term financial viability as a charity, focussing on new or improved services that are attractive to residents, sustainable and affordable. In our locations, this Strategy is led by our Lifestyle Managers, who are 'front of house' and run our bars and bistros, gyms and retail outlets. A performance dashboard is reviewed each month and actions to meet objectives are contained within an 'Achievement Plan' for each location. Performance against this plan is reviewed each month by the Location Manager and Regional Operations Manager.

Streamlined Energy and Carbon Reporting

The Charity is committed to improving our environmental performance and reducing our carbon footprint.

Our 2020/21 Annual Business Plan committed us to baseline the six carbon reporting categories and reduce the use of 'single use plastics' by 50%. The six categories are: greenhouse gases; water; waste; materials and resource efficiency; biodiversity/ecosystem services; and emissions to air, land, and water. We are not yet able to report upon these categories and this will be a focus of activity for 2021/22. This baselining will inform our 2022-27 Corporate Plan where we will set ourselves ambitious environmental targets.

Environmental Performance

Our recently opened village and extension (Solihull Village and Earlsdon Park Village Phase 2) have been constructed in line with Fabric First principles and achieved a BREEAM rating of very good which contributes greatly to minimising the energy used. New villages have been developed with the infrastructure to support electric car charging.

Waste & Recycling

In our waste and recycling efforts, from 1 April 2020 to 31 March 2021 we collected 83.2K kg of waste consisting of:

- 5,100 kg landfill;
- 39,400 kg diverted waste (reusing, recycling or composting materials that would otherwise have been buried in the landfill); and
- 38,700 kg recycling.

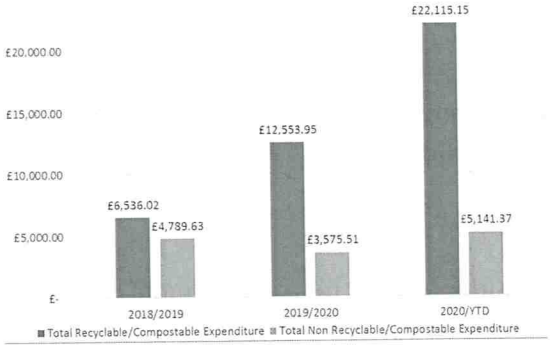
This gives us a recycling percentage of 46% and we are proud that only 6% of our total waste went to landfill this year, however we will seek to improve on this.

We are also able to calculate the amount of carbon we have saved by analysing the weight and type of waste which was disposed. The direct, indirect and avoided emissions associated with these activities are combined and a carbon emission is calculated for each waste type.

This year we have saved 13,000 kg of CO_2e which is equivalent to:

- 45.52 trees being planted;
- 4.93 cars off the road; and
- 8 houses being powered.

To support our recycling efforts in our 2020/21 Annual Business Plan we had a specific target to 'reduce single use plastics by 50%'. The impact of Covid-19 pandemic restrictions has meant that some use has increased, to support our takeaway and delivery services. The graph below illustrates the trend in spend over the past three years.



Emissions Disclosures

ExtraCare has an impact on the environment directly through the operation of property and indirectly through the operations to support the organisation such as business travel, purchasing of goods and services and investment activities such as building new villages.

In line with Government Environmental Reporting Guidance and the Streamlined Energy and Carbon Reporting (SECR) requirements, we have assessed the organisational boundary and scope/type of emissions as follows:

- *Reporting Boundary*: this report aims to identify and quantify the energy use and environmental impacts that occur owing to the operation of the 16 villages and schemes owned by ExtraCare, the head office building in Coventry and all retail sites that were in operation throughout 2020/21 and the travel activities of staff in supporting the Charity and subsidiary.

- *Scope of Emissions:* this report aims to identify and quantify the following types of emissions:

  - Scope 1 Direct Emissions – emissions due to use of natural gas in boilers to provide heating, hot water, laundry equipment and catering within buildings;
  - Scope 2 Energy Indirect Emissions – emissions due to the use of electricity to provide lighting, catering, hot water and power for electrical equipment within buildings; and
  - Scope 3 Other Indirect Emissions – emissions due to the consumption of water within buildings and the disposal of liquid and solid waste.

The emissions are quantified in their original units and these have then been converted to a common greenhouse gas emission unit of carbon dioxide equivalent (CO_2e) using appropriate factors.

Energy use and global greenhouse gas emissions for period 1 April 2020 to 31 March 2021:

	Item	Current Reporting Year			2019/20[1]
		Amount	Unit	Emissions (CO_2e)	Emissions (CO_2e)
Scope 1	Gas	42,813,389	kWh	7,872	7,306
Scope 2	Electricity	18,378,224	kWh	4,285	4,075
Scope 3	Water	235,128	m^3	81	84
	Waste – liquid	227,179	m^3	161	168
	Waste – solid	83	tnes	4	
	Travel	225,083	miles	58	138

[1] Data for 2019/20 is provisional for water and waste

Energy Use Changes

The emissions owing to energy use for buildings (gas and electricity) have increased by 6.8%. The increase is in part due to timing of additional village openings. There has been a significant reduction in travel owing to the Covid-19 pandemic as would be expected.

Intensity Ratio

We provide services for residents and hence the most appropriate metric to use is the emissions per resident per year. This will allow for comparisons over time and eventually between villages.

The 2020/21 intensity ratio is 3.45 tnes CO_2e/resident/year (including water, waste and staff travel) or 3.37 tnes CO_2e/resident/year for direct building energy use.

Energy efficient action taken

In order to co-ordinate our energy efficiency efforts, the ExtraCare Energy Group was established this year. The Energy Group will act in leading on our energy efficient objectives.

Methodology used

The key processes in compiling this report were as follows:

- Energy and water data for the villages, head office and retail were collated based on supplier invoices;
- Waste and recycling data was provided by the contracted waste provider data portal and is based on transfer note data;
- Waste figures do not cover Retail sites which have minimum waste disposal.
- Travel data was based on staff expenses claims;
- Intensity ratio was based on average resident population during 2020/21; and
- All conversion factors were based on 2020 UK Government Conversion Factors for greenhouse gas (GHG) reporting.

Supporting Villages

We are proud of our charitable status. We make surpluses from some areas of activity which are then used to subsidise other services which, as a charity, we provide to our beneficiaries. Through this subsidy we can deliver vital care and wellbeing services and keep them affordable and accessible to all our residents, regardless of their background and circumstances. We would not be able to continue to grow and improve these services, which are proven to be key to the health and wellbeing of residents, without the dedication, generosity and support of our donors, residents, staff and community volunteers, and our external supporters.

Volunteering

Volunteering is at the heart of our ExtraCare communities. Volunteers help us in areas ranging from our charity shops, location facilities such as gyms, bistros and reception, events and activities and befriending and fundraising. Not only are volunteers invaluable to keeping our shops open and our locations running smoothly, volunteering also brings great mental and physical benefits to those who volunteer.

Before the pandemic 45% of volunteers were over 65 which meant they were unable to volunteer during the Covid-19 restrictions. Conversely, one of the silver linings of the pandemic has been a surge in people stepping up to volunteer. As our shops and locations re-open we will put additional impetus on attracting new volunteers from diverse backgrounds and age groups as well as continuing to recognise our longstanding volunteers for their volunteer contribution.

ExtraCare Charity Shops

In 2020/21 ExtraCare Retail Ltd, through its charity shops, generated a £39K loss (2019/20 £229K profit after tax). ExtraCare Retail Ltd, in some instances, sells donated goods on behalf of the Charity, with profits generated from this route being retained within the Charity, meaning that overall a small profit was generated for the year.

Due to national lockdowns, local restrictions and Covid-19 outbreaks, all shops only traded for 22% of the time in this exceptional year. Both Government grants and the Coronavirus Job Retention scheme were utilised to support the entity throughout the year.

When each lockdown lifted the high streets were no longer the ghost towns they were during lockdown, but neither were they the places we knew before the pandemic. Although customers trickled back to the high street, the long confinement forced a seismic change in how consumers shop, live and work, and businesses and customers alike had to adapt to social distancing measures.

