



Annual Report and Financial Statements

For the Year ended 31 March 2024



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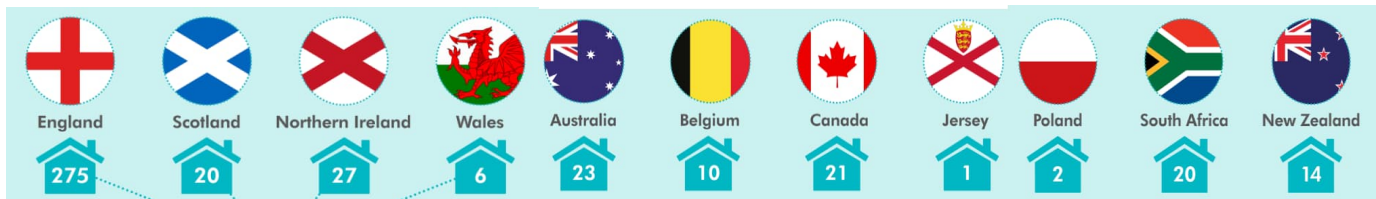
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ABOUT US

The Abbeyfield Family

Abbeyfield was founded as a charity by Richard Carr-Gomm in 1956 with a mission to enhance the quality of life for older people through the provision of high quality accommodation in a stimulating environment and to help them maintain a socially active life. Abbeyfield homes are closely linked to their communities and community is at the heart of Abbeyfield, providing an environment where people come together to share activities and enjoy life. Abbeyfield is more than a home, it's a neighbourhood, a community, a family.

The Abbeyfield family is a membership organisation encompassing a number of independent member societies operating under the Abbeyfield brand umbrella. These member societies support older people in housing and residential care and nursing services, with each member society being managed independently by its own Board of Trustees. Today, a network of Abbeyfield homes has been created across the United Kingdom and overseas with over 400 homes in eight countries, including the United Kingdom, Australia, Belgium, Canada, Jersey, South Africa, Poland and New Zealand, providing a supportive community to over 6,000 residents.



Our Society

The Abbeyfield Society, which is now trading as the Abbeyfield Living Society, has, for a number of years, been acting both as a provider of homes and the umbrella organisation for all Abbeyfield Societies in the United Kingdom and internationally. During the year, following consultation with all Abbeyfield member organisations, a decision was made to create a new structure headed by the newly formed The Abbeyfield Society World Council (TASWC), with Abbeyfield England (AE) acting as a new umbrella organisation for all English Societies including the Abbeyfield Living Society. This constitutional change is beginning to take shape, with 2023-24 being a transitional year. With effect from 1 April 2023, The Abbeyfield Living Society (also referred to as the Society) ceased to serve as the umbrella entity for the Abbeyfield family. This will allow the Society to focus more on its residents, staff, and the service offerings to the communities within which it operates. For the year ended 31 March 2024, this report still covers the activities of the Society as a provider of both care and housing services and of membership services to the Abbeyfield family.

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 accommodation
- Sheltered housing
- Residential care homes
- Dementia friendly care homes
- Care at home

Depending on the level of independence and the requirement for care support, our homes are tailored to cater for a broad range of residents' needs. Ranging from homes best suited for individuals that are active and self-reliant to homes specifically designed to help support residents living with dementia. Our homes are accessible to take into account the current and future needs (as far as possible) of the residents we support.

Our Vision

Our Vision is for a world without loneliness in later life. We seek to create communities that keep more people connected through our homes, activities, communal spaces and engagement with the communities around us.

Our Behaviours

W

Welcoming - We seek, hear, respect, value and welcome others and their views so we benefit from the different experiences of our communities.

R

Responsible - We are all part of Abbeyfield so we must each take personal responsibility for our words and actions and say when something is not right.

A

Adaptable - We are strong yet flexible, we evolve with the changes around us so we all continue to thrive and flourish.

P

Positives - We celebrate the positives. We celebrate later life and the many things we share so, when good things happen, we hear all about it and so does the world.

C

Collaborate – We champion collaboration and belonging, looking outwards and working together to achieve something better.

