

# Annual Report and Financial Statements For the Year ended 31 March 2025

[www.abbeyfieldliving.org.uk](http://www.abbeyfieldliving.org.uk)

Registered Charity: 200719 | Company No: 574816

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# ABOUT US

## Abbeyfield Living Society

Established in 1956, Abbeyfield Living Society (ALS) is a not-for-profit organisation providing housing, care and support to older people across England.

Rooted in the values of care, compassion and community, we create welcoming environments that help people stay connected in later life. Our wide range of services - including sheltered housing, care homes and independent living options - allows us to deliver person-centred services tailored to our residents' individual needs.

We are committed to helping our residents maintain a sense of independence and choice within safe, warm and stimulating communities where they can build relationships, stay active and live life to the fullest.

As a not-for-profit, we reinvest all surpluses back into enhancing our services and the lives of our residents.

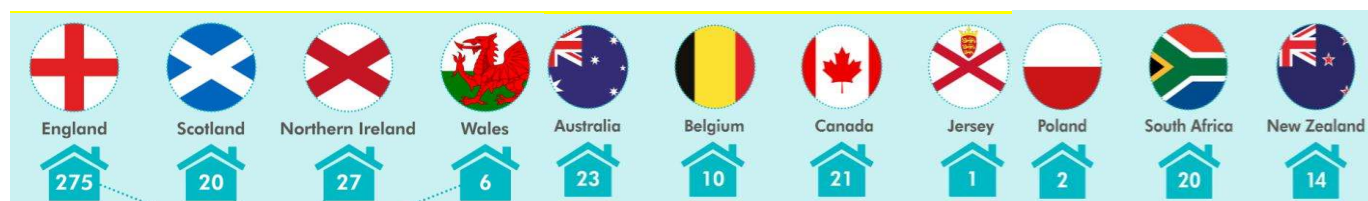
## The Abbeyfield Family

The Abbeyfield Family is a membership organisation that encompasses a network of independently governed member societies operating under the Abbeyfield brand, of which Abbeyfield Living Society is the largest. Each member society is managed by its own Board of Trustees and shares a common goal to support older people through housing, residential care and nursing services. Abbeyfield homes offer supportive environments for residents with a strong emphasis on community and independence.

Following a restructure in recent years, Abbeyfield Living Society is now a fully independent member society although continues to provide some support to the wider Abbeyfield Family

Today, the Abbeyfield network includes hundreds of homes across the United Kingdom, Australia, Belgium, Canada, Jersey, South Africa, Poland and New Zealand, delivering care, compassion and community to thousands of older people around the world.

The Abbeyfield Society World Council (TASWC) oversees the Family, with Abbeyfield England (AE) acting as an umbrella organisation for all English members including Abbeyfield Living Society.



## Our Charitable Objects

Our charitable objects are contained in our Memorandum and Articles of Association. These are:

- The relief and care of elderly persons of all classes, beliefs and nationalities suffering from the disabilities of old age or otherwise in need.
- The spreading of Christian principles to all human relationships and the application of humanitarian aims to promote the relief of the elderly.
- The provision of further education in the sphere of voluntary work, social work and similar activities so as to inculcate the principles of good citizenship.
- The provision and management of housing, accommodation or assistance, including providing and maintaining or assisting in, providing and maintaining houses and homes for the relief and care of elderly persons suffering from the disabilities of old age or otherwise being in need.
- Such other purposes recognised by English law as charitable as the Society shall determine from time to time.



# ABOUT US (continued)

## Our Services

Our service offerings include the provision of:

- Independent Living
- Sheltered Housing
- Residential Care Homes
- Dementia friendly Care Homes
- Extra Care services
- Nursing Home

Depending on individual levels of independence and care requirements, our homes are designed to meet a wide range of residents' needs. These range from homes ideal for active, self-reliant individuals to specialist settings that provide tailored support for residents living with dementia.

We offer a variety of financial options in Housing, including low-cost rental, low-cost home ownership, market rent and leasehold. We strive to ensure our homes are accessible and adaptable, taking into account both the current and future needs of the people we support.

## Our Vision, Mission & Values

Following a period of transformation, we launched a refreshed vision, mission and set of values as part of our five-year corporate plan - providing a clear, purposeful foundation for our future.

Our **vision** reflects a broader, community-focused ambition, rooted in the charitable legacy of our founder, Richard Carr-Gomm:

### Our Vision

A world where everyone thrives in later life within a caring compassionate community.

Our **mission** builds on our belief in the importance of home - creating safe, warm and welcoming spaces where connection and community can thrive:

### Our Mission

To provide great homes and inclusive communities where you can enjoy outstanding levels of service and support in later life provided by committed people.

To support this, we introduced a new set of **Values** - the principles that guide our actions, decision making and help shape our culture and behaviours.

### Our Values

- **Care** - we care for the people we support, for each other and for our communities.
- **Compassion** - we treat everyone with kindness, empathy, and respect, honouring their dignity, independence, and individuality.
- **Community** - we foster a sense of belonging, inclusion, and mutual support, creating environments where older people feel safe, connected, and empowered.
- **Integrity** - we are honest, transparent, and accountable in all our actions, doing what's right, even when it's not the easy option.
- **Excellence** - we are committed to being a high performing organisation, delivering exceptional services that add value, exceed expectations, and make a real difference.

Together, these define who we are and how we'll deliver meaningful, lasting impact. They underpin our strategic goals and ensure that people and communities remain at the heart of everything we do.

# OUR BOARD, COMMITTEES AND EXECUTIVE TEAM

**Board of Trustees**

Mike Turner  
George Ashworth  
Marc Marrero  
Roger Lees  
Sara Beamand  
David Carr  
Martin Cox  
Terri Pettifer-Eagles

The following were also Board members during part of the year covered by this Annual Report:  
Alison Beachim (until 12<sup>th</sup> March 2025)

|                                |  |                               |
|--------------------------------|--|-------------------------------|
| <b>Committees of the Board</b> | <b>Audit and Risk Committee</b>  | <b>Customer Committee</b>     |
|                                | David Carr (Chair)   | Sara Beamand (Chair)          |
|                                | Marc Marrero   | Martin Cox                    |
|                                | Dena Patel (Resigned 20 <sup>th</sup> August 2025)   | Terri Pettifer- Eagles        |
|                                | <b>Finance and Investment Committee</b>  | <b>People Committee</b>       |
|                                | Roger Lees (Chair)   | Terri Pettifer-Eagles (Chair) |
|                                | George Ashworth  | Mike Turner                   |
|                                | Martin Cox   | Sara Beamand                  |
| <hr/>                          |  |                               |
| <b>Executive Team</b>          | Paul Tennant OBE - Chief Executive Officer   |                               |
|                                | Gail Manley - Director of Corporate Services   |                               |
|                                | Jonathan Sweet - Director of Strategic Delivery and Company Secretary (Resigned 30 <sup>th</sup> May 2025) |                               |
|                                | Julie Freear – Director of Customer Operations   |                               |
|                                | Tom Nisbet – Director of Finance and IT  |                               |

# OUR PATRONS AND ADVISORS

|                     |  |  |
|---------------------|--|--|
| <b>Royal Patron</b> | His Majesty the King, King Charles III   |  |
| <b>Patrons</b>      | <p>The Rt. Hon Baroness Bottomley of Nettlestone</p> <p>Michael Brooks</p> <p>Dame Judi Dench DBE</p> <p>Aled Jones</p> <p>Ron Kenyon OBE</p> <p>The Duchess of Northumberland</p> <p>John Robinson CBE</p> <p>Patricia Routledge OBE</p> <p>Martin Shreeve OBE MBA DSW BSc (Econ)</p> <p>Michael Staff MBE</p> <p>Dame Gillian Wagner DBE PhD</p> <p>Professor Alan Walker DLitt FRSA</p> <p>The Rt. Rev &amp; Rt. Hon Baron Williams of Oystermouth</p> <p>The Carr-Gomm family (David Carr-Gomm, Adam Carr-Gomm, Harriet Carr-Gomm, Elizabeth Parker and Anna Newton)</p> |  |
| <b>Advisors</b>     | <p><b>External Auditors</b></p> <p>Azets Audit Services</p> <p>Fleet House</p> <p>New Road</p> <p>Lancaster, LA1 1EZ</p> <p><b>Internal Auditors</b></p> <p>Forvis Mazars</p> <p>30 Old Bailey,</p> <p>London, EC4M 7AU</p> <p><b>Bankers</b></p> <p>Barclays Bank Plc</p> <p>1 Churchill Place</p> <p>London E14 5HP</p>  | <p><b>Solicitors</b></p> <p>Anthony Collins LLP</p> <p>134 Edmund Street</p> <p>Birmingham B3 2ES</p>  |
| <b>Legal Status</b> | <p><b>Registers</b></p> <p>Registered company limited by guarantee with the Registrar of Companies, No 574816</p> <p>Registered with the Regulator of Social Housing, No H1046</p> <p>Registered with the Charity Commission, No. 200719</p> <p>Registered with the Care Quality Commission, No.1-102642859</p>  | <p><b>Registered Office</b></p> <p>17-19 Hampton Lane</p> <p>Solihull,</p> <p>B91 2QJ</p> <p>Telephone: 01727 857536</p> <p>Fax: 01727 846168</p> <p>Email: <a href="mailto:post@abbeyfield.com">post@abbeyfield.com</a></p> |

# REPORT OF OUR CHAIR



We have made significant strides in transforming Abbeyfield Living Society (ALS) to meet the challenges of a changing world and to lay the foundations for a brighter future.

The past year has been pivotal for ALS. Following several particularly challenging years, we have emerged with renewed purpose, a focused agenda and a proactive approach to meeting the evolving needs of our sector.

Like many care and housing providers, ALS continues to navigate a complex and unpredictable operating and regulatory environment. Rising costs across salaries and national insurance contributions, utilities and food supplies,

combined with capped rent increases and local authority funding shortfalls, continue to place considerable pressure on our finances. Workforce challenges remain a concern across the sector. Ongoing recruitment and retention difficulties have resulted in a higher reliance on costly agency staffing, while restrictive immigration policies have limited overseas recruitment options.

And yet, despite these pressures, ALS has demonstrated resilience, adaptability and a commitment to progress. Our revised organisational structure has provided a solid foundation for evolution and future growth. We have successfully delivered the majority of our sustainability programme, and property sales and internal restructures have significantly improved our financial position.

We are proud that all ALS care homes are now rated *Good* or *Outstanding* by the Care Quality Commission (CQC) - a clear testament to the professionalism, care and dedication of our teams. This recognition reflects our continued investment in systems, compliance and the people who make our services exceptional.

In Autumn 2024, ALS was delighted to be recognised by the Housing Ombudsman as one of only two organisations in England with no upheld complaints - an outstanding achievement that reinforces our commitment to service, accountability and resident satisfaction.

We are more customer-focused than ever, continually investing in and refining our services to better meet residents' needs. As part of our ongoing commitment to excellence, we have been working to meet the government's new regulatory consumer standards, ensuring all tenants have safe, well-maintained homes and consistently high-quality service. We also introduced our new 'Resident Commitment' - a charter developed in collaboration with our national Resident Panel, setting out the level of service our residents can expect. Listening to residents remains central to our work, and through regular roadshows and satisfaction surveys, we are ensuring their voices directly inform our priorities and actions.

We were also delighted to receive confirmation that His Majesty King Charles III will remain as our Royal Patron; a relationship that began in 1979 and continues to inspire pride throughout the Abbeyfield family.

I spoke in last year's Annual Report of challenges and opportunity. Looking ahead, ALS is entering an exciting new chapter. With a refreshed vision, mission and values, and the launch of our new five-year corporate plan and growth strategy, we are fully focused on improving the quality of our services, homes and resident experience. Our asset management strategy outlines a clear and sustainable path for investment over the next five years and beyond, placing the customer experience at the heart of everything we do.

Next year marks our 70th anniversary - a significant milestone and a chance to reflect on our history, celebrate our progress and look forward with confidence. Having delivered a major organisational turnaround over the past three years, addressing financial, strategic and operational challenges, ALS is now well-positioned for sustainable growth and to deliver lasting positive impact.

On behalf of the Board, I would like to extend my heartfelt thanks to our residents and their families, our staff, our partners and the communities we serve. Your trust, support and collaboration continue to inspire us and drive everything we do.



# CHIEF EXECUTIVE OFFICER REPORT



As the Chair's report demonstrates, 2024/25 was a pivotal delivery year for ALS. It was the culmination of three years of significant change in our structure, operations, finances and governance. We set out clear goals around improving financial sustainability, progressing our stock sales programme, supporting and developing our people, strengthening our systems and technology and, above all, continually improving the experience of our residents.

## Residents

Residents are at the heart of what we do. This year, I was pleased we were able to reinforce our commitment to them by introducing a dedicated Customer Relations team, focused on making it easier for residents to connect with us and enabling quicker, more effective responses to enquiries and concerns.

Our national Resident Panel continues to contribute to key decisions, including the selection of contractors for fire safety, repairs and maintenance. We will further strengthen resident involvement by introducing opportunities for residents to participate in the recruitment of frontline staff - bringing their perspective into every stage of service delivery.

The 2024 Resident Satisfaction Survey gave encouraging feedback and demonstrated the continued trust our residents place in us. We introduced a series of in-person Resident Roadshows to create meaningful opportunities to hear directly from residents, promote engagement and co-develop improvement plans based on what matters most to them. Following a successful pilot, the Resident Roadshow will be rolled out across the country to capture views from all of our residents.

I am excited that our presence within local communities is continuing to grow. This year's annual Abbeyfield Week celebrations welcomed the public into many of our homes to connect and celebrate with residents and staff. We also hosted a wide range of events, from *Don't Eat Alone* lunches and intergenerational playgroups to Dementia Awareness Days and regular community lunch clubs for people living with dementia and their carers. This is an area we are planning to develop further.

## Infrastructure

We are always keen to make ALS a better place to work and launched the Employee Experience Focus Group. This group has championed several initiatives promoting cultural awareness, enhancing wellbeing and creating easy ways for staff to share ideas. I was pleased to see our *Spend a Day in a Service* initiative was enabling support staff to volunteer in our homes, deepening their understanding of our impact and reinforcing the connection between their work and the lives of our residents.

We have continued to make significant improvements in our digitisation, systems and processes, notably, rolling out a new digital care service planning system in our care homes, introducing an upgraded warden call service and implementing a new electronic HR and payroll platform. These advancements, along with a broader investment in modernising our workplace technology, position us well for the future.

## Investment

Environmental sustainability has remained a priority. With an upgraded Environmental Management System in place, we continue to embed environmentally responsible practices across all areas of our work - from retrofitting properties and reducing emissions to responsible procurement and encouraging digital-first approaches. With 98% of our homes now at EPC 'C' or above, and continued reductions in energy use, we are on track to meet government targets of all homes reaching EPC 'C' by 2030 and achieving Net Zero by 2050.