Although we face significant challenges, we have confidence in the future of ExtraCare Retail Ltd. The inevitable period of economic recession arising from the pandemic and the associated hike in unemployment, means more people will look for value for money which charity shops are ideally placed to deliver. This may drive an upturn in charity shop sales if the pattern from the 2008/09 recession is mirrored this time around.

A new Retail Strategy has been agreed between the Retail and Trust Board, focusing on consolidating the retail estate, developing online sales at shop level and promoting environmental sustainability: this will shape our direction moving forwards.

Fundraising Activity

We raised £96K in 2020/21 through resident fundraising, trusts, foundations, challenge appeals and our corporate donations.

This is a remarkable achievement in light of the extraordinary year we have been faced with, given that we did not have a dedicated fundraising function in the Charity this reporting year.

This figure does not include the significant value of the donations of PPE equipment such as visors and screens we received at the start of the first wave of Covid-19, which demonstrated the generosity witnessed throughout the country in responding to the pandemic.

Highlights for the year include the following:

- Over £27K was received through generous legacies from residents;
- Receipt of a £10K donation from Total Integrated Solutions which was specifically used to help residents access digital services such as virtual GP surgeries; and
- Over £45K was received for large projects, including our Combatting Loneliness project, funded by the Big Lottery and which this year supported older people within and outside of our locations to continue to make connections throughout, as well as after, lockdown.

Funds raised through our charity shops (ExtraCare Retail Ltd) and fundraising activity contributed £114K to reduce our fundraising shortfall with respect to our Care, Wellbeing, Dementia and End of Life Support services.

Marketing and Communications

This year has been dominated by communications to staff, residents and other stakeholders in relation to the pandemic and the restrictions put in place regarding infection control. Highlights in the year include development of:

- Our 'You're safe with us' campaign, highlighting the positive steps we'd taken to ensure residents and staff had remained safe and well during the pandemic;
- Our ongoing social media campaigns, including our 'ExtraLife Online' virtual village community on Facebook;
- Internal communication across multiple channels including Workplace (our internal social media channel) to continue to support staff engagement. This work was an invaluable basis from which we developed a comprehensive programme of daily staff communications during our Covid-19 response; and
- A crisis media procedure aligned with business continuity planning and supplemented by media training to senior staff. This was then tailored to support our Covid-19 response.

Research and Innovation

During 2020/21 we were able to start embedding some of the enabling technologies we had trialled the previous year and as part of the Knowledge Transfer Partnership with University of West England, which completed in October 2020. Feedback from the innovation apartment and innovation in situ at Stoke Gifford Village, and the smart markets held there and at Longbridge, helped us identify which technologies improved wellbeing, independence and gave added value for our residents. These included:

- Supporting and signposting more of our residents to purchase voice activated assistants such as Alexa and Google Home, and Fitbits to monitor their wellbeing. Residents who were isolated from the family or in location lockdown became lonelier, affecting their mental and physical health, and these technologies were a lifeline for some residents. More residents were helped by relatives to purchase tablets/smart devices to improve communication methods. With no dedicated smart technology staff in locations, our volunteers, resident IT champions, and location staff became our enablers;
- The Double Robot device piloted at Wixams and Stoke Gifford were used during the pandemic to keep residents in contact with relatives, for virtual assessments with healthcare professionals, and to enable isolated residents to participate in exercise classes;

- The RGS Care sensors were increased through a grant from Innovate UK to RGS Care, so that every location had a full set. Residents with issues such as dementia or mental health were supported during the pandemic and solutions identified to ensure safety and ongoing independence; and
- Our 'future proofing' research in conjunction with the International Longevity Centre UK and Covid-19 research with Aston University continued to provide the evidence for our model, approach in the pandemic, at the same time maintaining our profile as a leading provider and innovator in the sector.

Project Management

The Project Management Office oversees an agile approach to governance and delivery of projects, with a focus on realistic resource planning, portfolio prioritisation based on both monetised and non-monetised value for money, systematic review and approval of project stages, together with a strong focus on benefits realisation. For 2021/22, the Project Management Office approach will help to progress our ambitions to improve performance by making optimum use of digital solutions, guided by our new digital roadmap and enterprise architecture.

People, Processes and Technology

People

Our strength lies in the quality and commitment of our workforce and volunteers. Creating the right environment for our customers depends on the collective effort of all our colleagues. The 'Investors in People' (IiP) award is a recognition of good practice in how an organisation engages with, enables, develops and supports its people; we hold Gold Award status from IiP and we aim to maintain this level during our next moderation in 2022.

We have developed a new People Strategy for 2021-2024 to meet our corporate commitment to review how we attract, retain, develop and engage with our people and develop our culture.

The impact of the pandemic required ExtraCare to respond dynamically to a rapidly changing working environment. Technology was embraced, flexible working patterns were adopted, and staff came together to support the needs of our residents. We are committed to learning from the practices we put in place during 2020/21 and to adopt or adapt such working practices, such as flexible working where appropriate, going forward.

We are committed to providing a competitive pay and benefits package to current and prospective staff and have implemented the Real Living Wage to Trust staff and an above inflation pay increase of 1% in April 2021. We were successful in our application for government Kick Start funding for 43 work placements for young people not in employment who will work for us on six-month placements in 2021 in a variety of roles in retail and administration.

Our 2020 staff survey showed that:

- **Our overall employee engagement score was 77%** (77% of our staff responding positively recommending the Charity as a good place to work);
- **79% of our employees are satisfied** with ExtraCare as an employer – our target was 75%; and
- **92% of our employees are fully committed** to our vision and values – our target was 90%.

The 2020 survey response rate was 65% compared to 66% in the previous year, which in a year of unprecedented change was a pleasing indicator of staff engagement.

The survey highlighted a need to do more around pay and benefits, career development and equality, diversity and inclusion and these areas feature strongly in our People Strategy.

IT and Digital

The past year has given us the opportunity to continue to develop our technology to support remote working more fully. We have utilised our secure (multi factor authentication) solution to allow staff to work safely in our IT environment from any supported device, providing great flexibility for staff during the pandemic.

We have been very aware of the heightened security risks that the pandemic has brought with it; and as such we have continued to ensure we 'prove' our systems via penetration testing and disaster recovery simulations; whilst also raising staff awareness around cyber security.

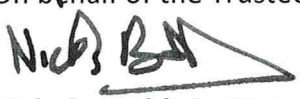
There has also been digital activity to support residents while in lockdown; this has ranged from online dance classes to assisting with video appointments with GPs. This has allowed activities to continue in a socially distanced manner, which in turn assists with concerns around loneliness and social isolation.

We have developed an enterprise architecture and digital roadmap which has provided a set of principles to aid us in future system selection. This will ensure ongoing interoperability and guaranteeing we possess one 'source of the truth'.

The approach and outline of the roadmap has been agreed by the Executive team; and work is due to begin on delivery in 2021/22. The roadmap covers all areas of the organisation; and provides a logical set of activities along with pre-requisites to allow the procurement process to begin; and in turn to provide detailed specifications for each deliverable.

A new combined IT and digital strategy has been created; bringing together how colleagues, volunteers and residents will benefit from our increased focus on the digitalisation of our services to support the provision of Better Lives for Older People.

On behalf of the Trustees:



Nicholas Baldwin CBE – Chair
20 September 2021

THE BOARD'S RESPONSIBILITIES IN THE PREPARATION OF ACCOUNTS

The Board as trustees (who are also the directors of The ExtraCare Charitable Trust for the purposes of company law) are responsible for preparing the Report of the Board and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company, housing and charity law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the income and expenditure of the Group for that period. In preparing those accounts, the Trustees are required to:

a. select suitable accounting policies and then apply them consistently;

b. observe the methods and principles in the Statement of Recommended Practice 'Accounting by Registered Housing Providers Update 2018';

c. make judgements and estimates that are reasonable and prudent;

d. state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

e. prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the ExtraCare Charitable Trust website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EXTRACARE CHARITABLE TRUST

Opinion

We have audited the financial statements of The ExtraCare Charitable Trust Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Comprehensive Income, the Group and Charity Statements of Financial Position, the Group and Charity Statement of Changes in Reserves, and the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).
In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the Parent Company's affairs as at 31 March 2021 and of the Group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly 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 2019.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent 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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

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 Board 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 Board has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent 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 Board.