OUR BOARD, COMMITTEES AND EXECUTIVE TEAM

Board of Trustees Mike Turner (Chair from 7th September 2023)
George Ashworth
Marc Marrero
Roger Lees
Sara Beamand
David Carr (from 1 September 2023)
Martin Cox (from 1 September 2023)
Terri Pettifer-Eagles (from 1 September 2023) (Vice Chair from 18 January 2024)
Alison Beachim (from 1st April 2024)

The following were also Board members during part of the year covered by this Annual Report:

Jenny Lawrence – Chair (until 7th September 2023)
Amanda Houlihan (until 7th September 2023)
Chris Smith CBE - Deputy Chair (until 30 October 2023)

Committees of the Board

Audit and Risk Committee

David Carr (Chair)
Marc Marrero

Customer Committee

Sara Beamand (Chair)
Martin Cox
Terri Pettifer- Eagles

Finance and Investment Committee

Roger Lees (Chair)
George Ashworth
Martin Cox

People Committee

Terri Pettifer-Eagles (Chair)
Mike Turner
Sara Beamand

Executive Team

Paul Tennant OBE - Chief Executive Officer
Daniel Murphy – Interim Finance Director (from 30 September 2023 until 30 June 2024)
Gail Manley - Director of Human Resources
Jonathan Sweet - Director of Legal, Compliance and Company Secretary
Julie Freear – Customer Operations Director
Tom Nisbet – Finance Director (from 1 July 2024)

The following were also Executive members during part of the year covered by this Annual Report:

Anna Boyes - Director of Marketing and Fundraising (until 14 April 2023)
Abiola Yusuf - Finance Director (until 29 September 2023)

OUR PATRONS AND ADVISORS

Royal Patron His Majesty the King, King Charles III

Patrons

The Rt. Hon Baroness Bottomley of Nettlestone
Michael Brooks
Dame Judi Dench DBE
The Lord Elis-Thomas
Aled Jones
Ron Kenyon OBE
The Duchess of Northumberland
The Rt. Hon Lord John Prescott of Kingston upon Hull
John Robinson CBE
Patricia Routledge OBE
Martin Shreeve OBE MBA DSW BSc (Econ)
Michael Staff MBE
Dame Gillian Wagner DBE PhD
Professor Alan Walker DLitt FRSA
The Rt. Rev & Rt. Hon Baron Williams of Oystermouth
The Carr-Gomm family (David Carr-Gomm, Adam Carr-Gomm, Harriet Carr-Gomm, Elizabeth Parker and Anna Newton)

Advisors

External Auditors

Crowe U.K. LLP
55, Ludgate Hill
London EC4M 7JW

Internal Auditors

Forvis Mazars
30 Old Bailey,
London, EC4M 7AU

Bankers

Barclays Bank Plc
1 Churchill Place
London E14 5HP

Solicitors

Anthony Collins LLP
134 Edmund Street
Birmingham B3 2ES

Legal Status

Registers

Registered company limited by guarantee with the Registrar of Companies, No 574816

Registered with the Regulator of Social Housing, No H1046

Registered with the Charity Commission, No. 200719

Registered with the Care Quality Commission, No.1-102642859

Registered Office

17-19 Hampton Lane
Solihull,
B91 2QJ

Telephone: 01727 857536

Fax: 01727 846168

Email: post@abbeyfield.com

REPORT OF OUR CHAIR



Over the year, Abbeyfield Living Society (ALS) has continued to make progress in transforming the organisation for the future. This has included a new governance structure, a greater focus on customer service and initiating a major Sustainability Programme to reshape the Society.

ALS, along with all care and housing providers, has faced a challenging and changing operating environment. This has placed increasing pressure on the financial viability of the organisation. Without the actions we are now taking, ALS would be at significant risk as demonstrated by a declining position in our accounts.

The current external environment is experiencing a stagnating sales market, increasing supply chain costs, for example in energy, the scarcity of social care staff and ongoing economic turbulence. We also know that our current assets need continued investment to meet today's and future requirements. Following a detailed asset review, it was clear that some of our sites would not be able to meet the standards we require.

As a consequence, in 2023 we took the difficult decision to commence the Sustainability Programme. This has included a reduction in the number of our homes, a review of our operating costs, the creation of a new support team structure and the reinvestment of property sales receipts and recycled grant funding within the remaining portfolio, all of which are necessary to maintain our long-term future.

This year, we commenced consultations with residents and stakeholders about the future of our homes and this has resulted in the very difficult decision to close 40 properties. It has been exceptionally challenging, particularly for residents and their families. We are acutely aware of the impact this has had and as a longstanding charity we have explored every option possible to avoid this situation.