# CHIEF EXECUTIVE OFFICER REPORT (continued)

Investment in existing homes remains a priority. We were pleased, working with Homes England, to invest £1.5 million of Recycled Capital Grant Funding to support key programmes including fire safety improvements, energy efficiency upgrades, digital telecare enhancements and modernisation of lift systems. These investments will help us protect and future-proof our homes for current and future residents.

## Championing the Voice of Older People

It concerns me that the voice of older people is often not heard in governmental planning, policy and investment discussions.

Following our recent sponsorship of the All-Party Parliamentary Group (APPG) Inquiry into 'The Regeneration of Outdated Sheltered Housing, ALS continues to champion the voice of older people at both national and local levels. As active members of the National Housing Federation, National Care Forum and Care England, and through our involvement in the Older Person's Housing Group, we are making sure the perspectives and needs of our residents are represented in key sector discussions. As part of the NHF *Starts at Home* campaign we welcomed MPs into our homes to showcase the impact of our work and highlight both sector-wide and Abbeyfield-specific challenges.

## Commitment

As a customer-facing organisation, I know our frontline colleagues go above and beyond every day to support residents, backed by our dedicated central teams who ensure the smooth operation of services behind the scenes. I would like to thank them for their dedication, commitment and demonstrable care and compassion to our residents every day.

As we look ahead, I believe our focus remains on delivering high-quality services to residents, communities and stakeholders that truly make a difference in people's lives. By continuing to invest in our homes and actively encouraging and responding to customer feedback, we will ensure warm, welcoming places for everyone who lives and engages with us.

# REPORT OF THE BOARD (INCORPORATING STRATEGIC REPORT)

The Board presents its report, which incorporates the Strategic Report as set out in company law, including the audited financial statements for the year ended 31 March 2025. Our aim is to strive to improve the quality of older peoples' lives by reducing the incidence of loneliness in later life. This means creating a caring and compassionate Abbeyfield community which provides warmth, support and wellbeing for all our residents. We believe that everyone, irrespective of their age, has a unique and invaluable contribution to make to the lives of others. By helping to create and grow communities which encourage people to remain happily together, we will deliver on that mission.

Our principal activities during the year were:

- The provision and development of accommodation, care and support services for older people and;
- The provision of support services to other member societies, including the provision of technical, operational and administrative advice on behalf of Abbeyfield England.

We offer four housing and or care options namely:

- **Independent Living:** designed for active, self-reliant individuals. It allows our residents to live completely self-sufficient with communal hubs to socialise and connect with their neighbours.
- **Sheltered Housing:** sometimes known as assisted or supported living, offers the benefits of independent living whilst remaining a part of a friendly and sociable shared home.
- **Residential Care Homes:** Our residential care homes are designed for those with personal care needs or requiring one-to-one support from a qualified carer. Our residents live with the security of on-site staff who are present 24 hours a day to provide care and support.
- **Dementia Friendly Care Homes:** Our dementia friendly care homes have been designed to help support residents living with dementia or other forms of memory loss. These homes offer the same high quality support one will find in our care homes with extra tailored support for those living with dementia.

Abbeyfield takes great pride in the food that we offer in our homes, from light meals to Sunday roasts, food is always at the heart of what we do and we see this as a perfect way to bring people together with additional events such as baking competitions and celebrating festivities.

The number of bed spaces within homes and associated assets owned and managed directly by ALS and, owned but managed on behalf of the association are:

|  | As At March<br>2025 | As at March<br>2024 |
|--|---------------------|---------------------|
| <b>Owned and managed directly</b>              |                     |                     |
| Affordable Rent                                | 114                 | 114                 |
| Housing for older people (Rental)              | 496                 | 898                 |
| Housing for older people (Shared Ownership)    | 5                   | 5                   |
| Care Homes (residential, nursing and dementia) | 491                 | 518                 |
| Market Rent                                    | 66                  | 76                  |
| Leasehold                                      | 97                  | 97                  |
| <b>Total directly managed</b>                  | <b>1,269</b>        | <b>1,708</b>        |
| <b>Owned but managed by others</b>             |                     |                     |
| Housing for older people (Rental)              | 75                  | 75                  |
| Housing for older people (Shared ownership)    | 15                  | 15                  |
| Housing for older people (Leasehold)           | 14                  | 15                  |
| Commercial                                     | 19                  | 19                  |
| Restaurants                                    | 3                   | 3                   |
| <b>Total managed on our behalf</b>             | <b>126</b>          | <b>127</b>          |
| <b>Total owned</b>                             | <b>1,395</b>        | <b>1,835</b>        |

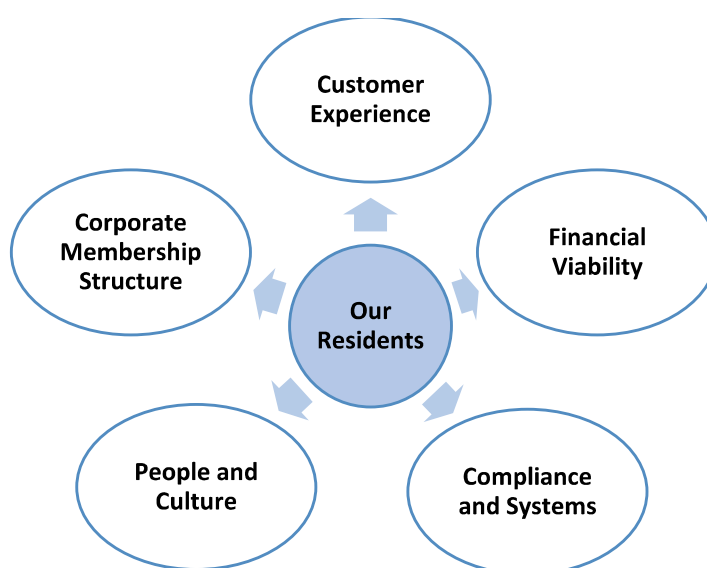
# REPORT OF THE BOARD (continued)

During the year the number of units owned and managed directly decreased by a net 441 beds. The movements in the year include the closure of a number of properties via our ongoing sustainability project. There was one leasehold bedspace reduction in the number of units owned and managed by others.

## Our Corporate Objectives 2024-25

This report and the financial statements correspond to the final year of our current strategic plan aimed at reshaping and right sizing the Society. Having analysed our operating environment and a number of pressing challenges faced by the Society, the strategic objectives for 2024-25 were again focused on stabilising the Society and positioning ourselves for the future, this continued to have a significant impact on our residents, services and finances. We also continued our delivery against a programme of improvements associated with processes, structures, planning, intelligence and business focus; all vital components of a transformation programme aimed at right sizing and shaping the Society as we go into the delivery of our 2025-2030 Corporate Strategy.

Throughout the year, we continued to work towards five Corporate Objectives agreed by the Board, as set out below.



Placing our residents at the heart of all we do, we set ourselves the following five Corporate Objectives:

- To improve our customers' experience
- To improve our financial viability and maximise resources
- To strengthen our regulatory compliance and invest in systems infrastructure
- To enhance our culture and build the capacity and capability of our people
- To commence the restructuring plan of becoming a member organisation

To deliver on these Corporate Objectives, a number of detailed actions and milestones were set. Furthermore, the Corporate Objectives were developed into a Balanced Scorecard and are now measured and reported on a quarterly basis to the Board. The Corporate Objectives have also been broken down into meaningful departmental objectives and linked to staff objectives to ensure all staff members are connected to the business plan objectives.



# REPORT OF THE BOARD (continued)

## What We Achieved in the Year

The 2024-25 financial year has not been without its challenges. Although our financial performance lagged behind budget, some progress was made towards achieving our Corporate Objectives.

|                               |   |
|-------------------------------|---|
| <b>Customer Experience</b>    | The results from this year's Residents' Engagement survey showed that 90% of Housing residents who responded are satisfied with the service provided by Abbeyfield, while 93% of Care Home residents who responded are satisfied with the overall standard of the service. Furthermore, 90% of Housing and 93% of Care Home respondents believe our staff are friendly and approachable. We improved on our Care Home ratings with the Care Quality Commission.   |
| <b>Financial Viability</b>    | We continued to close and then dispose of our housing stock which was identified as being no longer sustainable. Our closure programme was completed in the year with our final resident moving out during January 2025, the disposal programme is progressing. However, our overall occupancy reduced from 92% to 89% on our retained accommodation during the period with occupancy in Housing at 91% and in Care at 88%. We also implemented a new organisation structure, identifying areas of both operational and financial efficiencies.   |
| <b>Compliance and Systems</b> | We maintained and continued to strengthen our Regulatory compliance including improvements in our reporting to and engagement with Regulators. We also continue to seek opportunities to further strengthen areas across internal control, evolving legislation and risk management and reporting of existing and evolving risks.   |
| <b>People and Culture</b>     | Over the year, we continued to deliver several key Human Resource and operational improvements to strengthen our workforce capability and support our strategic goals. We successfully launched our Human Resource & Payroll system, enhancing efficiency in workforce management and standardisation. We achieved high levels of training compliance and initiated an automated appraisal process, capturing valuable feedback ahead of the full roll out in the 2025 performance cycle. As part of our commitment to staff, we set up an Employee Experience Focus Group which looks at ways to help make the experience at work as positive as possible. |
| <b>Membership Structure</b>   | We successfully delivered a restructure which allowed the Society to become a member society of the newly created member-focused federation, Abbeyfield England. The Society continued to support Abbeyfield England during the year from 1 April 2024 to 31 March 2025 as it gained independence.  |

# REPORT OF THE BOARD (continued)

## The Year in Highlights

- Transitioned to a more customer-centric organisation with the introduction of our new Customer Services Team, enhancing resident experience and strengthening our resident engagement infrastructure.
- To embrace Consumer Standards as a key metric, we launched a self-assessment programme against the Standards seeking to highlight areas for improvement. We have aligned this with our new housing audits which help strengthen our internal quality control system including quality audits and housing triage.
- Continued to tackle workforce challenges, seeking ways to reduce staff turnover, agency usage and recruitment challenges.
- Made good progress towards implementing the Society's future target operating model, reducing overhead costs without compromising performance and quality. Despite significant restructures and a number of redundancies, staff engagement has remained positive.
- Continued to place resident safety first and rolled out a modern, digitised resident alarm call system.
- Continued our journey to transform technology with an improved infrastructure, better collaboration tools, enhanced cyber security and cost savings.
- Consciously deployed Recycled Capital Grant generated from housing accommodation disposals to support investment in existing homes. Our strategy to utilise all of the funds from the disposal programme will involve investment in existing and new homes.
- Made positive steps in environmental sustainability, with 98% of our homes now rated EPC C or above. We have strengthened environmental management systems and collaboration with residents which has contributed to further reductions in energy use across our portfolio.
- Quality and compliance remain key areas of focus, with all care homes now at Good or Outstanding.
- Our public affairs have been more visible in the year notably through our involvement in the All-Party Parliamentary Group report, the Housing Starts at Home Campaign run by the NHF. We are also active members of the NCF and Care England.
- We have captured many stories of our residents both internally and in the local press, and our social media engagement has given real colour to the year.

Although we have achieved a great deal in the year, there remains much more to do in the year ahead as we continue to strive to deliver excellent services to residents and seek to address the significant shortage of older persons housing.

# REPORT OF THE BOARD (continued)

## Strategic Focus 2025-2030

Much time and resource has been invested in driving a major business turnaround over the prior three years, addressing many strategic, financial and operational challenges. As we come out of the 2024-25 financial year, we are now looking forward to the financial periods aligned with the launch of our 2025-30 Corporate Strategy.

Our strategy is for 'sustainable growth'. As a provider of high-quality homes and services including housing, care and support to later living residents and communities. We will achieve this by:

- Continuing to improve our performance
- Investing in existing and new homes
- Broadening our service offer to residents and the communities we serve
- Developing our brand and fundraising offer
- Attracting volunteers
- Seeking to build effective strategic partnerships

Our Strategic Priorities are aimed at addressing the changing needs of our residents and regulators, targeting the resources and infrastructure required to deliver our plans between 2025-2030. Our key strategic deliverables will be measured and reported under the following headings:

### Great services

We aim to expand our reach as a provider of high-quality services to residents, communities and stakeholders that make a difference to people's lives. By investing in our homes and encouraging and responding to customer feedback we will ensure warm and welcoming places and spaces where we enrich the lives of all who live and engage with us.

### Financial resilience and a sustainable future

The strength of our finances is critical to the delivery of our plan and our ability to continue to provide high quality homes and services for our customers and to grow our provision in the future. A strong financial position is demonstrated through a good mix of revenue streams, well controlled expenditure, a strong balance sheet and strong cashflows, all of which will enable us to meet our future liabilities.

### An employer of choice

We rely on our colleagues to provide high quality services to our customers every day and deliver our mission. We aim to be an employer of choice, with a diverse, highly skilled and engaged workforce who live our values, support our ambitions and are passionate about customer service.

### Provide more homes

We are entering a period of planned sustainable growth, with the aim of providing a portfolio of good quality homes to meet future customer demand and increase revenue. This will allow us to invest in existing and future homes, broaden our services within homes and communities and reach more older people.

### Commitment to the Environment

We are committed to minimising our environmental impact and embedding sustainability into every aspect of our operations. Through energy efficient homes, sustainable practices and responsible procurement, we will support the transition to a low carbon future. We actively invest in retrofitting properties, promoting digital ways of working, and engaging residents and staff in sustainable living. Our approach is guided by a structured Environmental Management System, environmental targets, and a commitment to achieving Net Zero by 2050, ensuring our services remain resilient, responsible and future-focused.

# OPERATING AND FINANCIAL REVIEW

The operating environment remains challenging. At the end of the financial year, the reported Group surplus was £2.6m (2024: £16.1m deficit). Decommissioned and closed properties contributed to Turnover decreasing by 12.6% compared to the prior year. Operating costs were 14.2% lower than last year and there was no impairment charge in the year (2024: £7.1m). This resulted in an operating deficit of £8.8m (2024: £18.2m deficit).

## Turnover

Income from housing, care and support services reduced by £6.4m to £44.3m (2024: £50.7m). This was mainly as a result of the planned closures of properties as part of the sustainability programme. Fees and rental income decreased by £5.3m although discounts given to local authorities also decreased by £0.8m and void losses decreased by £3.2m. Other income including donations and legacies reduced by £0.7m.