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 42 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 Trustees are responsible for assessing the Group's and Parent 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 Trustees either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the Group audit engagement team:

• Obtained an understanding of the nature of the sector, including the legal and regulatory framework that the Group and Parent Company operates in and how the Group and Parent Company are complying with the legal and regulatory framework;

• Inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and

• Discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019 and tax compliance legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that may have an indirect impact on the financial statements are Health and Safety at Work Act 1974 and Regulator of Social Housing Regulatory Standards (both Economic and Consumer standards), compliance with the Care Quality Commission requirements and the General Data Protection Regulations as set out in the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the Group is in compliance with these laws and regulations and inspected correspondence with licensing or regulatory authorities.

The Group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

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

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. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

KEITH WARD (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

23 September 2021

The ExtraCare Charitable Trust
Consolidated statement of comprehensive income
For the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Turnover	3	41,678	44,170
Operating expenditure	3	(44,821)	(47,484)
Operating deficit		(3,143)	(3,314)
Interest receivable		6	18
Interest and financing costs	5	(4,560)	(4,174)
Increase in fair value of investment properties	11	31,729	47,886
Surplus before tax	8	24,032	40,416
Taxation	27	-	(45)
Surplus for the year		24,032	40,371
Other comprehensive pension expenditure	22	-	-
Defined benefit pension costs recognised in other comprehensive income	22	(5,649)	6,942
Total comprehensive income for the year		18,383	47,313

The results for both years are wholly attributable to continuing activities.

The notes on pages 51 to 77 form part of these financial statements.

These financial statements were approved by the Board of Directors on 20 September 2021 and signed on its behalf by:

Nicholas Baldwin CBE
Chair

Richard Clarke
Trustee

The ExtraCare Charitable Trust
Statement of financial position
As at 31 March 2021

	Note	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Fixed assets					
Intangible assets	9	83	125	83	125
Tangible fixed assets	10, 12	126,328	178,581	126,328	178,581
Investment properties	11	744,450	650,603	744,450	650,603
		870,861	829,309	870,861	829,309
Current assets					
Stocks and assets held for disposal	14	138	132	-	-
Trade and other debtors	15	3,332	3,378	3,431	3,342
Cash and cash equivalents		3,804	5,202	3,788	5,189
		7,274	8,712	7,219	8,531
Creditors: Amounts falling due within one year	16	(436,587)	(403,407)	(436,493)	(403,243)
Net current liabilities		(429,313)	(394,695)	(429,274)	(394,712)
Total assets less current liabilities		**441,548**	**434,614**	**441,587**	**434,597**
Creditors: Amounts falling due after more than one year	17	(166,629)	(182,514)	(166,629)	(182,514)
Defined benefit pension liability	22	(9,203)	(4,759)	(9,203)	(4,759)
Other provisions	23	(42)	(50)	(42)	(50)
Total net assets		265,674	247,291	265,713	247,274
Capital & reserves:					
Restricted reserves	21	6,602	6,606	6,602	6,606
Revenue reserves		259,072	240,685	259,111	240,668
		265,674	247,291	265,713	247,274

Company registration number: 2205136

The Group's surplus for the year was £24,032K (2020: £40,371K) and total comprehensive income was £18,383K (2020: £47,313K).

These financial statements were approved by the Board of Directors on 20 September 2021 and signed on its behalf by:

Nicholas Baldwin CBE
Chair

Richard Clarke
Trustee

The ExtraCare Charitable Trust
Statement of changes in reserves
As at 31 March 2021

	Group		Charity	
	Restricted reserve £'000	Income and expenditure reserve £'000	Restricted reserve £'000	Income and expenditure reserve £'000
At 1 April 2019	6,671	193,307	6,671	193,290
Surplus for the year	-	47,313	-	47,313
Transfer to/from restricted reserves	(65)	65	(65)	65
As at 31 March 2020	6,606	240,685	6,606	240,668
At 1 April 2020	6,606	240,685	6,606	240,668
Surplus for the year	-	18,383	-	18,439
Transfer to/from restricted reserves	(4)	4	(4)	4
As at 31 March 2021	6,602	259,072	6,602	259,111

The ExtraCare Charitable Trust
Consolidated statement of cash flows
For the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Net Cash generated from operating activities	32	(4,771)	(5,623)
Cash flow from investing activities			
Purchase of tangible fixed assets		(14,325)	(39,279)
Grants received		640	644
Interest received		6	18
Net cash used in investing activities		(13,679)	(38,617)
Cash flow from financing activities			
Interest paid		(6,046)	(5,911)
New secured loans		28,000	10,500
Repayments of borrowings		(44,086)	(19,776)
Payments received on property leases		64,943	85,082
Settlement of property repurchase liability		(25,759)	(23,168)
Net cash used in financing activities		17,052	46,727
Net change in cash and cash equivalents		(1,398)	2,487
Cash & cash equivalents at beginning of the year		5,202	2,715
Cash & cash equivalents at end of the year		3,804	5,202

1. Legal status

The ExtraCare Charitable Trust is a company limited by guarantee and is an English registered social housing provider. The address of ExtraCare's registered office and principal place of business is 7 Harry Weston Road, Binley Business Park, Coventry, CV3 2SN. The principal activities are providing housing and care to older people.

2. Principal accounting policies

Basis of accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102'). They are prepared under the historical cost convention modified to include certain financial instruments at fair value and according to the Housing SORP 2018 'Statement of Recommended Practice for Registered Housing Providers'. They also comply with the Accounting Direction for Private Registered Providers of Social Housing 2019. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Public Benefit Entity

The Charity is a Public Benefit Entity, as defined within FRS 102 as "an entity whose primary objective is to provide goods or services for the general public, community or social benefit and where any equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members".

Basis of consolidation

The group accounts consolidate the accounts of the Charity and its subsidiary undertakings. Intra group transactions, balances and profits are eliminated on consolidation. The consolidation is carried out on a line by line basis and all entities have coterminous year end dates.
The accounts for the Charity include recharges with a subsidiary undertaking which runs charity shops to raise charitable funds. The recharges are based on resources used and payments made.
The parent Charity has taken advantage of the exemption from presenting its unconsolidated Statement of Comprehensive Income under Section 408 of the Companies Act 2006.

Going Concern

Our 30-year financial plan is based on robust assumptions and includes headroom of a combination of undrawn loan facilities and cash to allow us to withstand a range of potential risks. Following stress testing the Board agreed for prudent assumptions around the net cash inflow from granting of subsequent property leases to be factored into our business plan to mitigate our market risk exposure to factors such as a pandemic.

During the pandemic we continued to progress our loan refinancing work. Our Revolving Credit Facility (RCF) with Lloyds reduced from £60M to £50M at the end of June 2020. Alongside this we secured a further £15M from BAE Pensions (to 2040) which was used to reduce our RCF further (from £50M to £35M) and we were able to extend the availability period of the RCF from May 2021 to May 2022. We subsequently took the opportunity to cancel £25M leaving a standby RCF of £10M.

The Board recognises that the covenants in place with funders are calculated using values from the financial statements as prepared based on the accounting policies in place prior to the 2019/2020 change of accounting policy. Having made enquires of the funders and received assurances from the funders and received legal guidance, the Board are satisfied that convent compliance for the loans disclosed in note 18 of the financial statements will be judged by both funders under the previous basis of accounting, for a period of at least 12 months from sign off of these financial statements or until the Charity initiates the agreement of new covenants, based on mutually acceptable calculations. Covenant calculations have therefore been prepared, which demonstrate compliance, based on the previous accounting treatment and reconciled back to the financial statements prepared under the revised accounting basis.

Further details of the possible impact of Covid 19 on the Charity and the mitigating actions that the Board are taking are set out on pages 18-19, further going concern detail is included at pages 12 of this report.

Our financial statements comply with all the current statutory requirements and with the requirements of the Charity's Articles of Association. After making all reasonable enquiries, for a period of at least 12 months from sign off of these financial statements the Board have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. In coming to this decision, the Board have considered on-going financial performance data, stress testing of the cashflow, and any actual or potential future liabilities. The Board are therefore confident in confirming that the Charity is viable as a going concern.