Within the year I have been encouraged by the CQC rating improvements we have seen across our care services. We are a customer centric organisation and the ratings awarded to us are testament to that.

I am pleased to note also that our resident feedback has been positive and that they are proud to be part of Abbeyfield Living Society. I am in no doubt that this reflects the excellent work our colleagues are undertaking day in day out and I wish to express my particular thanks to them for their commitment during this challenging time.

In 2023/24 we invested more than ever in our properties, totalling over £4m on capital works and a significant investment on internal decorations. This record year will be followed by significant future investment on our estate as the Sustainability Programme progresses.

I am optimistic that the steps we are now taking will allow us to provide an excellent and value for money service for the growing numbers of older people in the future. We all know that as the population ages the demand for the services we provide will increase and so we must ensure we are well placed, alongside other providers, to provide great quality and safe homes.

We have seen the green shoots of success in the later months of 2023/24 as a result of the Sustainability Programme. For example, employee satisfaction is increasing, our dependency on agency staff is reducing and occupancy rates are rising across our schemes. These are all important metrics that have a major impact on our financial performance.

I want to express my sincere gratitude to our residents and their families, our staff and our partners, and the community in which we work, who have stood by us during this difficult period, and encourage them to build upon the new foundations we are creating. Your unwavering support continues to inspire us and reinforces our commitment to those we serve.

In closing, I believe that challenges are opportunities in disguise. This includes innovation, collaboration, and the reaffirming of our shared commitment to the values that define us as a unique and outstanding organisation. With determination, compassion, and by working together, I am confident we will continue to make a positive difference to the lives of those we serve.

CEO Statement



As the Chairs report demonstrates, this has been a tough and challenging year for ALS, its residents and staff. We have consulted with everyone potentially affected over the sustainability of our homes and had to take many difficult decisions. We wanted to engage and to enable all alternative options to be considered before final decisions were reached, a process that gave us an even deeper appreciation of the value and importance of talking to residents. It also pushed us to look again at what more we could do to make resident engagement more effective within ALS.

We are a customer-facing organisation, and our dedicated frontline colleagues go above and beyond every day to support their residents, who are at the heart of everything we do. As such, we are keen to ensure that residents have a voice and can help shape how our business operates in order to improve the customer experience.

Our most recent resident satisfaction survey, carried out in early 2024, highlighted some positive feedback from residents including an 82% satisfaction rate with the overall service provided by Abbeyfield and 94% of respondents reporting that staff were friendly and approachable. While we are pleased with the high scores, we are committed to working with residents on an ongoing basis to make any improvements that have been identified and we have taken some significant steps to develop our approach.

This financial year we appointed a dedicated resident engagement manager and established a national residents' panel, which is open to all residents from our housing and care schemes. The panel was set up to provide residents with the opportunity to influence how Abbeyfield is run and is a direct link between them and the Board. The resident engagement manager regularly attends the Board's Customer Committee meetings to keep them informed of the panel's work and so that the Committee can offer their guidance and support. Residents are also invited to attend these meetings on an ad hoc basis.

The panel has worked collaboratively with the Executive team and the Board to develop a customer charter or 'resident commitment'. This document outlines the service level residents can expect from us and will act as a guide for staff so they know what is expected of them and how they can contribute to providing an exceptional customer experience.

In addition, Abbeyfield has recently joined Tpas (www.tpas.org.uk), a national organisation which champions tenant engagement and empowerment in social housing. This has opened up invaluable networking opportunities and access to training and webinars for our residents and staff and demonstrates our commitment to engaging with our customers to improve services for all.

In a direct response to many of our residents expressing their desire to engage with environmental issues and ensure that Abbeyfield continues to improve its approach to sustainability, we have undertaken various initiatives. These include making our operations more sustainable with solar-powered mobility scooter storage; the installation of LED lighting; EV charging points in the car parks; and the introduction of AMR smart meters. These not only help to reduce our carbon footprint, but also help residents and the business to save energy, save money and access clearer information about energy use.

Finally, in the midst of the consultation about the future of our homes we recognised the impact of changes on our residents and wanted to tackle this issue across the housing sector. We need more homes for older people, but without investment in existing homes we will lose many of the estimated 527,000 homes in the sector. ALS initiated an All-Party Parliamentary Group (APPG) Inquiry into 'The Regeneration of Outdated Sheltered Housing' to highlight this issue and promote the voice of current and future residents. The report was published in July 2024, and we hope many of its recommendations will be picked up in national and local government, and by social and private housing providers.