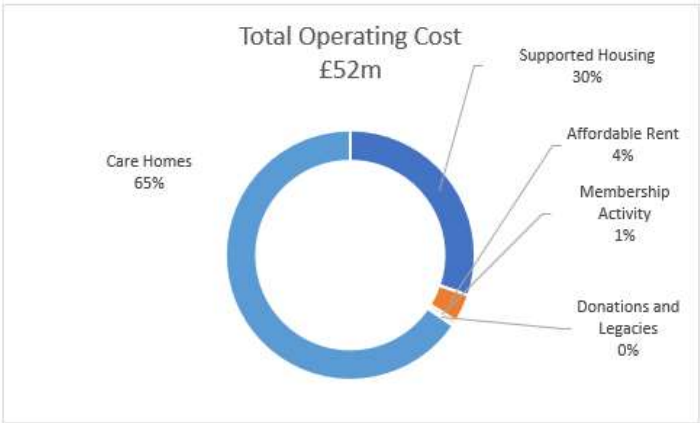
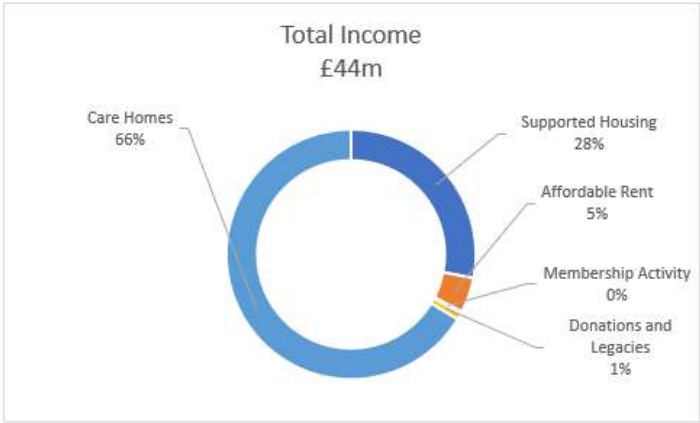
## Operating Costs

Total operating costs were £53.1m (2024: £68.9m). This represented a £15.8m (23.0%) decrease on the prior year as a result of property closures with our direct employee costs decreasing by £2.6m to £27.2m, and our agency labour spend decreasing by £1.55m. The annualised staff turnover rate was 32%, with 33% reported in our care homes and 16% reported in our supported housing. Total expenditure in the year on property repairs and maintenance was £4.7m (2024: £3.2m), utility costs were £2.5m (2024: £3.4m) and food costs of £1.9m (2024: £2.2m). There was no impairment charge in the current year (2024: £7.1m) while other operating costs reduced by £4.8m.

## Operating and Net Deficits

The operating deficit in the year was £8.8m (2024: £18.2m). The two graphs below set out the total income received and the total expenditure incurred throughout the year, highlighting the percentage derived / expended in our core operating activities.

Outside of the core areas of activity, we saw an increase in interest receivable from £0.53m to £0.75m resulting from optimising our cash deposits held with banks, the interest payable costs decreased to £0.28m from £0.29m. Our property disposal programme contributed £10.8m surplus contributing to the overall net surplus of £2.6m for the year (2024: £16.1m deficit).





## OPERATING AND FINANCIAL REVIEW (continued)

Summaries of the financial performance and statement of financial position, for the last five years, are set out below.

### 5-Year Overview of Income and Expenditure

| For the year ended 31 March        | 2025         | 2024            | 2023           | 2022            | 2021         |
|------------------------------------|--------------|-----------------|----------------|-----------------|--------------|
|                                    | £'000        | £'000           | £'000          | £'000           | £'000        |
| Turnover                           | 44,312       | 50,702          | 50,612         | 47,088          | 48,102       |
| Operating Costs                    | (53,088)     | (61,854)        | (55,960)       | (53,022)        | (52,441)     |
| Impairment                         | -            | (7,087)         | (1,951)        | (10,869)        | -            |
| Operating Deficit                  | (8,776)      | (18,239)        | (7,299)        | (16,803)        | (4,339)      |
| Other net contributions or (costs) | 11,347       | 2,137           | (134)          | 1,682           | 5,600        |
| <b>Net Surplus/(Deficit)</b>       | <b>2,571</b> | <b>(16,102)</b> | <b>(7,433)</b> | <b>(15,121)</b> | <b>1,261</b> |

### 5-Year Overview of Financial Position

| As at 31 March                                 | 2025          | 2024          | 2023           | 2022           | 2021           |
|--|---------------|---------------|----------------|----------------|----------------|
|  | £'000         | £'000         | £'000          | £'000          | £'000          |
| Housing properties                             | 94,097        | 109,166       | 117,585        | 121,852        | 133,423        |
| Other fixed assets and investment properties   | 1,689         | 1,945         | 2,033          | 858            | 945            |
| Net current assets                             | 25,524        | 6,027         | 12,374         | 22,553         | 24,845         |
| Creditors falling due after more than one year | (23,674)      | (22,073)      | (20,825)       | (26,663)       | (25,492)       |
| <b>Net assets</b>                              | <b>97,636</b> | <b>95,065</b> | <b>111,167</b> | <b>118,600</b> | <b>133,721</b> |

### 5-Year Overview of Cash flow

| For the year ended 31 March                          | 2025          | 2024          | 2023          | 2022          | 2021          |
|--|---------------|---------------|---------------|---------------|---------------|
|  | £'000         | £'000         | £'000         | £'000         | £'000         |
| Net cash (outflow)/inflow from operating activities  | (5,336)       | (5,473)       | (7,508)       | (6,571)       | 3,172         |
| Net cash generate/(used) in investing activities     | 18,754        | 2,559         | (1,175)       | 7,764         | 9,622         |
| Net cash outflow from financing activities           | (284)         | (289)         | (262)         | (172)         | (143)         |
| Net increase/(decrease) in cash and cash equivalents | 13,134        | (3,203)       | (8,945)       | 1,021         | 12,651        |
| <b>Cash and cash equivalents</b>                     | <b>25,698</b> | <b>12,564</b> | <b>15,767</b> | <b>24,712</b> | <b>23,691</b> |

# OPERATING AND FINANCIAL REVIEW (continued)

## Capital Structure and Treasury Management

The Society is financed from its retained surpluses, part of which have arisen through the receipt of legacies and donations which may be restricted in their use. In addition, any surplus arising from the disposal of properties, following the closure of schemes deemed not financially viable, has contributed to our capital reserves. At the end of the financial year, the Society had in place an £8m overdraft facility. The bank facility is secured on a selection of the Society's properties. The facility provides the Society with an adequate level of liquidity, removing loan covenant requirements typically found through traditional loan borrowing. The Society is unable to raise equity funding because of its legal form. As required by the Regulator of Social Housing, 30-year financial and cash flow forecasts are prepared annually to ensure that an adequate funding strategy is in place. The Society invests cash, that is surplus to immediate operating needs, in short term interest-bearing deposit accounts, in line with its Treasury Management policy.

## Employees

The number of full time employees (FTEs) has reduced by 14.1% (2024: 5.4%) in the year. As at 31 March 2025, the total number of FTE employees was 738 (2024: 859) as per Note 8 to the Accounts.

## Reserves Policy

An important role for the Board is ensuring the long-term sustainability of the Society. Abbeyfield's reserves policy sets out the basic principles that gives the Society the resilience and financial capacity necessary to manage unforeseen business plan stresses; give assurance to lenders and creditors that the Society can meet its financial covenants and / or commitments; mitigate liquidity risks; protect the Society from a fall in income as a result of voids and boost working capital reserve to provide capital in the event that expenditure is needed ahead of income being received. In previous years, the Board sought to maintain minimum free reserves of £10m. With effect from 1 April 2023 the policy was enhanced to include a liquidity cover of four months, with an aspiration of increasing this to six months. Liquidity cover of four months is part of the Golden Rules set by Board. The total reserves at the end of March 2025 were £97.6m (2024: £95.1m). Of this, the liquid funds (i.e. cash and cash equivalent with investments) were £25.7m (2024: £12.95m) and the total restricted reserves were £3.1m (2024: £3.8m). Therefore, the free reserves at the end of the financial year were £22.6m, which exceeds the minimum £10m free reserves requirement. The liquidity cover at the end of the year was £30.6m (i.e. cash and cash equivalent, investments and overdraft) representing over six months of expenditure.

## Going Concern and Viability

The net assets of the Group at the end of the year were £97.6m (2024: £95.1m) with total assets net of current liabilities of £121.3m. In addition to this, the Group had £8m of undrawn lending facilities through its overdraft facility. The Group is reporting a net Group surplus of £2.6m (2024: £16.1m deficit), the Board has developed a long-term Business Plan based on a sustainability strategy that shows the Group's business activities will generate positive operating margins from 2026-27. The 30-year Business Plan, which has been stress-tested against challenging scenarios and a range of multi-variables, also shows a transformational plan which will lead to the Society maintaining a net Group surplus from 2024-25.

A full financial and market viability review of the properties owned has been carried out. The Society has also revised its risk and mitigation framework and agreed a set of Trustees' risk appetites. The sustainability strategy is also supported by a set of newly developed Golden Rules with mitigating actions for financial resilience. The Society has committed significant sums for a major works programme over the next five years and has set up a development fund to ring-fence part of its sales proceeds for new investment. Performance against targets will continue to be monitored by the Finance and Investment Committee, Audit and Risk Committee and the Board. On this basis, the Board considers it has adequate resources to continue operations for the foreseeable future and to adopt the going concern basis as the basis for preparing these accounts.

# OPERATING AND FINANCIAL REVIEW (continued)

## Key Performance Indicators (KPIs)

In addition to the technical Value for Money metrics required by the Regulator of Social Housing, we have a suite of KPIs that are measured on a monthly basis some of which are detailed below.

|   | 2024/25 | 2023/24 | 2022/23 | 2021/22 |
|---|---------|---------|---------|---------|
| Operating Margin % (continuing operations excluding impairment) | (17.8%) | (21%)   | (9.2%)  | (7.4)%  |
| Care occupancy %  | 88%     | 84%     | 82%     | 76%     |
| Housing occupancy %   | 89%     | 85%     | 85%     | 84%     |
| Development expenditure   | £1.1m   | £1.1m   | £0.7m   | £4.2m   |
| Fundraising Income  | £0.4m   | £1.3m   | £3.6m   | £1.9m   |

## Donations

The Society and its subsidiaries made no political donations during the year.

## Health and Safety

The Society is aware of its responsibilities on matters relating to health and safety. The Society has prepared detailed health and safety policies and provides training and education to our staff on health and safety matters. Any notable accidents or incidents are reviewed by our Customer Committee on a quarterly basis to ensure lessons are learnt which can prevent similar occurrences in the future. In the reporting period, we had four Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) reports submitted to the Health and Safety Executive (HSE). The total number of serious incidents reported to the Charity Commission during the year was 11 (2024: 32).

## Residents’ Involvement

We actively encourage the involvement of residents and their families in decision-making by promoting forums where they can contribute to the decisions that affect them. We also carry out an annual Residents’ Survey to measure satisfaction with care and housing services and to obtain feedback.

## Complaint Handling

The Society adheres to the Housing Ombudsman’s Complaint Handling Code (the Code). As part of compliance with the Code, an annual self-assessment of our complaint handling procedures is completed. The self-assessment in the year showed that the Society was fully compliant with 68 recommendations and partly compliant with 1 other recommendations. The residents’ survey showed that 90% of respondents were satisfied with how their complaints were handled.


## Compliance with Governance and Financial Viability Standard

The Board confirms that the Society has met the Regulator of Social Housing’s regulatory requirements in the Governance and Financial Viability Standard applicable in the reporting year. During the year, following the stability check, the Regulator reaffirmed the strapline judgement and the ratings of G2 V2 were maintained.

## Statements of Compliance

The Board confirms that this Strategic Report Review has been prepared in accordance with the principles set out in the 2018 SORP for registered housing providers. We are also pleased to report that the Society continues to comply with the principal recommendations of the NHF Code of Governance 2020.

The Strategic Report and Report of the Board were approved by the Board on 4<sup>th</sup> September 2025 and signed on its behalf by:



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**Mike Turner**  
Chair

# VALUE FOR MONEY (VfM)

## VfM Strategy

The Board is committed to delivering Value for Money through the Society's activities. Our VfM Strategy sits alongside our Corporate Strategy and shapes the Society's supporting strategies. We will continue to strengthen our understanding of our value for money position; promote and embed a value for money culture; achieve year on year efficiency savings; target resources towards front line services and maintain a high level of resident satisfaction through value for money services.

## Benchmarking

We monitor the performance of the Society against appropriate benchmarks and seek to understand the comparable data. Our offer to residents is unique and non-traditional when compared to the majority of Registered Providers within our Sector. Our unique offer spans both the Housing and Health Care Sector and so we typically select two benchmark groups to compare our performance against. We present below our year-on-year comparison of the technical metrics. Explanations are also provided below where there is a significant variance from the peer groups.

## Our Year-on-Year Comparison of Technical VfM metrics

The table below summarises our year-on-year VfM performance with a flag to illustrate whether there has been improvement, decline or an unchanged position. The table shows no new supply of social housing units in the year. We are pleased to report an improvement in the gearing ratio which resulted from the repayment of the Revolving Credit Facility and a strong reinvestment metric following a year of significant investment into our existing assets. There was also an improvement to Operating Margin % - Overall and Return on Capital Employed largely driven through disposal of stock. There was however a decline or worsening in our EBITDA MRI Interest Cover, Headline Social Housing Cost per Unit and Operating Margin SHL %. As these metrics are linked to Contribution, the underlying deficits on discontinuing activities has been the lead contributing factor.

|     | The Abbeyfield Society - Year on Year             | 2021/22 | 2022/23 | 2023/24 | 2024/25 | Flag |
|-----|---|---------|---------|---------|---------|------|
| 1   | Reinvestment %                                    | 3.4%    | 2.6%    | 4.0%    | 3.1%    | ↓    |
| 2a. | New Supply delivered – Social Housing Units       | 0.0%    | 1.6%    | 0.0%    | 0.0%    | ↔    |
| 2b. | New Supply delivered – Non Social Housing Units   | 0.0%    | 0.0%    | 0.0%    | 0.0%    | ↔    |
| 3   | Gearing %   | -16.2%  | -13.4%  | -12.0%  | -26.8%  | ↑    |
| 4   | EBITDA/MRI Interest Cover                         | -3,409% | -2,188% | -3,979% | -3,041% | ↓    |
| 5   | Headline Social Cost per Unit                     | £24,043 | £25,047 | £27,378 | £37,231 | ↓    |
| 6a. | Operating margin % - Social Housing lettings only | -23.90% | -21.98% | -27.94% | -18.71% | ↑    |
| 6b. | Operating margin % - Overall                      | -9.00%  | -10.93% | -16.21% | 5.80%   | ↑    |
| 7   | Return on Capital Employed                        | -2.9%   | -4.2%   | -7.1%   | 2.1%    | ↑    |

Key: ↑ an improvement on prior year      ↓ a decline on prior year's performance      ↔ similar to prior year

## Comparison of VfM Performance to Peer Groups

The table below shows our VfM performance against our peer group and industry medians. The peer group comprises a selection of organisations which provide housing support and care and are registered with both the Care Quality Commission (CQC) and the Regulator of Social Housing. This is to reflect the dual regulatory environment within which we operate. We have also compared our performance against industry median which comprises of providers with less than 3000 units and which have at least 50% of their stock in supported housing



## VALUE FOR MONEY (continued)

|     | The Abbeyfield Society                            | 2024/25 | Median - Peer Group 23/24 | Median – Industry 23/24 |
|-----|---|---------|---------------------------|-------------------------|
| 1   | Reinvestment %                                    | 3.1%    | 4.0%                      | 6.7%                    |
| 2a. | New Supply delivered – Social Housing Units       | 0.0%    | 1.1%                      | 1.3%                    |
| 2b. | New Supply delivered – Non Social Housing Units   | 0.0%    | 0.0%                      | 0.0%                    |
| 3   | Gearing %   | -26.8%  | 24.8%                     | 45.3%                   |
| 4   | EBITDA/MRI Interest Cover                         | -3,041% | 220.0%                    | 128.4%                  |
| 5   | Headline Social Cost per Unit                     | £37,231 | £8,760                    | £4,586                  |
| 6a. | Operating margin % - Social Housing lettings only | -18.7%  | 14.8%                     | 19.8%                   |
| 6b. | Operating margin % - Overall                      | 5.8%    | 7.9%                      | 18.2%                   |
| 7   | Return on Capital Employed                        | 2.1%    | 2.5%                      | 2.8%                    |

We compare favourably against the Peer Group and industry Median in gearing %. However, under-performed against both Medians on the other metrics. Our operating margin % metric was below Medians as a result of the reported deficits. This also explains why the Earnings Before Interest, Tax and Depreciation Major Repairs Included (EBITDA MRI) was adverse compared to the peer group and industry Medians. Our Headline Social Housing Cost Per Unit was higher than the peer groups reflecting the higher costs of delivering the Abbeyfield model of housing and care services. The unique mix of Abbeyfield's care and supported housing should be considered in context when drawing comparison with sector performance.