Turnover

Turnover is measured at the fair value of the cash consideration received or receivable. The Charity generates the following material income streams:

- Rental income receivable (after deducting lost rent from empty properties available for letting); and
- Invoiced amounts receivable from the delivery of care and health services.

Rental income is recognised from the point when properties under development reach practical completion and are let. Grants, donations, legacies and similar income are accounted for as soon as their amount and receipt are certain. In the case of unsolicited donations, this is usually only when they are received, while fundraising results are accounted for when the commitment is made by the donor, subject to fulfilment. Grants, where entitlement is not conditional on the delivery of a specific performance by the Charity, are recognised when the Charity becomes unconditionally entitled to the grant.
Turnover is included on an accruals basis.
The income from goods donated for resale in the Charity shops is included in the accounts when those goods are sold. No value is placed on any stock of such goods. Donated services and facilities are included at the value to the Charity where this can be quantified.
Investment income is included when receivable by the Group.

Service charges

Where schemes are on fixed service charges, income is recognised in the financial statements in line with the amounts charged to the occupant. Certain villages operate variable service charges. Where there is any difference between the estimated cost recovered from tenants and leaseholders and the actual cost incurred, any such shortfall or surplus arising is carried forward and either collected or refunded against the future year's charge. Any shortfall or surplus arising is shown in the statement of financial position within debtors or creditors as appropriate.

Intangible fixed assets

Capitalised IT software expenditure is initially recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Capitalised IT software expenditure is amortised on a straight-line basis over its useful life which is 3 years.

Taxation

The parent Charity is exempt from Corporation Tax as a registered charity. The trading subsidiary is subject to corporation tax on any profits not distributed by gift aid to the parent Charity.

VAT

The parent Charity is partially exempt for VAT purposes, and consequently VAT incurred cannot be fully recovered. Where VAT is not recoverable the expenditure is shown inclusive of VAT.

Impairment (excluding investment properties)

Fixed assets are reviewed for impairment following an assessment at each reporting date if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairment losses in the Consolidated Statement of Comprehensive Income.

Capitalisation of interest

Interest incurred up to the time that identifiable major capital projects are ready for service is capitalised as part of the cost of the assets and shown within fixed assets, based on interest charged on loans relating to each project.

Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal.

2. Principal accounting policies (continued)

Restricted reserves

These are reserves that can only be applied for specified purposes. The reserve is held for the purpose as specified by the donor. This is usually for a specific appeal. Incoming reserves are accounted for on receipt but with reference to certain performance criteria within an agreement. Where cash has been received but performance criteria have not yet been met, such income is deferred and released to the Consolidated Statement of Comprehensive Income on achievement of such criteria.

Management of housing property for other socical landlords

Where the Charity has been appointed as an agent by a Housing Association partner to provide support to the service users and the support contract with the Commissioning Authority is held (and carries the financial risk), the Consolidated Statement of Comprehensive Income includes only that income and expenditure which relates solely to the Charity.

Retirement benefits

Defined contribution pension scheme

The Charity's executive management are members of a flexible retirement plan operated by The Pensions Trust. The amount charged to the Consolidated Statement of Comprehensive Income is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Defined benefit pension scheme

The Charity's employees are members of the Social Housing Pension Scheme (SHPS). For the SHPS, retirement benefits to colleagues of the Company are funded by contributions from all participating employers and employees in the Scheme. Payments are made to a fund operated by the Pensions Trust, an independent trust providing superannuation benefits for employees of voluntary organisations. These payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating Companies taken as a whole.

The assets and liabilities of the Charity's share of the pension are now included on the Statement of Financial Position, where as in the prior year a provision was included linked to the stream of deficit contributions. Thereby adopting the amendment to FRS102 "Multi-employer defined benefit plans", issued in May 2019, early.

Actuarial assumptions are applied to determine each company's share of liabilities. The assumptions are updated at the year end, and the changes to the position go through the 'Other Comprehensive Income' statement, and not through the normal Statement of Comprehensive Income, as there is not sufficient information to restate the comparative.

Calculations are carried out annually and independently of the pension triennial valuation.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

One employee is also a member of a growth plan operated by The Pensions Trust (being the SHPS managers). For the Growth Plan, contributions are recognised in expenditure in the period to which they relate as there is insufficient information available to use defined benefit accounting. A liability is recognised for contributions arising from an agreement with the multi-employer plan that determines how the Charity will fund a deficit. Contributions are discounted when they are not expected to be settled wholly within 12 months of the period end.

Tangible fixed assets - Housing properties

Housing properties are properties for the provision of social housing and are principally properties available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Improvements are works to existing properties, and component replacements which have been treated separately for depreciation purposes, which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property in the business. Only the incremental direct overhead costs associated with new developments or improvements are capitalised. Direct overhead costs comprise the costs of staff time, including salary costs and other apportioned direct costs, incurred on the developments from the date from which it is reasonably likely that the development will go ahead, to the date of practical completion.

2. Principal accounting policies (continued)

Investment properties

The classification of properties as investment property or property, plant and equipment is based upon the intended use of the property.

Mixed use property is separated between investment property and property, plant and equipment.

Investment properties are initially measured at cost and subsequently measured at fair value annually with any change recognised in the Statement of Comprehensive Income. This calculation is based on the lease price achieved for a property, or on the average price of a similar archetype (location, property size, and other design specifications). Each investment property is measured based upon active secured prices.

Investment properties are not depreciated.

Investment properties are leased through an upfront payment, equivalent in value to a commercial outright purchase. When a lease is terminated, the Charity has a contractual obligation to refund the payment, less a 1% per annum deduction (to a maximum of 10%). At the end of any lease the Trust could take the decision to lease the property under different terms, including removing the obligation to repurchase. It would be at this point that any capital appreciation would be realised as a capital gain. Such choice is within the powers of Trustees to make at a time when priorities may suggest it would better support the Charity's activities.

Donated land

Where land is transferred by local authorities and other public bodies for consideration below market-value, the difference between the market value and the consideration given is added to cost at the time of the donation and included within the Statement of Financial Position as a liability, in accordance with treatment as a non-government grant.

Government grants

Government grants include grants receivable from Homes England, local authorities and other government bodies. Social Housing Grant (SHG) is a government grant made to the Charity towards the cost of acquiring and/or building additional housing for rent. No Grant is receivable in respect of Investment Properties.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants received for social housing properties are recognised in income over the useful economic life of the structure of the asset (excluding land) under the accruals model.

Government grants relating to revenue are recognised as income over the periods when the related costs are incurred once reasonable assurance has been gained that the Charity will comply with the conditions and the funds will be received.

Other grants

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

Depreciation

Assets costing more than £1,000 are capitalised at cost. Assets under construction for social housing are not depreciated until brought into operational use.

Depreciation of fixed assets is charged by equal instalments commencing with the date of acquisition at rates estimated to write off their cost or valuation less any residual value over the expected useful lives which are as follows:

Freehold land	not depreciated
Freehold buildings – Social housing	
Main Fabric	100 years
Roof & Covering	70 years
Electrics	40 years
Windows & External Doors	30 years
Bathroom & WC	30 years
Mechanical Systems	30 years
Lift	28 years
Kitchen	20 years
Freehold buildings – Investment properties	not depreciated
Leasehold property	over period of lease
Furniture and equipment	over 2 to 6 years
Motor vehicles	over 3 years

2. Principal accounting policies (continued)

Operating Leases

All leases are operating leases and the annual rental costs are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Financial Instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102, in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument, and are offset only when the Charity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Liabilities – Lease Buyback

The Directors have considered the buy-back obligation contained within property leases granted by the Charity and concluded that it meets the definition of a financial liability under FRS102. As such it has been presented with creditors: amounts falling due within one year to reflect the on-demand feature contained within the contractual arrangement.

Financial Assets – Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Rent debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a rent debtor constitutes a financing transaction, the debtor is initially and subsequently measured at present value of future payments discounted at a market value rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Comprehensive Income for the excess of the carrying value of the rent debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Comprehensive Income.

Financial Liabilities - Trade Creditors (including amounts due to contractors)

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled. Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at the market rate of interest for a similar instrument.

Financial Liabilities - Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Provisions

The Group recognises provisions where it has an obligation at the reporting date as a result of a past event, which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and financing costs.