### Improving on our VfM Metrics and Cost per Unit

VfM is a key consideration for social landlords and there is an increasing focus on demonstrating VfM especially given the rapidly shifting economic climate, increased demands from customers and overstretched budgets and funding pots. ALS will soon be publishing our revised VfM strategy which aligns to our Corporate Strategy 2025-30.

We will ensure the strategy addresses how we will:

- Continue to improve our understanding of our current value for money position;
- Promote and embed a value for money culture;
- Achieve year on year efficiency savings;
- Target resources towards frontline services;
- Maintain a high level of resident satisfaction with value for money;
- Streamline processes and procedures to reduce costs;
- Invest in technology to improve service delivery and reduce costs;
- Conduct regular value for money assessments to identify opportunities for improvement;
- Benchmark performance against other social landlords to identify areas for improvement;
- Engage our residents to understand their needs and preferences, and tailor services accordingly and;
- Focus on preventative maintenance to reduce the need for costly repairs.

# RISKS AND MITIGATIONS

The Board is aware of the key risks faced by the Society and has assessed their likely impact and severity against the organisation’s strategic objectives. The Board has updated the risk management framework which resulted in a deep dive into the corporate risk register and the setting of a new Trustees’ risk appetite. The Board also considered the Social Housing Sector Risk Profile for 2024 to ensure we have captured relevant risks in our risk register and have appropriate mitigation plans in place for those identified risks.

The Risk Assurance Framework covers strategic and operational risks which are regularly reviewed by the Executive Team, the Audit and Risk Committee and by the Board. Controls are identified for all risks and an assessment made as to their effectiveness. The Board also conducts stress testing of the business plan for the Society. This involves testing what would happen under a range of different scenarios and if multiple risks crystallised. The Board considers mitigating strategies in respect of the risk exposures.

The culmination of our risk assessment allows us to categorise those risks within the three defined categories below:

| Risks  | Impact   | Mitigations   |
|--|--|---|
| <b>Financial instability</b>                 | Continued year-on-year deficits resulting in depleted reserves, depleting assets, service failure and inability of the Society to continue as a Going Concern. | <ul style="list-style-type: none"><li>• Understand the stock profile, capital investment requirements and scheme viability</li><li>• Robust business plan, stress tested and mitigation plans</li><li>• Set Golden Rules to serve as early prompts</li><li>• Regular cash flow forecasts and effective treasury management</li><li>• Effective financial and management reporting, ensuring accuracy and timeliness</li><li>• Cost efficiencies targets</li></ul> |
| <b>Safeguarding, health and safety risks</b> | Poor safeguarding of residents which can lead to downgrade of services or care home and attract Regulatory involvement   | <ul style="list-style-type: none"><li>• Safeguarding policies and procedures fully implemented</li><li>• Systems in place to closely monitor and report divergent promptly to the Customer Committee</li><li>• Internal Audit programme of assurance</li><li>• Keeping abreast of prevailing legislations</li><li>• Business continuity planning and appropriate levels of management oversights</li></ul>  |
| <b>Compliance Risks</b>                      | Risk of intervention by local authority, Care Quality Commission (CQC) or the Regulator of Social Housing (RSH)  | <ul style="list-style-type: none"><li>• Robust internal and external audits along with quality assurance frameworks</li><li>• Staff training and residents engagement</li><li>• Care management policies and produces are up to date</li><li>• Recruitment of Head of Care Compliance</li><li>• Gap analysis of NHF Code of Governance</li></ul>  |

# STATEMENT OF RESPONSIBILITIES OF THE BOARD

The Board is responsible for preparing the Strategic Report, Annual Report and the Financial Statements, in accordance with applicable law and regulation.

Company law and social housing legislation require the Board to prepare Financial Statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Board must not approve the Financial Statements unless it is satisfied that they give a true and fair view of the state of affairs of the Society and of the surplus or deficit of the Society for that period.

In preparing these Financial Statements, the Board members are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice "Accounting by Registered Social Housing Providers 2018" and FRS102 have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Society will continue in business.

Board members are also responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society and enable it to ensure that its financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Registered Providers of Social Housing 2022.

The Board is also responsible for safeguarding the assets of the Society and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Board members are also responsible for ensuring that the Report of the Board is prepared in accordance with the Statement of Recommended Practice "Accounting by Registered Social Housing Providers 2018" and FRS 102. The Board is responsible for ensuring that the assets of the Society are properly applied under charity law. The annual report and accounts are published on the Society's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions.

The Board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

## Slavery and human trafficking statement

The Modern Slavery Act 2015 introduced new obligations in relation to slavery and human trafficking. The Society is fully supportive of the legislation as it is in keeping with our ethos and principles. The statement includes compliance for our supply chain partners.

# GOVERNANCE

## Board members and Executive Team

The Society's Board members who served during the year are set out on page 6. The Board members are drawn from a wide range of backgrounds bringing together professional, commercial and other relevant experience.

The Board, which comprises the company directors, has overall responsibility for the direction, management and control of the Society. Overall operational management is delegated to the Chief Executive and the Executive Team. The Board adopts the National Housing Federation (NHF) Code of Governance 2020 and the Company Secretary and the Executive Team provide support to the Board in monitoring compliance with the Code.

The Board may comprise up to 10 trustees and requires a minimum of five trustees including the Chair. Board members are appointed by the Board.

Applications to be considered for appointment to the Board are invited following recruitment and advertising. Candidates are nominated for appointment by the People Committee having regard to the need for the persons appointed having the necessary range of skills, experience, gender, age and ethnicity.

Board members may serve for fixed terms of three years up to a maximum of nine years. The Board formally met seven times during the year, with additional sessions to discuss strategy and performance.

Throughout the year, the Board continued to monitor its effectiveness and the terms of reference for the various committees of the Board, to ensure that they are following best practice in the sector. Board members are encouraged to acquaint themselves with all aspects of the Society, particularly operational matters. The Executive Team hold no financial interest in the Society, except for their remuneration arrangements, and act as executives within the authority delegated to them by the Board. The Executive Team is entitled to join the Society's stakeholder pension scheme on the same terms as other employees. Details of their remuneration are disclosed in Note 9 (Board and Executive Remuneration).

Insurance policies indemnify Board members and officers against liability when acting for the Society.

## Directors Duties and section 172 reporting

The Directors of the Society must act in accordance with a set of general duties embodied in section 172 (1) (a-f) of the Companies Act 2006 (1), summarised as follows:

A Director must 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 decisions 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 environment.
- The desirability of the company maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the company.

As part of the induction process, Directors are briefed on their duties, including the long-term stewardship of the Society to ensure it delivers against its strategic objectives as set out in the Trustees' Report above. Our Board monitors the impact of its decisions against the long-term financial plan on an annual basis, and more often if the situation demands. We operate to a strategic plan that involves setting both operational and financial targets that address our charitable objectives as set out in the Report of the Board.

Our employees are fundamental to the delivery of our plan. We are a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and well-being of our employees is one of our primary considerations in the way we conduct our business. We have policies on fraud, anti-bribery and a

# GOVERNANCE (continued)

whistleblowing policy which encourages colleagues to raise issues of suspected malpractice. Our Audit and Risk Committee also receives reports if issues are raised.

## Internal Controls Assurance

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. We recognise that any system can only manage, and not eliminate, risk and can only provide reasonable, and not absolute, assurance against material misstatement or loss. The Board is satisfied that controls are in place and it ensures there is ongoing review as part of a process of continuous improvement. Forvis Mazars LLP were appointed in 2018 to provide internal audit function.

The Board approves the annual budgets, business plans and risk management framework on recommendation of the Finance and Audit Committees. A delegated authority framework is in place for incurring and approving expenditure, with formal involvement of members of the Board for larger transactions. Quarterly updates on performance against business objectives and the budget are provided to the Board. The Society has staff recruitment and appraisal processes in place. This includes monitoring of staff performance through one-to-ones and the effectiveness of training programmes undertaken by our staff. Whilst the Board cannot delegate ultimate responsibility for the system of internal control, it has delegated the review of the effectiveness of the Society’s system of internal control to the Audit and Risk Committee. The Board receives minutes of all meetings of the Audit and Risk Committee and gets assurance from the committee that arrangements are in place to manage the risk of fraud.

## Environment

We have made a positive start towards improving our own Environmental Sustainability. In May 2021, an Environmental Working Group was formed, comprising various interested parties from across the Society. This was used as a hub to raise ideas of how Abbeyfield could evolve to be a greener place to live and work. We further appointed an Environmental Sustainability Co-ordinator during the year to lead on our approach to delivering environmental sustainability in our homes. We have established targets to reduce energy consumption, plans to increase resource focused on environmental initiatives and funding for specific capital expenditure in our schemes to deliver environmental efficiency.

| Consumption 2024/25      |               |            | Consumption 2023/24 |               |            |
|--------------------------|---------------|------------|---------------------|---------------|------------|
|                          | KWh           | Mileage    |                     | KWh           | Mileage    |
|                          | 000           | 000        |                     | 000           | 000        |
| Electric                 | 5,276         |            | Electric            | 6,877         |            |
| Gas                      | 12,829        |            | Gas                 | 16,017        |            |
| Transport                |               | 262        | Transport           |               | 392        |
| <b>Total</b>             | <b>18,105</b> | <b>262</b> | <b>Total</b>        | <b>22,894</b> | <b>392</b> |
|                          |               |            |                     |               |            |
| Kg CO2e                  |               |            | Kg CO2e             |               |            |
| Year on Year Improvement |               | 1147       | Kg CO2e             |               | 1,603      |
| % Improvement            |               | 21%        | Kg CO2e             |               | 3,734      |
|                          |               |            |                     |               | 92         |
|                          |               |            |                     |               | 5,429      |

Our impact on the environment is set-out in the Streamlined Energy Carbon Report (SECR) below. The SECR framework is a mandatory UK-wide reporting scheme to improve transparency and help reduce carbon emissions. The carbon footprint table below reflects activity across the Society.

The actual gas and electricity consumption was recorded in KWh. To convert kWh to kg of carbon (Kg Co2e) released based on Greenhouse gas reporting, a conversion factor from Department for Business, Energy and Industrial Strategy (BEIS) has been used. The conversion factor is 0.23314 kg CO2 is saved for each kWh



# GOVERNANCE (continued)

produced from a carbon free source. The factor is based on the carbon emissions generated by the current UK power stations per kWh generated.

The data reflects an overall reduction in carbon emissions of 21%. During the year, there was a 23% decrease in electric consumption and a 20% decrease in gas consumption. Given that we saw a smaller increase in electricity pricing, we switched, where possible, to electricity usage over gas. This approach led to an overall cost saving in our energy costs. We continue to install new energy efficient boilers and make a huge effort to embed better energy efficiency practices in our homes.


## Fundraising

ALS are committed to achieving the highest standards of professional fundraising. ALS are corporate members of the Institute of Fundraising and registered with the Fundraising Regulator, to whom we pay the Fundraising Levy. Through the systems and processes we have put in place, we aim to achieve the standards set out in the Fundraising Code of Practice. ALS are signed up to the Fundraising Preference Service. Our small team of fundraising staff are aware of and pay due attention to data protection practices to ensure we are compliant with the General Data Protection Regulation (GDPR) when handling personal data. Complaints from fundraising activities are contained in the Complaints / Whistleblowing Register which is reviewed regularly by the Audit and Risk Committee and or the Customer Committee. During the year, we had no fundraising complaints (2024: nil).

## Statement of Public Benefit

As a public benefit entity providing housing, care and support to older people, our Board has complied with its duty to have due regards to the Charity Commission’s guidance on public benefit when exercising their powers and duties to which the guidance relates. Our Mission and Values are discussed on page 5. Our Charitable Object is for the relief and care of elderly persons of all classes, beliefs and nationalities. Our homes are open to all that apply and we ensure the necessary assessments are done to ensure individuals are placed in the right home and / or care environment suitable to their needs. We also undertake annual residents’ surveys as part of our approach to engaging with residents and evaluating residents’ satisfaction, year on year.

The report of the Board was approved by the Board on 4<sup>th</sup> September 2025 and signed on its behalf by:



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**Mike Turner**  
**Chair**

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD SOCIETY

## Opinion

We have audited the financial statements of The Abbeyfield Society (the 'society') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the consolidated and society statements of comprehensive income, the consolidated and society statements of financial position, the consolidated and society statements of changes in reserves 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), the Housing and Regeneration Act 2008, the Statement of Recommended Practice (SORP) accounting by Registered Social Housing Providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the society's affairs as at 31 March 2025 and of the group's and society's surplus 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 Housing and Regeneration Act 2008, the Statement of Recommended Practice (SORP) accounting by Registered Social Housing Providers 2018 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 society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to Going Concern

In auditing the financial statements, we have concluded that the board members' 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 and society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the board members 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 members 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

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD SOCIETY (continued)

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 our audit:

- the information given in the report of the board, prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report included within the report of the board 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 society and their environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee directors' 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 members' responsibilities statement, the board members 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 board members 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 board members are responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board members either intend to liquidate the society 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.

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

## Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD SOCIETY (continued)

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## Use of our Report

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

*Azets Audit Services*

**Susanna Cassey (Senior Statutory Auditor)**  
**For and on behalf of Azets Audit Services**  
**Chartered Accountants**  
**Statutory Auditor**  
**Fleet House**  
**New Road**  
**Lancaster**  
**United Kingdom**  
**LA1 1EZ**  
**Date: 6 September 2025**

# FINANCIAL STATEMENTS

## Consolidated Statement of Comprehensive Income for the year ended 31 March 2025

|   | Note | <b>Total<br/>2025<br/>£'000</b> | <b>Total<br/>2024<br/>£'000</b> |
|---|------|---------------------------------|---------------------------------|
| Turnover  | 4    | <b>44,312</b>                   | 50,702                          |
| Operating costs   |      | <b>(53,088)</b>                 | (61,854)                        |
| Impairment  | 15   | -                               | (7,087)                         |
| Total Operating Costs   | 4    | <b>(53,088)</b>                 | (68,941)                        |
| Operating (deficit)   | 4    | <b>(8,776)</b>                  | (18,239)                        |
| Surplus on disposal of Housing Properties   | 11   | <b>10,862</b>                   | 1,856                           |
| Other interest receivable and similar income  | 12   | <b>751</b>                      | 532                             |
| Interest and financing costs  | 13   | <b>(284)</b>                    | (289)                           |
| Movement in fair value of investment properties   | 17   | -                               | -                               |
| Movement in fair value of investments   | 21   | <b>18</b>                       | 38                              |
| Surplus / (deficit) before taxation   |      | <b>2,571</b>                    | (16,102)                        |
| Taxation  | 14   | -                               | -                               |
| <b>Surplus / (deficit) after taxation and total<br/>comprehensive income/(expense) for the year</b> |      | <b>2,571</b>                    | (16,102)                        |

The Notes on pages 35 to 56 form part of these Financial Statements.

# FINANCIAL STATEMENTS

## Society Statement of Comprehensive Income for the year ended 31 March 2025

|   | Note | <b>Total<br/>2025<br/>£'000</b> | <b>Total<br/>2024<br/>£'000</b> |
|---|------|---------------------------------|---------------------------------|
| Turnover  | 4    | <b>44,312</b>                   | 50,702                          |
| Operating costs   |      | <b>(53,088)</b>                 | (61,854)                        |
| Impairment  | 15   | -                               | (7,087)                         |
| Total Operating Costs   | 4    | <b>(53,088)</b>                 | (68,941)                        |
| Operating (deficit)   | 4    | <b>(8,776)</b>                  | (18,239)                        |
| Surplus on disposal of Housing Properties   | 11   | <b>10,862</b>                   | 1,856                           |
| Other interest receivable and similar income  | 12   | <b>751</b>                      | 532                             |
| Interest and financing costs  | 13   | <b>(284)</b>                    | (289)                           |
| Movement in fair value of investment properties   | 17   | -                               | -                               |
| Movement in fair value of investments   | 21   | <b>18</b>                       | 38                              |
| Surplus / (deficit) before taxation   |      | <b>2,571</b>                    | (16,102)                        |
| Taxation  | 14   | -                               | -                               |
| <b>Surplus / (deficit) after taxation and total comprehensive income/(expense) for the year</b> |      | <b>2,571</b>                    | (16,102)                        |

The Notes on pages 35 to 56 form part of these Financial Statements.



# FINANCIAL STATEMENTS

## Consolidated and Society Statements of Financial Position at 31 March 2025

|   |      | Group<br>2025<br>£'000 | Group<br>2024<br>£'000 | Society<br>2025<br>£'000 | Society<br>2024<br>£'000 |
|---|------|------------------------|------------------------|--------------------------|--------------------------|
|   | Note |                        |                        |                          |                          |
| <b>Fixed assets</b>   |      |                        |                        |                          |                          |
| Tangible fixed assets - housing properties                      | 15   | 94,097                 | 109,166                | 95,377                   | 110,446                  |
| Other fixed assets - Tangible and Intangible                    | 16   | 809                    | 1,065                  | 809                      | 1,065                    |
| Investment properties   | 17   | 880                    | 880                    | 880                      | 880                      |
|   |      | <b>95,786</b>          | <b>111,111</b>         | <b>97,066</b>            | <b>112,391</b>           |
| <b>Current assets</b>   |      |                        |                        |                          |                          |
| Properties held for sale  | 19   | 8,112                  | 1,859                  | 8,112                    | 1,894                    |
| Debtors - receivable within one year                            | 20   | 3,076                  | 3,752                  | 3,272                    | 4,075                    |
| Debtors - receivable after one year                             | 20   | -                      | 232                    | -                        | 232                      |
| Investments   | 21   | -                      | 394                    | -                        | 394                      |
| Cash and cash equivalents                                       |      | 25,698                 | 12,564                 | 25,516                   | 12,350                   |
|   |      | <b>36,886</b>          | <b>18,801</b>          | <b>36,900</b>            | <b>18,945</b>            |
| <b>Creditors: amounts due within one year</b>                   | 22   | <b>(11,362)</b>        | <b>(12,774)</b>        | <b>(11,415)</b>          | <b>(12,956)</b>          |
| <b>Net current assets</b>                                       |      | <b>25,524</b>          | <b>6,027</b>           | <b>25,485</b>            | <b>5,989</b>             |
| <b>Total assets less current liabilities</b>                    |      | <b>121,310</b>         | <b>117,138</b>         | <b>122,551</b>           | <b>118,380</b>           |
| <b>Creditors: amounts due after one year</b>                    | 23   | <b>(22,874)</b>        | <b>(20,873)</b>        | <b>(22,874)</b>          | <b>(20,873)</b>          |
| <b>Provision for Liabilities and Charges due after one year</b> | 24   | <b>(800)</b>           | <b>(1,200)</b>         | <b>(800)</b>             | <b>(1,200)</b>           |
| <b>Net assets</b>   |      | <b>97,636</b>          | <b>95,065</b>          | <b>98,877</b>            | <b>96,307</b>            |
| <b>Capital and reserves</b>                                     |      |                        |                        |                          |                          |
| Income and expenditure reserve                                  |      | 94,501                 | 91,265                 | 95,742                   | 92,507                   |
| Restricted reserve  |      | 3,135                  | 3,800                  | 3,135                    | 3,800                    |
| <b>Total Capital and reserves</b>                               |      | <b>97,636</b>          | <b>95,065</b>          | <b>98,877</b>            | <b>96,307</b>            |

The financial statements were approved by the Board and authorised for issue on 4<sup>th</sup> September 2025 and signed on their behalf by:



Mike Turner

The Notes on pages 35 to 56 form part of these Financial Statements.

# FINANCIAL STATEMENTS

## Consolidated statement of changes in reserves for the year ended 31 March 2025

|                                  | Income and expenditure reserve | Restricted reserves | Total         |
|----------------------------------|--------------------------------|---------------------|---------------|
|                                  | £'000                          | £'000               | £'000         |
| Balance at 31 March 2024         | 91,265                         | 3,800               | 95,065        |
| (Deficit) / Surplus for the year | 3,236                          | (665)               | 2,571         |
| <b>Balance at 31 March 2025</b>  | <b>94,501</b>                  | <b>3,135</b>        | <b>97,636</b> |

## Society statement of changes in reserves for the year ended 31 March 2025

|                                  | Income and expenditure reserve | Restricted reserves | Total         |
|----------------------------------|--------------------------------|---------------------|---------------|
|                                  | £'000                          | £'000               | £'000         |
| Balance at 31 March 2024         | 92,507                         | 3,800               | 96,307        |
| (Deficit) / Surplus for the year | 3,236                          | (665)               | 2,571         |
| <b>Balance at 31 March 2025</b>  | <b>95,743</b>                  | <b>3,135</b>        | <b>98,878</b> |

## Consolidated statement of changes in reserves for the year ended 31 March 2024

|                                  | Income and expenditure reserve | Restricted reserves | Total         |
|----------------------------------|--------------------------------|---------------------|---------------|
|                                  | £'000                          | £'000               | £'000         |
| Balance at 31 March 2023         | 105,557                        | 5,610               | 111,167       |
| (Deficit) / Surplus for the year | (14,292)                       | (1,810)             | (16,102)      |
| <b>Balance at 31 March 2024</b>  | <b>91,265</b>                  | <b>3,800</b>        | <b>95,065</b> |

## Society statement of changes in reserves for the year ended 31 March 2024

|                                  | Income and expenditure reserve | Restricted reserves | Total         |
|----------------------------------|--------------------------------|---------------------|---------------|
|                                  | £'000                          | £'000               | £'000         |
| Balance at 31 March 2023         | 106,799                        | 5,610               | 112,409       |
| (Deficit) / Surplus for the year | (14,292)                       | (1,810)             | (16,102)      |
| <b>Balance at 31 March 2024</b>  | <b>92,507</b>                  | <b>3,800</b>        | <b>96,307</b> |

The Notes on pages 35 to 56 form part of these Financial Statements.

# FINANCIAL STATEMENTS

## Consolidated statement of Cash Flows for the year ended 31 March 2025

|  |    | 2025<br>£'000  | 2024<br>£'000   |
|--|----|----------------|-----------------|
| <b>Cash flows from operating activities</b>                  |    |                |                 |
| <b>Surplus / (deficit) for the financial year</b>            |    | <b>2,571</b>   | <b>(16,102)</b> |
| Adjustments for:   |    |                |                 |
| Impairment of housing properties                             | 7  | -              | 7,087           |
| Depreciation of fixed assets - housing properties            | 7  | 2,218          | 2,526           |
| Accelerated depreciation on disposal of components           | 7  | 93             | 93              |
| Depreciation of other fixed assets - Tangible and Intangible | 16 | 396            | 249             |
| Transfer of fixed asset to current asset                     | 15 | 5,477          | -               |
| Amortisation of grant  | 5  | (135)          | (126)           |
| Movement in fair value of investments                        | 21 | (18)           | (38)            |
| Interest payable and finance costs                           | 13 | 284            | 289             |
| Interest received  | 12 | (751)          | (532)           |
| (Surplus) on the disposal of fixed assets                    | 11 | (10,862)       | (1,856)         |
| Decrease in trade and other debtors                          | 20 | 676            | 216             |
| (Increase) / decrease in properties held for sale            | 19 | (6,253)        | 858             |
| Decrease in creditors  |    | 968            | 1,863           |
| <b>Net cash (outflow) from operating activities</b>          |    | <b>(5,336)</b> | <b>(5,473)</b>  |
| <b>Cash flows from investing activities</b>                  |    |                |                 |
| Transaction costs for sale of housing properties             | 11 | (237)          | (158)           |
| Grant repaid   | 26 | (1,743)        | -               |
| Sale of current asset investments                            | 21 | 412            | -               |
| Proceeds from sale of fixed assets - housing properties      | 11 | 22,341         | 6,536           |
| Purchase of fixed assets - housing properties                | 15 | (2,863)        | (4,196)         |
| Purchase of Other fixed assets - Tangible and Intangible     | 16 | (139)          | (161)           |
| Net loan repayments from member societies                    | 20 | 232            | 6               |
| Interest received  | 12 | 751            | 532             |
| <b>Net cash generated in investing activities</b>            |    | <b>18,754</b>  | <b>2,559</b>    |
| <b>Cash flows from financing activities</b>                  |    |                |                 |
| Interest paid  | 13 | (284)          | (289)           |
| <b>Net cash (outflow) by financing activities</b>            |    | <b>(284)</b>   | <b>(289)</b>    |
| <b>Net increase/(decrease) in cash and cash equivalents</b>  |    | <b>13,134</b>  | <b>(3,203)</b>  |
| Cash and cash equivalents at beginning of year               |    | 12,564         | 15,767          |
| <b>Cash and cash equivalents at end of year</b>              |    | <b>25,698</b>  | <b>12,564</b>   |

The Notes on pages 35 to 56 form part of these Financial Statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. LEGAL STATUS

The Group consists of the following three trading entities: The Abbeyfield Society Limited ("the Society", company number 574816), Abbeyfield Properties Limited (company number 9482576) and The Abbeyfield Research Foundation (company number 9705217). The Society is a company limited by guarantee, incorporated in England and Wales, having no share capital and with solely charitable objectives. The Society is registered with the Regulator of Social Housing and the Charity Commission. The Society's registered address is 17-19 Hampton Lane, Solihull, B91 2QJ. The Society is a member of the wider Abbeyfield Family, headed by Abbeyfield England and The Abbeyfield Society World Council. The Abbeyfield Society is now trading as The Abbeyfield Living Society.

The Society and the Group do not have a controlling interest in any Abbeyfield Member Society. The Society is a public benefit entity. These financial statements do not reflect the assets, liabilities or financial transactions of any member societies other than the Society. Abbeyfield Properties Limited is a company limited by shares, incorporated in England and Wales, having a share capital of £1. Abbeyfield Properties Limited is a wholly owned subsidiary of the Society. It was set up by the Society as a design-and-build company for undertaking new developments. Abbeyfield Research Foundation is a company limited by guarantee, incorporated in England and Wales, having no share capital and with solely charitable objectives. It is registered with the Charity Commission (Charity No. 1167685). Abbeyfield Research Foundation is a wholly owned subsidiary of the Society. Abbeyfield Research Foundation is a fundraising and grant making body, which focuses on funding research into issues that affect older people.

## 2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable law and UK accounting standards in the United Kingdom (United Kingdom Generally Accepted Accounting Practice) which for the Society includes the Companies Act, Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland", and the Statement of Recommended Practice (SORP) for Registered Social Housing Providers, "Accounting by Registered Social Housing Providers" 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The accounts are prepared under the historic cost basis except for the modification to a fair value basis for certain financial instruments and investment properties, as specified in the accounting policies below. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the management to exercise judgement in applying the Group's accounting policies. In preparing the separate financial statements of the Society, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis for determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel  
No cash flow statement has been presented for the Society;
- Disclosures in respect of the Society's financial instruments have not been presented since equivalent disclosures have been provided in respect of the Group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Society as their remuneration is included in the totals shown for the Group as a whole.

The financial statements are prepared in sterling, which is the functional currency of the society. Monetary amounts in the financial statements are rounded to the nearest £'000, unless otherwise stated in the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

The following principal accounting policies have been applied:

## Basis of Consolidation

The consolidated financial statements present the results of the Society, a registered provider of social housing and its subsidiaries (together "the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

## Going Concern

The Board has developed a long-term Business Plan based on a sustainability strategy that shows the Group's business activities will generate positive operating margins from 2026/27. The 30-year Business Plan, which has been stress-tested against challenging scenarios and a range of multi-variables, also shows a transformational plan which will lead to the Society maintaining a net Group surplus from 2024/25.

A full financial and market viability review of the properties owned has been carried out. The Society has also revised its risk and mitigation framework and agreed a set of Trustees' risk appetites. The sustainability strategy is also supported by a set of newly developed Golden Rules with mitigating actions for financial resilience. The Society has committed significant sums for a major works programme over the next five years and will be setting up a development fund to ring-fence part of its sales proceeds for new investment. Performance against targets will continue to be monitored by the Finance and Investment Committee, Audit and Risk Committee and the Board. On this basis, the Board considers it has adequate resources to continue operations for the foreseeable future and to adopt the going concern basis as the basis for preparing these accounts.

## Income

The Society's turnover principally comprises income receivable from residents, annual membership fees due from Member Societies, donations from third parties, legacies and sale of properties. The residents' charges are composite amounts covering rent, service charges and care income. Income is measured at the fair value of the consideration received or receivable. The Group generates the following material income streams:

- Rental income (excluding rent from void properties available for letting);
- Service charges receivable;
- Donations and legacies;
- Membership fees;
- Property sales proceeds;
- Market rents.