Critical Accounting Estimates and Areas of Judgement

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Defined benefit pension assumptions

The discount rate and inflation rate are considered to be key estimates in calculating the defined benefit liability and sensitivities have been disclosed within Note 22.

2. Principal accounting policies (continued)

Critical Area of Judgement

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Charity as lessee, or to the lessee, where the Charity is the lessor.

The granting of property leases is treated as financial instruments (under FRS102) as there is a contractual legal obligation within our leases for buyback: this clause is classified as repayable upon demand which meets the definition of these being financial instruments. As the terms of the lease require repayment upon demand, the buyback liability is necessarily reflected within creditors under 1 year. In practice, our experience of lease surrenders is that this pattern of buybacks does not materialise, nonetheless we are obligated to adhere to accounting standards and as such, as a financial instrument repayable on demand these are required to be classified in creditors under 1 year. In practice we actively build waiting lists and operationally seek to match surrenders with a corresponding re-grant of a subsequent property lease in order to manage our cashflow.

The risk and reward of price movement in the intervening period on Investment Properties remain solely with the Charity. Consequently, granting of property leases is not treated as a sale on the basis that most of the risks and rewards of ownership are judged not to have been transferred to the lessee. Properties developed and let under a long lease are not held for social housing purposes, no Social Housing Grant has been received towards their construction and no restrictions exists to their allocation other than Charity policies. They are leased through an upfront payment, equivalent in value to a commercial outright purchase. The Trust has the obligation to "repurchase" the property when the lease is terminated. The purpose of this is two-fold: it ensures that the Village residency mix is maintained, with the Charity being able to select new occupants to maintain a vibrant community, and it also sustains the Trust's longer-term financial stability, by benefitting from property price inflation over time. Additionally, no rent is charged, but a deduction of 1% of the upfront payment is made from the buyback payment, to a maximum of 10%. This is below the commercial rent charged for such a property.

At the end of any lease the Trust could take the decision to lease the property under different terms, including removing the obligation to repurchase. It would be at this point that any capital appreciation would be realised as a capital gain. Such choice is within the powers of Trustees to make at a time when priorities may suggest it would better support the Charity's activities.

On the basis of these considerations the leased properties are treated as investment properties for capital appreciation.

Investment properties are valued annually at their fair value. This calculation is based on the lease price achieved for a property, or on the average price of a similar archetype (location, property size, and other design specifications). Each investment property is measured based upon active secured prices. There has been no valuation by an independent valuer. It is considered the volume of lease transactions in the period gives a sufficient dataset to provide a meaningful basis of fair value.

Investment properties that are under construction at the period end are held as assets under construction and are shown at their historic cost value. There is no readily available market data for an incomplete apartment in an incomplete retirement village, and valuations provided by surveyors for lending and payment purposes measure the cost of works complete at the survey date. Such assets are therefore shown as classified as property, plant and equipment.

The Charity considers individual schemes to be separate Cash Generating Units (CGU's) when assessing for impairment of housing properties held for letting, in accordance with the requirements of FRS 102 and the Housing SORP 2014.
The granting of property leases is treated as financial instruments (under FRS102) as there is a contractual legal obligation within our leases for buyback: this clause is classified as repayable upon demand which meets the definition of these being financial instruments. As the terms of the lease require repayment upon demand, the buyback liability is necessarily reflected within creditors under 1 year. In practice, our experience of lease surrenders is that this pattern of buybacks does not materialise, nonetheless we are obligated to adhere to accounting standards and as such, as a financial instrument repayable on demand these are required to be classified in creditors under 1 year. In practice we actively build waiting lists and operationally seek to match surrenders with a corresponding re-grant of a subsequent property lease in order to manage our cashflow. Further information on the pattern of surrenders is included in Note 16.

Provisions

Provisions are only recognised where the Charity has an obligation to incur future expenditure as a result of a past event. The provision is recognised as a liability in the Statement of Financial Position.

3. Operating income, operating costs and operating surplus - Group

	2021			2020		
	Turnover £'000	Operating Costs £'000	Operating Surplus / (Deficit) £'000	Turnover £'000	Operating Costs £'000	Operating Surplus / (Deficit) £'000
Social housing lettings (Note 4)	7,796	(5,729)	2,067	7,511	(5,634)	1,877
Other social housing activities:						
Development services	-	(974)	(974)	-	(1,088)	(1,088)
Housing related support contract income	-	(2)	(2)	56	(2)	54
Management services	948	(526)	422	909	(660)	249
Other social housing activities	948	(1,502)	(554)	965	(1,750)	(785)
Non social housing lettings						
Residential property income	14,425	(11,086)	3,339	14,066	(11,053)	3,013
Other rent	310	(90)	220	357	(115)	242
Non Social Housing lettings	14,735	(11,176)	3,559	14,423	(11,168)	3,255
Other non Social housing activities						
Development services	-	(1,979)	(1,979)	-	(2,210)	(2,210)
Care and health services	10,233	(14,578)	(4,345)	10,448	(13,920)	(3,472)
Community services	2,000	(2,442)	(442)	1,944	(2,767)	(823)
Other	3,005	(4,648)	(1,643)	4,182	(5,898)	(1,716)
Retail	2,331	(2,370)	(39)	3,242	(2,968)	274
Donations	630	(397)	233	1,455	(1,169)	286
Other non social housing activities	18,199	(26,414)	(8,215)	21,271	(28,932)	(7,661)
Total	41,678	(44,821)	(3,143)	44,170	(47,484)	(3,314)

In addition to the income and costs of providing care to our residents, "Care and Health Services" includes the income and costs relating to the Enriched Opportunities Programme. "Community Services" represents income and costs of activities provided for our residents and "Other" includes the income and costs of services such as restaurants and gym facilities at our retirement schemes and villages.

4. Income and expenditure from social housing lettings - Group

	2021 Supported Housing and Housing for Older People £'000	2020 Supported Housing and Housing for Older People £'000
Rent receivable and maintenance charge net of identifiable service charges	3,988	3,528
Service charge income	2,742	2,665
Amenity income	664	753
Housing related support	-	171
Amortised government grant	402	394
Turnover from Social Housing Lettings	**7,796**	**7,511**
Management	2,335	2,166
Service charge costs	1,562	1,650
Routine maintenance	368	404
Planned maintenance	231	565
Depreciation of housing properties	1,233	849
Operating Costs on Social Housing Lettings	**5,729**	**5,634**
Operating Surplus on Social Housing Lettings	**2,067**	**1,877**
Void losses	482	167

5. Interest and financing costs - Group

	2021 £'000	2020 £'000
Bank loans	4,065	3,985
Other loans	2,013	1,893
Defined benefit pension charge	98	277
Interest payable capitalised on housing properties under construction	(1,616)	(1,981)
	4,560	4,174

Interest has been incurred as part of funding major capital projects and has been capitalised into assets under construction. Interest was capitalised at a rate of 3.86% (2020: 4.01%).

6. Board members and executive directors - Group and Charity

Members of the Board of Management are the directors and trustees of the Charity, and act in an unpaid capacity. A total of £1,212 was reimbursed to Board members for travel expenses (2020: £3,255) in respect of one trustee who claimed expenses (2020: Eleven).
For the purposes of this note, Directors are defined as directors and the key management personnel of the Charity. Expenses paid to the senior management team in the year totalled £762 (2020: £2,777).

	2021 £'000	2020 £'000
Aggregate Emoluments payable to Directors (including pension contributions and benefits in kind)	826	778
Emoluments (including benefits, but excluding pension contributions) payable to the Chief Executive who was also the highest paid Director	233	215

The Chief Executive is a member of the defined contribution scheme. No enhanced or special terms apply to this or any other pension arrangement.
Pension contributions for the year ending 31 March 2021 were £9,033 (2020: £4,005).
There are no directors in the defined benefit pension scheme, and two in the defined contribution scheme.

7. Employee Information - Group and Charity

	Group		Charity	
	2021 Number	2020 Number	2021 Number	2020 Number
Average number of employees				
Executive directors	5	5	5	5
Care services	1,041	1,045	1,041	1,045
Administration, fundraising and publicity	247	257	139	147
	1,293	1,307	1,185	1,197
Full time equivalents				
Executive directors	5	5	5	5
Care services	633	625	633	625
Administration, fundraising and publicity	206	222	126	138
	844	852	764	768

Full Time Equivalents are calculated using total monthly hours worked compared with contracted hours.

Staff Costs (For the above persons)

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Wages & Salaries	24,494	24,466	22,823	22,603
Social Security Costs	1,903	1,911	1,802	1,776
Other Pension Costs	803	868	745	807
	27,200	27,245	25,370	25,186

The Group has been in receipt of Job Retention Scheme funds for the value of £956K in relation to staff employed in Charity Shops, Gyms, Restaurants and activities related to the negotiations and allocation of property leases. The figures in this note report the gross value of staff costs.

7. Employee Information - Group and Charity

The pension cost charge represents contributions payable to the pension fund, and are analysed below.

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Defined benefit schemes	52	111	52	111
Defined contribution schemes	751	757	693	696
	803	868	745	807

Details of the Group's pension schemes are detailed in Notes 22, 23 and 24.

Salary banding for all employees (excluding directors) earning over £60,000 (including salaries, performance related pay, payments in lieu of pension, benefits in kind and compensation for loss of office but excluding contributions to company pension funds):

Salary Range	2021 Number	2020 Number
£200,001 to £210,000	1	-
£190,001 to £200,000	-	1
£130,001 to £140,000	2	2
£120,001 to £130,000	1	1
£110,001 to £120,000	1	-
£100,001 to £110,000	-	1
£90,001 to £100,000	2	4
£80,001 to £90,000	3	5
£70,001 to £80,000	5	4
£60,001 to £70,000	9	9
	24	27

Pension contributions in respect of the above employees totalled £68,163 (2020: £69,028).
No higher paid employees are accruing benefits under the defined benefit pension scheme (2020: Nil).

Twenty of the twenty four higher paid employees are accruing benefits under the defined contribution scheme (2020: Twenty-two).

8. Operating deficit - Group

	2021 £'000	2020 £'000
The operating deficit is arrived at after charging/(crediting):		
Trustee indemnity insurance	9	9
External auditor's remuneration:		
In respect of the audit of the Charity's Financial Statements	60	49
In respect of other services:		
The audit of the charity's subsidiary Financial Statements	10	7
Taxation services	56	44
Audit-related assurance services	18	17
Other services	3	23
Operating leases		
Rent payable on buildings	1,192	1,264
Other	5	5
Depreciation of owned tangible fixed assets	3,582	3,401
Amortisation of intangible fixed assets	78	103
Amortisation of deferred Social Housing Grant	(465)	(457)

Amortisation of grants is split between management service (note 3) and amortised government grants (note 4).

9. Intangible assets - Group and Charity

	£'000
Cost:	
At 1 April 2020	1,099
Additions	36
At 31 March 2021	1,135
Depreciation:	
At 1 April 2020	974
Charged in the year	78
At 31 March 2021	1,052
Net Book Value	
At 31 March 2021	83
At 31 March 2020	125

Intangible Assets represent investment in software.

10. Fixed Assets - Housing Properties - Group and Charity

	Housing properties held for lettings £'000	Housing properties under construction £'000	Leasehold land and buildings £'000	Total £'000
Cost:				
At 1 April 2020	124,765	59,652	417	184,834
Additions	21	12,530	-	12,551
Schemes completed	15,945	(71,662)	-	(55,717)
Disposals	(3)	-	-	(3)
Change of tenure	(7,332)	-	-	(7,332)
At 31 March 2021	133,396	520	417	134,333
Depreciation:				
At 1 April 2020	11,372	-	77	11,449
Depreciation charged in the year	1,955	-	4	1,959
Eliminated on disposal	(3)	-	-	(3)
At 31 March 2021	13,324	-	81	13,405
Net Book Value				
At 31 March 2021	120,072	520	336	120,928
At 31 March 2020	113,393	59,652	340	173,385

	2021 £'000	2020 £'000
Expenditure on works to existing properties		
Components capitalised/improvements	21	19
Amounts charged to the statement of comprehensive income	599	969
	620	988
Finance Costs		
Aggregate amount of finance costs included in the cost of housing properties	4,022	3,385
Aggregate amount of finance costs included in the cost of properties under construction	-	1,959
	4,022	5,344

Impairment

The Charity considers individual schemes to be separate Cash Generating Units (CGU's) when assessing for impairment of housing properties held for letting, in accordance with the requirements of FRS 102 and the Housing SORP 2014.

During the current year the Charity has identified no impairment losses.

11. Fixed Assets - Investment properties - Group and Charity

	Investment properties £'000
Fair Value:	
At 1 April 2020	650,603
Schemes completed	54,786
Change of tenure	7,332
Movement in fair value	31,729
At 31 March 2021	744,450

Historic Cost

	2021 £'000	2020 £'000
Investment properties measured under the historic cost convention	397,670	335,552

Included within the above is £12,862K of capitalised interest (2020: £9,924K).

12. Other Tangible Fixed Assets - Group and Charity

	Furniture and Other Equipment £'000
Cost:	
At 1 April 2020	10,548
Additions	896
Transfer from housing properties under construction	931
Disposals	(240)
At 31 March 2021	12,135
Depreciation:	
At 1 April 2020	5,352
Charged in the year	1,623
Released on disposal	(240)
At 31 March 2021	6,735
Net Book Value	
At 31 March 2021	5,400
At 31 March 2020	5,196

13.Fixed Asset Investments - Group and Charity

	2021 £	2020 £
Investment in group companies	2	2

The parent company holds the whole of the equity share capital of the following group companies:

Name of subsidiary undertaking	Country of incorporation	Class of share	Nature of business
ExtraCare Retail Limited	England	Ordinary	Charity retail operation
Extracare Nominee 1 Limited	England	Ordinary	Dormant
Extracare Nominee 2 Limited	England	Ordinary	Dormant

All subsidiaries are registered at 7 Harry Weston Road, Binley Business Park, Coventry, CV3 2SN.

14. Stocks - Group and Charity

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Goods for resale	138	132	-	-

15. Debtors

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Rent and service charges receivable	2,435	2,447	2,435	2,447
Less: provision for bad and doubtful debts	(495)	(484)	(495)	(484)
Net rent arrears	**1,940**	**1,963**	**1,940**	**1,963**
Valued Added Tax	126	163	126	163
Amount owed by subsidiary undertaking	-	-	381	310
Prepayments and accrued income	1,240	1,081	961	803
Variable Service Charges	20	100	20	100
Other debtors	6	71	3	3
	3,332	3,378	3,431	3,342

The amounts due from the subsidiary undertaking are unsecured, have no formal repayment terms and are interest free; the amounts are part of an ongoing trading account.

16. Creditors: Amounts falling due within one year

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Loans (note 18)	1,086	776	1,086	776
Trade creditors	600	651	599	646
Amounts due to contractors for certified work	1,752	4,860	1,752	4,860
Rent and Charges received in advance	582	510	582	510
Other taxation and social security costs	436	479	436	470
Corporation Tax	-	45	-	-
Deferred capital grant (note 20)	487	462	487	462
Accruals and deferred income	6,246	6,349	6,153	6,244
Lease buyback liability	423,664	387,609	423,664	387,609
Variable service charge creditor	1,734	1,666	1,734	1,666
	436,587	403,407	436,493	403,243

17. Creditors: Amounts falling due after more than one year - Group and Charity

	2021 £'000	2020 £'000
Loans (note 18)	121,902	137,884
Deferred income (note 19)	144	197
Deferred capital grant (note 20)	44,583	44,433
	166,629	182,514

18. Loan Analysis - Group and Charity

	2021 £'000	2020 £'000
Due within one year		
Bank loans	1,086	776
Due after more than one year		
Other loans	57,500	42,500
Bank loans	65,383	96,469
	122,883	**138,969**
Less: Issue Costs	(981)	(1,085)
	121,902	137,884

Security

The loan facilities are secured by legal charges on freehold and leasehold properties. Loans are secured on the properties within freehold land and buildings and the buildings within development.
At 31 March 2021 there are no unencumbered completed units.