Turnover from social housing lettings is recognised on delivery of services to end users, as the Society performs its obligations. Income from donations and legacies is accounted for on a receivable basis when it is more likely than not that the economic benefits will flow to the Society and the amount of the income can be measured reliably together with any related costs. Proceeds from the sale of properties are recognised on completion of sales. Rental income is recognised from the point when properties under development reach practical completion and are formally let. Income from properties built for sale is recognised at the point of legal completion of the sale. The Group adopts a fixed method for calculating and charging service charges to its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the estimated amounts chargeable.

## Legacy Income

Legacy income is recognised in the accounts when receipt is considered probable. Legacy receipts are usually considered probable when the executors have confirmed there is a bequest to the Society.

## Value Added Tax

The Group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. Recoverable VAT arising from partially exempt activities is credited to the Statement of Comprehensive Income.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## Corporation Tax

The society pays corporation tax at the applicable rate within the United Kingdom, however due to its charitable status as recognised by HMRC, the Group benefits from the relief applicable to charities and housing associations.

## Finance Costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the applicable interest rate so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

## Pension Costs

Contributions to the Group's defined contribution pension scheme are charged to the Statement of Comprehensive Income in the year in which they become payable.

## Holiday Pay Accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

## Tangible Fixed Assets- Housing Properties

Housing properties constructed or acquired (including land) on the open market are stated at cost less depreciation and impairment where applicable. Housing properties received as part of a transfer of undertakings were initially recorded at fair value; depreciation and impairment has been deducted as applicable. The cost of freehold land and property represents their purchase price and any directly attributable costs of acquisition which may include an appropriate amount for staff costs and other costs of managing development.

Expenditure on major refurbishment of properties are capitalised where the works will increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income with the exception of components, which are capitalised as they have a life of more than one year. Housing properties in the course of construction, excluding the estimated cost of the element of shared ownership properties expected to be sold in first tranche, are included in Tangible Fixed Assets and held at cost less any impairment, and are transferred to completed properties when ready for letting.

## Depreciation of Housing Properties

Housing properties are split between freehold land, structure and other major components that are expected to require replacement over time. The portion of shared ownership property retained or expected to be retained is not depreciated on account of the high residual value. Neither the depreciable amount nor the expected annual depreciation charge for such assets is considered material, individually or in aggregate. Assets in the course of construction are not depreciated until they are completed and ready for use. Freehold land is not depreciated on account of its indefinite useful economic life. The cost of all other housing property including shared ownership properties (net of accumulated depreciation to date and impairment, where applicable) and components is depreciated over the useful lives of the assets on the following basis:

| Description             | Estimated useful life (years) |
|-------------------------|-------------------------------|
| Structure               | 100                           |
| Roofs                   | 50                            |
| Kitchen                 | 30                            |
| Bathroom                | 30                            |
| Windows and doors       | 30                            |
| Electrical              | 20                            |
| Heating                 | 15                            |
| Lifts                   | 15                            |
| Furniture and Equipment | 10                            |



# NOTES TO THE FINANCIAL STATEMENTS (continued)

## Allocation of Costs for Mixed Tenure and Shared Ownership Developments

Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. Where it is not possible to relate costs to a specific tenure type costs the costs are allocated by square footage.

## Other Fixed Assets – Tangible & Intangible

Other tangible and intangible fixed assets are stated at historic cost less accumulated depreciation and any accumulated impairment losses. Historic cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Society. The

carrying amount of the replaced part is written off. Repairs and maintenance are charged to SOCI during the period in which they are incurred.

## Depreciation of Other Fixed Assets - Tangible and Intangible

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives are as follows:

| Description                            | Estimated useful life (Years) |
|--|-------------------------------|
| Furniture and equipment                | 10                            |
| Motor vehicles                         | 5                             |
| Office furniture                       | 5                             |
| Office equipment and computer software | 3-5                           |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised below operating surplus/(deficit), in the statement of comprehensive income.

## Investment Properties

Investment properties consist of properties not held for social benefit or use in operations. They are properties held to earn rental income or for capital appreciation. They are initially measured at cost and subsequently at fair value as determined by external valuers. No depreciation is provided. Changes in fair value are recognised in SOCI.

## Government Grants

Grant received in relation to constructed or acquired housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018. Grant is carried as deferred income in the balance sheet and released to the Statement of Comprehensive Income on a systematic basis over the useful economic lives of the asset for which it was received. Where social housing grant ("SHG") funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property if not transferred to the purchaser if they are an RP. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the Statement of Comprehensive Income. Where properties with grant attached are received as part of a transfer of undertakings the ultimate requirement to recycle/repay grant sits within the Society and is recorded as a contingent liability. Grants relating to revenue are recognised in the Statement of Comprehensive Income over the same period as the expenditure to which they relate once performance related conditions have been met. Grants due from government organisations or received in advance are included as current assets or liabilities.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## Recycled Capital Grant Fund

On the occurrence of certain relevant events, primarily the sale of dwellings, Homes England can direct the Society to recycle capital grants or to make repayments of the recoverable amount. The Group adopts a policy of recycling, for which a separate fund is maintained. If unused within a three-year period, grant should be repayable to Homes England with interest. Any unused recycled capital grant held, is disclosed in the balance sheet under "creditors due after more than one year", except where the property disposal was greater than two years previous and this is disclosed, as creditors due less than one year.

## Valuation of Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Investments in listed company shares, which have been classified as current asset investments, are stated at fair value at each balance sheet date. Gains and losses are recognised in the Statement of Comprehensive Income for the period.

## Impairment of Tangible Fixed Assets

The housing property portfolio for the Group is assessed for indicators of impairment at each balance sheet date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. An option appraisal is carried out to determine the option which produces the highest net realisable value. Some properties have been valued at value-in-use service potential. The Society defines cash generating units at unit level. Where the recoverable amount of an asset or cash generating unit is lower than its carrying value an impairment is recorded through a charge to Statement of Comprehensive Income. Regular review of current impairment is undertaken to establish accuracy, prior impairment may be reversed where appropriate.

## Properties Held for Sale

Properties held for sale comprises work in progress and completed properties, including housing properties developed for transfer to other registered providers; closed properties received as part of a transfer of undertakings that are held for sale; properties developed for outright sale; and shared ownership properties. For shared ownership properties the value held as properties held for sale is the estimated cost to be sold as a first tranche. Properties held for sale are stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs.

## Shared Ownership

The share of shared ownership properties which is to be sold in the first tranche sale is held within stock. The remainder, comprising further tranches and the element which is to be retained by the Society is held within fixed assets.

## Debtors and Creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenses.

## Recoverable Amount of Rental and Other Trade Receivables

The Group estimates the recoverable value of rental and other receivables and impairs any debtors by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historic collection rates and the class of debt.

## Loans to Member Societies

Loans to Member Societies are regarded as concessionary loans (FRS 102). Those loans are made at a rate of interest which is below the prevailing market rate of interest. These loans are measured at the amount advanced at the inception of the loan less amounts received and any provisions for impairment. Any associated grant is recognised as deferred income until the loan is redeemed.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## Rent and Service Charge Agreements

The Group has made arrangement with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

## Loans, Investments and Short-Term Deposits

These instruments are initially recorded at the transaction price less any transaction costs (historic cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost. Loans and investments that are payable or receivable within one year are not discounted.

## Financial Liabilities and Equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

## Cash and Cash Equivalents

Cash and cash equivalents in the Group's balance sheet consists of cash at bank and on deposit with an original maturity of three months or less.

## Contingent Liabilities

A contingent liability is recognised for a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources; or for a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate of the amount cannot be made. A contingent liability exists on grant repayment which is dependent on the disposal of related property.

## Reserves

Income received, and expenditure incurred, for restricted purposes is separately accounted for as restricted funds. Restricted funds arise from either the conditions of the legacy or donation. Realised and unrealised gains and losses on assets held as restricted funds are also allocated to the restricted fund. Unrestricted reserves are accounted for under the income and expenditure reserves.

## Leased Assets: Lessee

Where assets are financed by leasing agreements that give rights to the Group approximating to ownership (finance leases), the assets are treated as if they has been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease. Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognized over the term of the lease as an integral part of the total lease expense.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, key judgements have been made in respect of the following:

- whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset;
- the anticipated costs to complete a development scheme are based on anticipated construction cost, effective rate of interest on loans during the construction period, legal and other costs. Based on the costs to complete, the recoverability of the cost of properties developed for outright sale and/or land held for sale is considered. This judgement is also based on the best estimate of sales value taking on board the economic conditions within the area of development;
- the appropriate allocation of costs relating to shared ownership between current and fixed assets;
- the appropriate allocation of depreciation as highlighted in the policy on page 36, the group do not depreciate shared ownership properties.
- the categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset;
- the categorisation of leases as operating, or finance leases based on the risk and rewards of ownership of the asset over the economic life of the asset, such as for the key Southampton scheme where the assessment shows that the risks and rewards are predominately with the lessor over the economic life of the site and it is accordingly accounted for as an operating lease.
- Going concern and viability as highlighted on page 17.

#### Other Key Sources of Estimation Uncertainty

Tangible Fixed Assets including shared ownership properties (see Note 15) are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components. Investments (see Note 21): The most critical estimates, assumptions and judgements relate to the determination of carrying value of investments which are determined using the values provided by Waverton Investment Management;

Debtors (see Note 20): The estimate for receivables involves an assessment of recoverability of the balances outstanding at the year end, including a review of the age profile of the debt, historic collection rates and the class of debt;

Investment properties (see Note 17): Investment properties are valued annually using yield methodology. This requires the use of market rental values capitalised at a market capitalisation rate. There is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Key input into the valuation are the rent receivable, net initial yield and location / condition of the property.

Onerous lease (see Note 24): During FY24, the charity identified a contract for the lease of office space that has become onerous due to a significant decrease in the need for office space as a result of increased remote working.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 4. Particulars of turnover, operating costs and operating surplus – Group and Society

|  |      | Turnover      | Cost of  | Operating       | Operating      |
|--|------|---------------|----------|-----------------|----------------|
|  |      | 2025          | Sales    | costs 2025      | (deficit)      |
|  | Note | £'000         | 2025     | £'000           | / surplus 2025 |
|  |      |               | £'000    |                 | £'000          |
| Social housing lettings                                | 5    | 12,407        | -        | (16,666)        | (4,259)        |
| Care Homes   | 5    | 29,382        | -        | (34,264)        | (4,882)        |
| <b>Activities other than Social Housing Activities</b> |      |               |          |                 |                |
| Affordable rent (Independent Living) and other         |      | 1,959         | -        | (1,872)         | 87             |
| Property Sales   |      | -             | -        | -               | -              |
| Membership activity                                    |      | 123           | -        | (262)           | (139)          |
| International activity                                 |      | -             | -        | -               | -              |
| Other  |      | -             | -        | (13)            | (13)           |
| Donations and legacies                                 |      | 441           | -        | (11)            | 430            |
| <b>Total</b>   |      | <b>44,312</b> | <b>-</b> | <b>(53,088)</b> | <b>(8,776)</b> |

|  |      | Turnover      | Cost of      | Operating       | Operating       |
|--|------|---------------|--------------|-----------------|-----------------|
|  |      | 2024          | Sales        | costs 2024      | (deficit)       |
|  | Note | £'000         | 2024         | £'000           | / surplus 2024  |
|  |      |               | £'000        |                 | £'000           |
| Social housing lettings                                | 5    | 12,768        | -            | (20,628)        | (7,860)         |
| Care Homes   | 5    | 30,153        | -            | (42,450)        | (12,297)        |
| <b>Activities other than Social Housing Activities</b> |      |               |              |                 |                 |
| Affordable rent (Independent Living) and other         |      | 4,858         | -            | (4,297)         | 561             |
| Property Sales   |      | 1,074         | (861)        | -               | 213             |
| Membership activity                                    |      | 553           | -            | (530)           | 23              |
| International activity                                 |      | 9             | -            | (30)            | (21)            |
| Other  |      | 1             | -            | -               | 1               |
| Donations and legacies                                 |      | 1,286         | -            | (145)           | 1,141           |
| <b>Total</b>   |      | <b>50,702</b> | <b>(861)</b> | <b>(68,080)</b> | <b>(18,239)</b> |

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 5. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS – GROUP AND SOCIETY

|   | Care<br>£'000   | Supported<br>Housing<br>£'000 | Total<br>2025<br>£'000 | Total<br>2024<br>£'000 |
|---|-----------------|-------------------------------|------------------------|------------------------|
| <b>Income</b>   |                 |                               |                        |                        |
| Rents net of identifiable service charges               | 29,247          | 3,347                         | <b>32,594</b>          | 33,276                 |
| Service charge income                                   | -               | 9,060                         | <b>9,060</b>           | 9,519                  |
| Grant amortisation                                      | 135             | -                             | <b>135</b>             | 126                    |
| <b>Turnover from social housing lettings</b>            | <b>29,382</b>   | <b>12,407</b>                 | <b>41,789</b>          | <b>42,921</b>          |
| <b>Expenditure</b>                                      |                 |                               |                        |                        |
| Management  | (11,388)        | (3,832)                       | <b>(15,220)</b>        | (15,285)               |
| Service charge costs                                    | -               | (8,824)                       | <b>(8,824)</b>         | (9,306)                |
| Charges for support services                            | (19,071)        | -                             | <b>(19,071)</b>        | (25,037)               |
| Routine maintenance                                     | (424)           | (3,276)                       | <b>(3,700)</b>         | (2,569)                |
| Major repairs expenditure                               | (626)           | (344)                         | <b>(970)</b>           | (666)                  |
| Bad debts   | (175)           | (263)                         | <b>(438)</b>           | (267)                  |
| Impairment (Housing Properties)                         | -               | -                             | -                      | (7,087)                |
| Accelerated depreciation                                | (48)            | (45)                          | <b>(93)</b>            | (85)                   |
| Depreciation (Housing Properties)                       | (908)           | (1,310)                       | <b>(2,218)</b>         | (2,526)                |
| Depreciation (Other Fixed Assets)                       | (261)           | (135)                         | <b>(396)</b>           | (249)                  |
| Abortive Costs  | -               | -                             | -                      | (1)                    |
| <b>Operating expenditure on social housing lettings</b> | <b>(32,901)</b> | <b>(18,029)</b>               | <b>(50,930)</b>        | <b>(63,078)</b>        |
| <b>Operating (deficit) on social housing lettings</b>   | <b>(3,519)</b>  | <b>(5,622)</b>                | <b>(9,141)</b>         | <b>(20,157)</b>        |
| <b>Void losses</b>                                      | <b>(4,257)</b>  | <b>(1,260)</b>                | <b>(5,517)</b>         | <b>(8,732)</b>         |

## 6. UNITS OF HOUSING STOCK – GROUP AND SOCIETY

|  | 2025<br>Total | 2024<br>Total |
|--|---------------|---------------|
| Supported Housing  | <b>496</b>    | 898           |
| Residential care home bed spaces                             | <b>491</b>    | 518           |
| Affordable Rent  | <b>282</b>    | 292           |
| <b>Total Owned and Directly Managed accommodation</b>        | <b>1,269</b>  | <b>1,708</b>  |
| Units owned by the Society but managed by others             | <b>104</b>    | 105           |
| Non Housing Stock (Restaurants and Commercial units)         | <b>22</b>     | 22            |
| <b>Total Commercial and Indirectly Managed accommodation</b> | <b>126</b>    | <b>127</b>    |
| <b>Total units owned and managed</b>                         | <b>1,395</b>  | <b>1,835</b>  |

The reduction in units owned and managed in the year relates to property disposals completed as part of the ongoing sustainability project. The reduction in units owned but managed by others was a result of the decommissioning of 1 unit.



# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 7. OPERATING DEFICIT

|  | Group<br>2025<br>£'000 | Group<br>2024<br>£'000 | Society<br>2025<br>£'000 | Society<br>2024<br>£'000 |
|--|------------------------|------------------------|--------------------------|--------------------------|
| The operating deficit is arrived at after charging:          |                        |                        |                          |                          |
| Depreciation of housing properties: charge for the year      | 1,919                  | 2,021                  | 1,919                    | 2,021                    |
| Depreciation of market let properties: charge for the year   | 299                    | 505                    | 299                      | 505                      |
| Depreciation of other fixed assets - tangible and intangible | 396                    | 249                    | 396                      | 249                      |
| Accelerated depreciation of housing properties               | 93                     | 93                     | 93                       | 93                       |
| Accelerated depreciation of market let properties            | -                      | -                      | -                        | -                        |
| Impairment (Housing Properties)                              | -                      | 7,087                  | -                        | 7,087                    |
| Operating lease charges                                      | 858                    | 817                    | 858                      | 817                      |
| Auditors' remuneration:                                      |                        |                        |                          |                          |
| Group accounts   | 75                     | 95                     | 75                       | 95                       |
| Subsidiaries   | -                      | 11                     | -                        | 11                       |
| other audit related assurance                                | 9                      | 8                      | 9                        | 8                        |
| tax advice   | 7                      | 13                     | 7                        | 13                       |

## 8. EMPLOYEES

All employees for the Group are employed through the Society, therefore the costs and employee numbers are the same for the group and the society.

### 8.1 Employee Costs

|   | Group<br>2025<br>£'000 | Group<br>2024<br>£'000 |
|---|------------------------|------------------------|
| Staff costs (including Executive Management Team) consist of: |                        |                        |
| Wages and salaries  | 24,397                 | 26,907                 |
| Social Security costs   | 2,027                  | 2,045                  |
| Cost of defined contribution scheme                           | 821                    | 905                    |
| <b>Total</b>  | <b>27,245</b>          | <b>29,857</b>          |

### 8.2 Employee numbers

The average number of employees including part time staff is shown as headcount. The Full Time Equivalents (FTE's), calculated based on a standard working week of 35 hours during the year were as follows:

|                           | FTE's<br>2025 | FTE's<br>2024 | Headcount<br>2025 | Headcount<br>2024 |
|---------------------------|---------------|---------------|-------------------|-------------------|
| Administration            | 97            | 96            | 100               | 122               |
| Development               | 1             | 1             | 1                 | 1                 |
| Housing, Support and Care | 640           | 762           | 789               | 1,098             |
| <b>Total</b>              | <b>738</b>    | <b>859</b>    | <b>890</b>        | <b>1,221</b>      |

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 9. Board and executive remuneration

None of the members of the Board received any emoluments (2024: £nil). Board expenses for the year are **£3k** (2024: £6k).

|   | Group and<br>Society<br>2025<br>£'000 | Group and<br>Society<br>2024<br>£'000 |
|---|---------------------------------------|---------------------------------------|
| Executive emoluments                            | 677                                   | 811                                   |
| Employer NI                                     | 80                                    | 102                                   |
| Contributions to money purchase pension schemes | 34                                    | 39                                    |
| <b>Total</b>                                    | <b>791</b>                            | <b>952</b>                            |

The total amount payable to the Chief Executive post, who was also the highest paid director, in respect of emoluments was **£207k** (2024: £191k). Employer pension contributions totalling **£8k** were made during the year for a defined contribution scheme which is open to all employees.

The remuneration paid to staff (including the Executive Management Team) earning over £60,000:

|                     | Group<br>2025<br>number | Group<br>2024<br>number | Society<br>2025<br>number | Society<br>2024<br>number |
|---------------------|-------------------------|-------------------------|---------------------------|---------------------------|
| £60,001 - £70,000   | 5                       | 12                      | 5                         | 12                        |
| £70,001 - £80,000   | 7                       | 8                       | 7                         | 8                         |
| £80,001 - £90,000   | 2                       | 2                       | 2                         | 2                         |
| £90,001 - £100,000  | 3                       | 3                       | 3                         | 3                         |
| £110,001 - £120,000 | 2                       | 1                       | 2                         | 1                         |
| £130,001 - £140,000 | -                       | 1                       | -                         | 1                         |
| £140,001 - £150,000 | 1                       | -                       | 1                         | -                         |
| £190,001 - £200,000 | -                       | 1                       | -                         | 1                         |
| £200,001 - £210,000 | 1                       | -                       | 1                         | -                         |

## 10. BOARD AND COMMITTEE MEMBERS

| Board/Committee<br>Member | Group<br>Board | People<br>Committee | Audit and<br>Risk<br>Committee | Finance &<br>Investment<br>Committee | Customer<br>Committee |
|---------------------------|----------------|---------------------|--------------------------------|--------------------------------------|-----------------------|
| David Carr                | ✓              |                     | ✓                              |                                      |                       |
| Martin Cox                | ✓              |                     |                                | ✓                                    | ✓                     |
| Terri Pettifer-Eagles     | ✓              | ✓                   |                                |                                      | ✓                     |
| Sara Beamand              | ✓              | ✓                   |                                |                                      | ✓                     |
| Roger Lees                | ✓              |                     |                                | ✓                                    |                       |
| George Ashworth           | ✓              |                     |                                | ✓                                    |                       |
| Mike Turner               | ✓              | ✓                   |                                |                                      |                       |
| Dena Patel                |                |                     | ✓                              |                                      |                       |
| Marc Marrero              | ✓              |                     | ✓                              |                                      |                       |

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 11. SURPLUS ON DISPOSAL OF FIXED ASSETS – GROUP AND SOCIETY

|                             | 2025          | 2024         |
|-----------------------------|---------------|--------------|
|                             | £'000         | £'000        |
| Disposal proceeds           | 22,341        | 6,536        |
| Net book value              | (13,307)      | (4,159)      |
| Impairment reversed at sale | 5,305         | 1,252        |
| Selling costs               | (237)         | (158)        |
| Grant recycled              | (3,240)       | (1,615)      |
|                             | <b>10,862</b> | <b>1,856</b> |

## 12. INTEREST RECEIVABLE AND INCOME FROM INVESTMENTS – GROUP AND SOCIETY

|                                       | 2025       | 2024       |
|---------------------------------------|------------|------------|
|                                       | £'000      | £'000      |
| Interest on loans to member societies | 5          | 17         |
| Bank and Investment Interest          | 746        | 515        |
| <b>Total</b>                          | <b>751</b> | <b>532</b> |

## 13. INTEREST PAYABLE AND SIMILAR CHARGES – GROUP AND SOCIETY

|                             | 2025       | 2024       |
|-----------------------------|------------|------------|
|                             | £'000      | £'000      |
| Bank charges and fees       | 111        | 90         |
| Recycled capital grant fund | 173        | 199        |
| <b>Total</b>                | <b>284</b> | <b>289</b> |

## 14. TAXATION

There was no tax charge for the year (2024: £nil) as the Society's activities are charitable in nature.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 15. HOUSING PROPERTIES – GROUP

|  | Care Housing and<br>Independent<br>Living completed<br>£'000 | Care, Housing<br>and Independent<br>Living under<br>construction<br>£'000 | Shared<br>Ownership<br>completed<br>£'000 | Total<br>£'000 |
|--|--|---|---|----------------|
| <b>Cost:</b>                                     |  |   |   |                |
| <b>As at 31 March 2024</b>                       | <b>146,101</b>   | <b>9,838</b>  | <b>793</b>                                | <b>156,732</b> |
| Additions:                                       |  |   |   |                |
| Construction Costs                               | -  | -   | -   | -              |
| Replaced components                              | 2,863  | -   | -   | 2,863          |
| Transfer to current assets                       | (5,477)  | -   | -   | (5,477)        |
| Component disposal                               | (972)  | -   | -   | (972)          |
| Closed property disposal                         | (16,535)   | -   | -   | (16,535)       |
| Construction assets completed during the<br>year | -  | -   | -   | -              |
| <b>As at 31 March 2025</b>                       | <b>125,980</b>   | <b>9,838</b>  | <b>793</b>                                | <b>136,611</b> |
| <b>Depreciation:</b>                             |  |   |   |                |
| <b>As at 31 March 2024</b>                       | <b>24,095</b>  | -   | -   | <b>24,095</b>  |
| Charge for the year                              | 2,331  | -   | -   | 2,331          |
| Eliminated on disposals: components              | (25)   | -   | -   | (25)           |
| Eliminated on disposals: other                   | (3,789)  | -   | -   | (3,789)        |
| <b>As at 31 March 2025</b>                       | <b>22,612</b>  | -   | -   | <b>22,612</b>  |
| <b>Impairment:</b>                               |  |   |   |                |
| <b>As at 31 March 2024</b>                       | <b>13,633</b>  | <b>9,838</b>  | -   | <b>23,471</b>  |
| Charge for the year                              | -  | -   | -   | -              |
| Reversed prior year impairment                   | -  | -   | -   | -              |
| Released in the year at sale                     | (3,569)  | -   | -   | (3,569)        |
| Adjustment to PY                                 | -  | -   | -   | -              |
| <b>As at 31 March 2025</b>                       | <b>10,064</b>  | <b>9,838</b>  | -   | <b>19,902</b>  |
| <b>Net book value at 31 March 2025</b>           | <b>93,304</b>  | -   | <b>793</b>                                | <b>94,097</b>  |
| Net book value at 31 March 2024                  | 108,373  | -   | 793                                       | 109,166        |

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 15. HOUSING PROPERTIES – SOCIETY

|   | Care Housing and<br>Independent<br>Living completed<br>£'000 | Care, Housing<br>and Independent<br>Living under<br>construction<br>£'000 | Shared<br>Ownership<br>completed<br>£'000 | Total<br>£'000 |
|---|--|---|---|----------------|
| <b>Cost:</b>                                  |  |   |   |                |
| <b>As at 31 March 2024</b>                    | <b>147,381</b>   | <b>9,838</b>  | <b>793</b>                                | <b>158,012</b> |
| Additions:                                    |  |   |   |                |
| Construction Costs                            | -  | -   | -   | -              |
| Transfer to current assets                    | (5,477)  | -   | -   | (5,477)        |
| Replaced Components                           | 2,863  | -   | -   | 2,863          |
| Component disposal                            | (972)  | -   | -   | (972)          |
| Closed property disposal                      | (16,535)   | -   | -   | (16,535)       |
| Construction assets completed during the year | -  | -   | -   | -              |
| <b>As at 31 March 2025</b>                    | <b>127,260</b>   | <b>9,838</b>  | <b>793</b>                                | <b>137,891</b> |
| <b>Depreciation:</b>                          |  |   |   |                |
| <b>As at 31 March 2024</b>                    | <b>24,095</b>  | -   | -   | <b>24,095</b>  |
| Charge for the year                           | 2,331  | -   | -   | 2,331          |
| Eliminated on disposals: components           | (25)   | -   | -   | (25)           |
| Eliminated on disposals: other                | (3,789)  | -   | -   | (3,789)        |
| <b>As at 31 March 2025</b>                    | <b>22,612</b>  | -   | -   | <b>22,612</b>  |
| <b>Impairment:</b>                            |  |   |   |                |
| <b>As at 31 March 2024</b>                    | <b>13,633</b>  | <b>9,838</b>  | -   | <b>23,471</b>  |
| Charge for the year                           | -  | -   | -   | -              |
| Reversed prior year impairment                | -  | -   | -   | -              |
| Released in the year at sale                  | (3,569)  | -   | -   | (3,569)        |
| <b>As at 31 March 2025</b>                    | <b>10,064</b>  | <b>9,838</b>  | -   | <b>19,902</b>  |
| <b>Net book value at 31 March 2025</b>        | <b>94,584</b>  | -   | <b>793</b>                                | <b>95,377</b>  |
| Net book value at 31 March 2024               | 109,653  | -   | 793                                       | 110,446        |

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 15. HOUSING PROPERTIES – FURTHER ANALYSES

### Freehold vs Leasehold

|                | Society<br>2025<br>£'000 | Society<br>2024<br>£'000 |
|----------------|--------------------------|--------------------------|
| Freehold       | 98,511                   | 107,933                  |
| Long leasehold | 2,342                    | 2,513                    |
| <b>Total</b>   | <b>100,853</b>           | <b>110,446</b>           |

### Major Works

|   | Society<br>2025<br>£'000 | Society<br>2024<br>£'000 |
|---|--------------------------|--------------------------|
| Improvements to existing properties capitalised | 2,862                    | 4,163                    |
| <b>Total</b>                                    | <b>2,862</b>             | <b>4,163</b>             |

### Capital Grants – Housing Properties Grants in Reserves

|   | Society<br>2025<br>£'000 | Society<br>2024<br>£'000 |
|---|--------------------------|--------------------------|
| <b>Capital grant - Housing Properties in Reserves</b> |                          |                          |
| Capital grant - Housing Properties in reserves        | 18,943                   | 23,616                   |
| Capital grant - Housing Properties in creditors       | 17,331                   | 17,457                   |
| Recycled Capital Grant Fund                           | 7,485                    | 5,729                    |
| <b>Total</b>  | <b>43,759</b>            | <b>46,802</b>            |

Property with a book value of £17.6m was pledged as security at 31 March 2025 (2024: £17.6m). The bank revaluation exercise completed as at the year end date reported total security value of £21m.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 16. OTHER FIXED ASSETS, TANGIBLE AND INTANGIBLE – GROUP AND SOCIETY

|  | Fixtures, fittings<br>and furniture<br>£'000 | Computer<br>and<br>other<br>office<br>equipment<br>£'000 | Total<br>£'000 |
|--|--|--|----------------|
| <b>Cost:</b>                           |  |  |                |
| <b>As at 31 March 2024</b>             | <b>3</b>                                     | <b>1,640</b>   | <b>1,643</b>   |
| Additions                              | -  | 139  | 139            |
| Disposals                              | -  | (22)   | (22)           |
| <b>As at 31 March 2025</b>             | <b>3</b>                                     | <b>1,757</b>   | <b>1,760</b>   |
| <b>Depreciation:</b>                   |  |  |                |
| <b>As at 31 March 2024</b>             | <b>2</b>                                     | <b>575</b>   | <b>577</b>     |
| Charge for the year                    | 1  | 392  | 393            |
| Disposals                              | -  | (19)   | (19)           |
| <b>As at 31 March 2025</b>             | <b>3</b>                                     | <b>948</b>   | <b>951</b>     |
| <b>Net book value at 31 March 2025</b> | <b>-</b>                                     | <b>809</b>   | <b>809</b>     |
| Net book value at 31 March 2024        | 1  | 1,065  | 1,066          |

Included in the Other Fixed Assets net book value as at 31 March 2025 are intangible assets of £448k (2024: £334k) representing software costs.