Terms of repayment and interest rates

Bank and other loans are repayable in instalments, at rates of interest between 3.25% and 5.9% per annum (2020: 2.3% and 5.9% per annum).
The final instalments fall to be repaid between 2026 and 2040.
The Charity has fixed interest rates to guard against future rate movements - these are embedded within the loans and do not have a separate fair value.
Caps have been purchased in year against interest risk on loans and have been valued at £Nil. (2020: £Nil).

Based on the lender's earliest repayment date, borrowings are repayable as follows:

	2021 £'000	2020 £'000
Within one year or on demand	1,086	776
One year or more but less than two years	776	31,086
Two years or more but less than five years	3,258	2,948
Five years or more	118,849	104,935
	123,969	139,745

As at 31 March 2021 the Charity has undrawn loan facilities of £35.0M (2020: £30.0M).

19. Deferred income - Group and Charity

Deferred income will be credited to the Consolidated Statement of Comprehensive Income:

	2021 £'000	2020 £'000
Within one year	71	126
Between one and two years	70	79
Between two and five years	74	118
	215	323

	2021 £'000	2020 £'000
Lease premiums receivable, credited to the Consolidated Statement of Comprehensive Income over the period of the lease (up to twenty five years)	85	113
Other Care income	2	46
Care for Life income, amortised over life expectancy of plan holder	128	164
	215	323

Deferred income relates to lease premiums receivable £85K (2020: £113K) which will be released over the periods of the lease (up to twenty five years) and income relating to Care for Life £127K (2020: £164K) which will be released to income over the assumed life expectancy of the resident who has taken out the plan.

20. Deferred Capital Grant Income - Group and Charity

	2021 £'000	2020 £'000
Balance at 1 April	44,895	44,708
Received in the year	640	644
Released to income in the year	(465)	(457)
Balance at 31 March	45,070	44,895

	2021 £'000	2020 £'000
Amounts to be released within one year	487	462
Amounts to be released in more than one year	44,583	44,433
	45,070	44,895

The total of capital grants received at 31 March 2021 was £48,730K (2020: £48,090K).

21. Restricted reserves - Group and Charity

The incoming funds of the Charity include restricted funds comprising the following balances of donations and grants held on trust for specific purposes, including existing and future schemes and villages.

	At 1 April 2019 £'000	Income £'000	Expenditure £'000	At 31 March 2020 £'000	Income £'000	Expenditure £'000	At 31 March 2021 £'000
Fixed assets							
Hagley Road, Birmingham	1	-	-	1	-	-	1
Humber Court, Coventry	208	-	(3)	205	-	(3)	202
Lark Hill Village, Nottingham	2,893	-	(32)	2,861	-	(32)	2,829
New Oscott Village, Birmingham	1,204	-	(13)	1,191	-	(13)	1,178
Lovat Fields Village, Milton Keynes	945	-	(11)	934	-	(10)	924
Shenley Wood Village, Milton Keynes	169	-	(2)	167	-	(1)	166
Pannel Croft Village, Birmingham	529	-	(5)	524	-	(6)	518
St Oswalds Village, Gloucester	2	-	(1)	1	-	-	1
Rosewood Court, Wellingborough	235	-	(3)	232	-	(3)	229
Sunley Court, Kettering	227	-	(3)	224	-	(3)	221
Yates Court, Evesham	111	-	(1)	110	-	(1)	109
	6,524	-	(74)	6,450	-	(72)	6,378
Special projects and other funds							
Other miscellaneous funds	4	17	(2)	19	75	(10)	84
Other scheme restricted funds	143	31	(37)	137	20	(17)	140
	147	48	(39)	156	95	(27)	224
Total funds	6,671	48	(113)	6,606	95	(99)	6,602

Fixed assets
These funds resulted from specific appeals to fund the development of fixed assets. Expenditure represents depreciation on the assets.

Special projects and other funds
Most of these funds have been given to finance specific projects to improve the quality of life for older people.

22. Retirement benefits - Group and Charity

Social Housing Pension Scheme (SHPS)

The Charity participates in the Social Housing Pension Scheme ('the scheme'), a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.
The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.
The last triennial valuation of the scheme for funding purposes was carried out at at 30 September 2017. This valuation revealed a deficit of £1,522M. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.
The scheme is classified as a 'last-man standing arrangement'. Therefore the Charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.
For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the Charity to account for the Scheme as a defined benefit scheme.
For accounting purposes, an actuarial valuation of the scheme was carried out as at 30 September 2020 to inform the liabilities for accounting year ends from 31 March 2021 to 28 February 2022 inclusive. The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

Key results
The estimated position at 31 March 2021 shows a deficit of £9,203K (2020: £4,759K).
The number of scheme members employed by the Group at 31 March 2021 was 17 (2020: 26). The charge to the Group for the year was £52K (2020: £111K).

Calculation method
The figures at 31 March are based on projecting forward the results of the last actuarial valuation of the Fund as at 30 September 2017.

Key assumptions

	2021 £'000	2020 £'000
Discount Rate	2.15%	2.38%
Inflation (RPI)	3.29%	2.63%
Inflation (CPI)	2.86%	1.63%
Salary Growth	3.86%	2.63%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2021	21.6
Female retiring in 2021	23.5
Male retiring in 2041	22.9
Female retiring in 2041	25.1

22. Retirement benefits (continued) - Group and Charity

Defined benefit costs recognised in Statement of Comprehensive Income

	2021 £'000
Current service cost	52
Expenses	43
Net interest expense	97
	192

Defined benefit costs recognised in Other Comprehensive Income

	2021 £'000
Experience on plan assets (excluding amounts included in net interest cost) - gain	2,804
Experience gains and losses arising on the plan liabilities - gain	993
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - loss	(191)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - loss	(9,255)
Total actuarial gains	(5,649)

Present values of defined benefit obligation, fair value of assets and defined benefit liability

	2021 £'000	2020 £'000
Fair value of plan assets	42,083	38,300
Present value of defined benefit obligation	(51,286)	(43,059)
Defined benefit liability to be recognised	(9,203)	(4,759)

Reconciliation of opening and closing balances of the defined benefit obligation

	2021 £'000
Defined benefit obligation at start of period	43,059
Current service cost	52
Expenses	43
Interest expense	1,009
Contributions by members	122
Actuarial gains due to scheme experience	(993)
Actuarial losses due to changes in demographic assumptions	191
Actuarial losses due to changes in financial assumptions	9,255
Benefits paid and expenses	(1,452)
Defined benefit obligation at end of period	51,286

22. Retirement benefits (continued) - Group and Charity

Reconciliation of opening and closing balances of the fair value of plan assets

	2021 £'000
Fair value of plan assets at start of period	38,300
Interest income	912
Experience on plan assets (excluding amounts included in interest income)	2,804
Employer contributions	1,397
Contributions by members	122
Benefits paid	(1,452)
Fair value of plan assets at end of period	42,083

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2021 was £3,716K.

The analysis of the scheme assets at the reporting date were as follows:

Assets

	2021 £'000	2020 £'000
Global Equity	6,707	5,602
Absolute Return	2,323	1,997
Distressed Opportunities	1,215	738
Credit Relative Value	1,324	1,050
Alternative Risk Premia	1,585	2,678
Fund of Hedge Funds	5	22
Emerging Markets Debt	1,699	1,160
Risk Sharing	1,532	1,293
Insurance-Linked Securities	1,011	1,176
Property	874	844
Infrastructure	2,806	2,850
Private Debt	1,004	772
Opportunistic Illiquid credit	1,070	927
High Yield	1,260	-
Opportunistic Credit	1,154	-
Corporate Bond Fund	2,486	2,184
Liquid credit	502	16
Long Lease Property	825	663
Secured Income	1,750	1,453
Liability Driven Investment	10,695	12,711
Net Current Assets	256	164
Total assets	42,083	38,300

Analysis of the sensitivity to the principal assumptions of the present value of the defined benefit obligation

	Change in assumption	Change in liabilities £'000
Discount rate	Increase of 0.1% p.a.	(934)
Rate of inflation (CPI)	Increase of 0.1% p.a.	537
Rate of salary growth	Increase of 0.1% p.a.	10

The sensitivities shown above are approximate. Each sensitivity considers one change in isolation. The inflation sensitivity includes the impact of changes to the assumptions for revaluation, pension increases and salary growth where appropriate.

23. Other provisions - Group and Charity

	2021 £'000	2020 £'000
The Pensions Trust's Growth Plan	42	50
SHPS obligation at 31 March	42	50

The Pensions Trust's Growth Plan

The Charity participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the Charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9M, liabilities of £926.4M and a deficit of £131.5M. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

£11.2M per annum	From 1 April 2019 to 31 January 2025: (payable monthly and increasing by 3.0% each year on 1st April)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4M, liabilities of £969.9M and a deficit of £176.5M. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

£12.9M per annum	From 1 April 2016 to 31 March 2025: (payable monthly and increasing by 3.0% each year on 1st April)
£0.05M per annum	From 1 April 2016 to 31 September 2028: (payable monthly and increasing by 3.0% each year on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and the Charity has agreed to a deficit funding arrangement it recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

23. Other provisions (continued) - Group and Charity

Present values of provision

	2021 £'000	2020 £'000	2019 £'000
Present value of provision	42	50	61

Reconciliation of opening and closing provisions

	2021 £'000	2020 £'000
Provision at start of period	50	61
Unwinding of the discount factor (interest expense)	1	-
Deficit contribution paid	(10)	(10)
Remeasurements - impact of any change in assumptions	1	(1)
Provision at end of period	42	50

Income and expenditure impact

	2021 £'000	2020 £'000
Interest expense	1	-
Remeasurements – impact of any change in assumptions	1	(1)
Costs recognised in income and expenditure account	2	(1)

Assumptions

	31-Mar-21 % per annum	31-Mar-20 % per annum	31-Mar-19 % per annum
Rate of discount	0.66	2.53	1.39

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

24. Defined contribution pension scheme - Group and Charity

The Charity also utilises the Pension Trust Flexible Retirement Plan (FRP). The FRP is a defined contribution scheme.

The estimated employer's contributions payable under all pension schemes for the year ended 31 March 2022 is £748K (2021: £784K).

Pension costs within creditors for the year ending 31 March 2021 are £276K (2020: £274K).

25. Capital commitments - Group and Charity

	2021 £'000	2020 £'000
Capital expenditure that has been contracted for but has not been provided for in these financial statements	-	6,744
Capital expenditure that has been authorised by the Board but has not yet been contracted for	-	-

Existing loan facilities are in place to meet these commitments where they have been contracted. In addition, grants are receivable in respect of properties under construction as detailed in note 28.

26. Financial commitments - Group and Charity

The future minimum lease payments of non-cancellable leases are as set out below:

	2021 Land & Buildings £'000	2021 Other £'000	2020 Land & Buildings £'000	2020 Other £'000
Contracts expiring				
Within one year	1,030	28	1,164	5
Between one and 5 years	2,492	71	2,764	4
Over five years	3,695	-	4,114	-
	7,217	**99**	**8,042**	**9**

27. Taxation

The Trust is registered as a charity and its charitable activities are not liable to Corporation Tax.
The subsidiary of the Trust, Extracare Retail Limited, is subject to Corporation Tax. In this financial year no tax liability has been incurred. The charge incurred in the previous year relates to shop lease termination costs, expensed in year, which for tax purpose are considered of a capital nature. Such costs are not a regular occurrence and none were reported in 2020/21.

28. Contingent assets

The Charity will receives pledges to fund new village developments. These pledges are contingent on various key events occurring during the village development phases. Funds are received in stages. Hence both received and receivable funds are recognised as contingent assets until such time that the conditions are met.
In 2021 conditions were met and final stage payments were received, therefore there were no longer any contingent assets to report.

At 31 March 2021 there were contingent assets from grant allocations as follows:

	Total grant pledged	Received in year	Contingent asset	
			2021	2020
	£'000	£'000	£'000	£'000
Solihull, West Midlands	2,561	640	-	1,921
	2,561	**640**	**-**	**1,921**

29. Contingent liabilities and other commitments

At 31 March 2021, there are no outstanding claims against the Group or Charity.

30. Related party transactions

The Group has taken advantage of the exemption conferred by paragraph 33.IA of FRS102, Related Party Disclosures, from the requirement to disclose transactions with its wholly owned subsidiary (ExtraCare Retail Limited). The aggregate total of these costs recharged is £1,542K (2020: £3,474K).

The Charity has not entered into any transactions or other arrangement with any related parties.

31. Subsidiary undertakings - Charity

As shown in note 12, the Charity has three wholly owned subsidaries which are incorporated in the United Kingdom:

- ExtraCare Retail Limited
- Extracare Nominee 1 Limited
- Extracare Nominee 2 Limited

Extracare Nominee 1 Limited and Extracare Nominee 2 Limited did not trade during the year, or in the prior year.

All companies have entered into Gift Aid arrangements to donate their taxable profits to The ExtraCare Charitable Trust.

A summary of the results of ExtraCare Retail Limited is shown below. Audited accounts will be filed with the registrar of Companies in line with requirements.

Within the Group accounts, the activity from ExtraCare Retail Limited is shown within Other Non Social Housing Activities (note 3).

	2021 £'000	2020 £'000
Turnover	2,331	3,242
Cost of sales	(192)	(414)
Staff costs	(1,260)	(2,059)
Other costs	(1,321)	(1,531)
Other operating income	403	1,036
Net profit	(39)	274
Taxation	-	(45)
Retained in subsidiary	(39)	229
Current assets	398	490
Current liabilities	(437)	(244)
Retained in subsidiary	(39)	246

The Charity received Gift Aid and related income from retail activity totalling £246K in the year ended 31 March 2021 (2020: £153K).

32. Reconciliation of operating surplus to net cash inflow from operating activities

	2021 £'000	2020 £'000
Surplus for the year	24,032	40,371
Interest payable	4,560	4,174
Interest receivable	(6)	(18)
Operating surplus for the year	28,586	44,527
Adjustments for non-cash items:		
Change in fair value of investment properties	(31,729)	(47,886)
Release of Buyback liability	(3,129)	(3,412)
Depreciation of tangible fixed assets	3,582	3,401
Amortisation of intangible assets	78	103
Amortisation of deferred capital grants	(465)	(457)
Amortisation of finance costs	104	107
Defined benefit pension schemes	(1,310)	(1,227)
Operating cash flows before movements in working capital	(4,283)	(4,844)
Movements in working capital		
Increase in stock	(6)	(12)
Decrease in rental and other debtors	46	539
(Decrease)/Increase in trade and other creditors	(528)	(1,306)
Net cash generated/(used) from operating activities	(4,771)	(5,623)

Analysis of changes in net debt	At 1 April 2020 £'000	Cash flows £'000	New finance leases £'000	Other non cash £'000	At 31 March 2021 £'000
Cash and cash equivalents	5,202	(1,398)	-	-	3,804
Bank loans due in less than 1 year	(776)	-	-	(310)	(1,086)
Bank loans due in more than 1 year	(95,384)	30,776	-	206	(64,402)
Other loans	(42,500)	(15,000)	-	-	(57,500)
Lease buyback liability	(387,609)	25,759	(64,943)	3,129	(423,664)
Total	(521,067)	40,137	(64,943)	3,025	(542,848)

33. Number of homes in management and development

	2021 Number	2020 Number
Social housing units		
Owned by the Charity	742	693
Managed on behalf of other organisations	288	288
Non-Social housing units		
Leased or part leased investment properties	2,611	2,338
Other		
Social housing properties managed under a partnership arrangement	430	431
Non-Social housing properties managed under a partnership arrangemrnt	167	167
	4,238	3,917
Homes in development at 31 March		
Supported housing	-	52
Leased or part leased investment properties	-	269
	-	321

34. Financial instruments

The carrying value of the Group and Charity's financial instruments at 31 March were:

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Financial assets				
Debt instruments measured at amortised cost				
Trade and other debtors	2,417	2,313	2,756	2,554
Cash	3,804	5,202	3,788	5,189
	6,221	7,515	6,544	7,743
Financial liabilities				
Measured at amortised cost				
Trade and other creditors	479,577	446,414	479,483	446,304
Loans	123,969	139,745	123,969	139,745
	603,546	586,159	603,452	586,049