## 17. INVESTMENT PROPERTIES

| <b>Group and Society</b> | Market rent<br>£'000 |
|--------------------------|----------------------|
| <b>Cost:</b>             |                      |
| As at 1 April 2024       | 880                  |
| Revaluation              | -                    |
| <b>At 31 March 2025</b>  | <b>880</b>           |

The valuations were undertaken by Savills LLP as at 31 March 2023 in accordance with the RICS Valuation Global Standards 2017 and the RICS Valuation - Professional Standards 2014. In valuing investment properties an investment method of valuation was used. Details of the assumptions made and the key sources of estimation uncertainty are given in Note 3.



# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 17. INVESTMENT PROPERTIES (continued)

If investment property had been accounted for under the historic cost accounting rules the properties would have been measured as follows

|                          | Group and<br>Society<br>2025<br>£'000 | Group and<br>Society<br>2024<br>£'000 |
|--------------------------|---------------------------------------|---------------------------------------|
| <b>Cost:</b>             |                                       |                                       |
| Historic cost            | 591                                   | 591                                   |
| Accumulated Depreciation | (154)                                 | (149)                                 |
| <b>At 31 March 2025</b>  | <b>437</b>                            | <b>442</b>                            |

## 18. INVESTMENTS

|  | Country of<br>incorporation or<br>registration | Voting rights<br>% held | Nominal value of<br>the shares held | Nature of<br>business           | Nominal value of the<br>share held               |
|--|--|-------------------------|-------------------------------------|---------------------------------|--|
| <b>Subsidiary<br/>Undertakings</b>       |  |                         |                                     |                                 |  |
| Abbeyfield Properties<br>Limited         | England  | 100%                    | £1                                  | Design-and-build                | Incorporated<br>company, limited by<br>shares    |
| The Abbeyfield<br>Research<br>Foundation | England  | 100%                    | £nil                                | Fundraising and<br>grant making | Incorporated<br>company, limited by<br>guarantee |
| Pebblemist Limited                       | England  | 100%                    | £nil                                | Dormant                         | Incorporated<br>company, limited by<br>guarantee |

All above Subsidiary undertakings are registered at The Abbeyfield Society, 17-19 Hampton Lane, Solihull, B91 2QJ.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 19A. PROPERTIES FOR SALE - GROUP

|   | Closed<br>properties<br>held for sale<br>£'000 | Developed<br>units<br>£'000 | 2025<br>Total<br>£'000 | 2024<br>Total<br>£'000 |
|---|--|-----------------------------|------------------------|------------------------|
| Completed properties - developed and closed | 8,112  | -                           | 8,112                  | 2,337                  |
| Completed properties - acquired             | -  | -                           | -                      | 380                    |
| Properties sold                             | -  | -                           | -                      | (858)                  |
| <b>Total</b>                                | <b>8,112</b>                                   | <b>-</b>                    | <b>8,112</b>           | <b>1,859</b>           |

## 19B. PROPERTIES FOR SALE – SOCIETY

|   | Closed<br>properties<br>held for sale<br>£'000 | Developed<br>units<br>£'000 | 2025<br>Total<br>£'000 | 2024<br>Total<br>£'000 |
|---|--|-----------------------------|------------------------|------------------------|
| Completed properties - developed and closed | 8,112  | -                           | 8,112                  | 2,372                  |
| Completed properties - acquired             | -  | -                           | -                      | 380                    |
| Properties sold                             | -  | -                           | -                      | (858)                  |
| <b>Total</b>                                | <b>8,112</b>                                   | <b>-</b>                    | <b>8,112</b>           | <b>1,894</b>           |

Properties developed for sale do not include capitalised interest.

## 20. DEBTORS – GROUP AND SOCIETY

|                                      | Group<br>2025<br>£'000 | Group<br>2024<br>£'000 | Society<br>2025<br>£'000 | Society<br>2024<br>£'000 |
|--------------------------------------|------------------------|------------------------|--------------------------|--------------------------|
| <b>Due within one year</b>           |                        |                        |                          |                          |
| Rent and service charge arrears      | 2,234                  | 2,316                  | 2,234                    | 2,316                    |
| Less: Provision for doubtful debts   | (545)                  | (467)                  | (545)                    | (467)                    |
|                                      | 1,689                  | 1,849                  | 1,689                    | 1,849                    |
| Abbeyfield member societies          | -                      | 71                     | -                        | 71                       |
| Other debtors                        | 21                     | 141                    | 21                       | 465                      |
| Prepayments and accrued income       | 1,366                  | 1,691                  | 1,562                    | 1,690                    |
| <b>Total</b>                         | <b>3,076</b>           | <b>3,752</b>           | <b>3,272</b>             | <b>4,075</b>             |
| <b>Due after one year</b>            |                        |                        |                          |                          |
| Due from Abbeyfield member societies | -                      | 232                    | -                        | 232                      |

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 21. CURRENT ASSET INVESTMENTS – GROUP AND SOCIETY

|                       | 2025  | 2024  |
|-----------------------|-------|-------|
|                       | £'000 | £'000 |
| Opening fair value    | 394   | 356   |
| Additions             | -     | -     |
| Fair Value Adjustment | 18    | 38    |
| Disposals             | (412) | -     |
| Closing fair value    | -     | 394   |

All current asset investments related to shares held in listed companies which were traded on a regular basis. The investments, which were managed by Waverton Investment Management and had an original cost of investment of £307k.

## 22. CREDITORS: FALLING DUE WITHIN ONE YEAR – GROUP AND SOCIETY

|                                       | Group         | Group         | Society       | Society       |
|---------------------------------------|---------------|---------------|---------------|---------------|
|                                       | 2025          | 2024          | 2025          | 2024          |
|                                       | £'000         | £'000         | £'000         | £'000         |
| Trade creditors                       | 1,261         | 1,167         | 1,261         | 1,167         |
| Taxation and social security          | 695           | 521           | 695           | 521           |
| Other creditors                       | 175           | 778           | 237           | 524           |
| Deferred capital grant (note 25)      | 135           | 126           | 135           | 126           |
| Recycled Capital Grant Fund (note 26) | 2,243         | 2,505         | 2,243         | 2,505         |
| Accruals and deferred income          | 6,453         | 7,277         | 6,261         | 7,554         |
| Amount owed to group undertakings     | -             | -             | 183           | 159           |
| Onerous Lease Provision               | 400           | 400           | 400           | 400           |
| <b>Total</b>                          | <b>11,362</b> | <b>12,774</b> | <b>11,415</b> | <b>12,956</b> |

## 23. CREDITORS: FALLING DUE AFTER ONE YEAR – GROUP AND SOCIETY

|                                       | Group         | Group         | Society       | Society       |
|---------------------------------------|---------------|---------------|---------------|---------------|
|                                       | 2025          | 2024          | 2025          | 2024          |
|                                       | £'000         | £'000         | £'000         | £'000         |
| Deferred capital grant (note 25)      | 17,186        | 17,331        | 17,186        | 17,331        |
| Recycled Capital Grant Fund (note 26) | 5,242         | 3,224         | 5,242         | 3,224         |
| Other creditors                       | 446           | 318           | 446           | 318           |
| <b>Total</b>                          | <b>22,874</b> | <b>20,873</b> | <b>22,874</b> | <b>20,873</b> |

The Group has an £8 million overdraft facility with Barclays Bank. The facility is secured by charges on certain housing and care properties of the Group, as disclosed in Notes 15 and 18. The overdraft is available but undrawn at year end.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 24. ONEROUS CONTRACTS – GROUP AND SOCIETY

During the prior year the Society identified a contract for the lease of office space that had become onerous due to a significant reduction in the need for office space as a result of increased remote working. The provision for this onerous contract for the current year has been calculated as follows:

Description of the contract: Lease of office space at St Peters House, Bricket Road, St Albans, Herts, AL1 3JW

Reason for Provision: Reduced need for office space due to remote working

Total Provision: £1.2m

Calculation Basis: The provision represents the unavoidable costs of the lease contract, less any expected sublease income.

Expected Settlement Date: The provision is expected to be settled over the remaining lease term of 3 years.

Within note 22 £400k is shown as due within 1 year with the balance of £800k being shown as due after 1 year but within 5 years.

## 25. DEFERRED CAPITAL GRANT – GROUP AND SOCIETY

|  | 2025          | 2024          |
|--|---------------|---------------|
|  | £'000         | £'000         |
| At 31 March 2024                             | 17,456        | 16,661        |
| Grants recycled from the recycled grant fund | -             | 921           |
| Released to income during the year           | (135)         | (126)         |
| <b>Total</b>                                 | <b>17,321</b> | <b>17,456</b> |

## 26. RECYCLED CAPITAL GRANT – GROUP AND SOCIETY

### Capital grant: relating to development activities funded by

|  | HCA          | GLA        | Total        | HCA          | GLA          | Total        |
|--|--------------|------------|--------------|--------------|--------------|--------------|
|  | 2025         | 2025       | 2025         | 2024         | 2024         | 2024         |
|  | £'000        | £'000      | £'000        | £'000        | £'000        | £'000        |
| At 31 March 2024                               | 3,979        | 1,750      | 5,729        | 3,214        | 2,493        | 5,707        |
| Inputs to fund:                                |              |            |              |              |              |              |
| Grants recycled from reserves at point of sale | 2,960        | 366        | 3,326        | 1,562        | 53           | 1,615        |
| Transfer to deferred grant                     | -            | -          | -            | (921)        | -            | (921)        |
| Interest accrued                               | 126          | 47         | 173          | 124          | 75           | 199          |
| Repayment to GLA                               | -            | (1,743)    | (1,743)      | -            | (871)        | (871)        |
| Tax rebate                                     | -            | -          | -            | -            | -            | -            |
| <b>At 31 March 2025</b>                        | <b>7,065</b> | <b>420</b> | <b>7,485</b> | <b>3,979</b> | <b>1,750</b> | <b>5,729</b> |
| Included in creditors: amounts due             |              |            |              |              |              |              |
| within one year                                | 2,243        | -          | 2,243        | 808          | 1,697        | 2,505        |
| Included in creditors: amounts due             |              |            |              |              |              |              |
| after more than one year                       | 4,822        | 420        | 5,242        | 3,171        | 53           | 3,224        |
| <b>At 31 March 2025</b>                        | <b>7,065</b> | <b>420</b> | <b>7,485</b> | <b>3,979</b> | <b>1,750</b> | <b>5,729</b> |

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 27. FAIR VALUE OF NET CURRENT ASSETS – GROUP AND SOCIETY

|  | 2025<br>£'000 | 2024<br>£'000 |
|--|---------------|---------------|
| <b>Financial assets</b>                            |               |               |
| <b>Financial assets measured at fair value:</b>    |               |               |
| Investments  | -             | 394           |
| <b>Financial assets measured at historic cost:</b> |               |               |
| Trade receivables                                  | 2,234         | 2,316         |
| Other receivables                                  | 842           | 1,668         |
| Cash and cash equivalents                          | 25,698        | 12,564        |
| <b>Total financial assets</b>                      | <b>28,774</b> | <b>16,942</b> |

### Financial liabilities

|   |                |                 |
|---|----------------|-----------------|
| <b>Financial liabilities measured at historic cost:</b> |                |                 |
| Trade creditors   | (1,261)        | (1,167)         |
| Other creditors   | (8,169)        | (9,102)         |
| <b>Total financial liabilities</b>                      | <b>(8,234)</b> | <b>(10,269)</b> |

For cash and cash equivalents, short term deposits, current receivables, current payables and loans payable, the carrying amounts approximate fair value, because of the short maturity of these instruments, and therefore fair value information is not included in the table above.

## 28. OPERATING LEASES – GROUP AND SOCIETY

The Group and the Society had minimum property lease payments under non-cancellable operating leases as set out below:

|                                      | 2025<br>£'000 | 2024<br>£'000 |
|--------------------------------------|---------------|---------------|
| <b>Amounts payable as lessee:</b>    |               |               |
| Within one year                      | 966           | 858           |
| After one year but within five years | 3,732         | 3,430         |
| After five years                     | 17,614        | 17,216        |
| <b>Total</b>                         | <b>22,312</b> | <b>21,504</b> |

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 29. CAPITAL COMMITMENTS – GROUP AND SOCIETY

|   | 2025<br>£'000 | 2024<br>£'000 |
|---|---------------|---------------|
| <b>Commitments contracted but not provided for:</b>                             |               |               |
| Major Works   | 961           | -             |
| Construction  | -             | -             |
| Experience Programme  | 66            | 113           |
| <b>Commitments approved by the Board but not provided for:</b>                  |               |               |
| Major Works   | -             | -             |
| Construction  | -             | 528           |
| Experience Programme  | -             | -             |
| <b>Total</b>  | <b>1,027</b>  | <b>641</b>    |
| <b>Capital commitments for the Group and Society will be funded as follows:</b> |               |               |
| Social Housing Grant  | -             | -             |
| Sales of properties   | -             | -             |
| Donations   | -             | -             |
| Existing cash and utilisation of facilities                                     | 1,027         | 641           |
| <b>Total</b>  | <b>1,027</b>  | <b>641</b>    |

## 30. RELATED PARTY DISCLOSURES

Total charges received from Abbeyfield Properties Limited (“APL”) for design-and-build fees amount to £144k (2024: £195k) that includes 5% mark up by APL. The costs relating to the design-and-build invoices from the contractors amount to £137k (2024: £186k). APL made no charitable donation to The Society during the year (2024: £nil).

No grant (2024: £nil) was made to Abbeyfield Research Foundation (“ARF”) by the Society during the year.

During the year costs of £262k (2024: £673k) were incurred as part of the society's support for member societies. This includes a nominal allocation of central costs of £50k for Marketing, PR, Development and Accounting support. (2024: £255k).

In 2025 the below referenced related party relationships existed.

| Name   | Relationship        | Value of transactions |
|--------|---------------------|-----------------------|
| M. Cox | Board Member Spouse | £5,816                |

[End of Report]

The Abbeyfield Living Society  
Trading as: Abbeyfield Living Society  
17-19 Hampton Lane  
Solihull  
B91 2QT

Registered Charity: 200719  
Company No: 574816  
Regulator of Social Housing No.: H1046  
Care Quality Commission No.: 1-102642859

**[www.abbeyfieldliving.org.uk](http://www.abbeyfieldliving.org.uk)**

The Abbeyfield Society | Company No. 574816 | Annual Report and Accounts | 31 March 2025