The Board and Executive team value the ongoing input and scrutiny from our residents tremendously and will continue to use this to shape our strategy and improve our services.

REPORT OF OUR 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 2024. 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 support of the activities of member societies, including the provision of technical, operational and administrative advice. During the year ALS were contracted to provide these services 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, baking competitions, Sunday roasts to celebrating festivities, food is always at the heart of what we do as we see this as a perfect way to bring people together.

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

	As At March 2024	As at March 2023
Owned and managed directly		
Affordable Rent	114	114
Housing for older people (Rental)	898	950
Housing for older people (Shared Ownership)	5	5
Care Homes (residential, nursing and dementia)	518	653
Market Rent	76	77
Leasehold	97	97
Commercial	19	18
Restaurants	3	3
Total directly managed	1,730	1,917
Owned but managed by others		
Housing for older people (Rental)	75	75
Housing for older people (Shared ownership)	15	15
Housing for older people (Leasehold)	15	15
Total managed on our behalf	105	105
Total owned	1,835	2,022

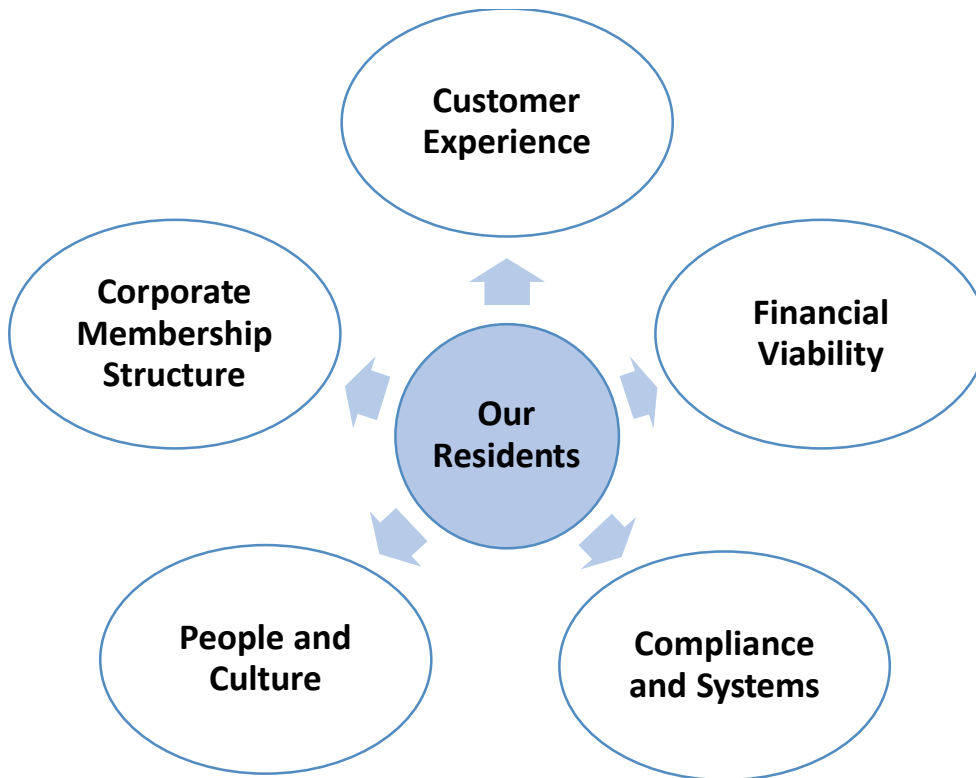
REPORT OF OUR BOARD (continued)

During the year the number of units owned and managed directly decreased by a net 187 beds. The movements in the year include the closure of a number of properties via our ongoing sustainability project. Included in the total number of units directly managed at the end of the year are four care homes which were decommissioned by the year end. There was no movement in the number of units owned and managed by others.

Our Corporate Objectives 2023/24

This report and the financial statements correspond to the second year of our strategic focus following the appointment of a new CEO in January 2022. Having analysed our operating environment and a number of pressing challenges faced by the Society, the strategic focus for 2023/24 was to stabilise services following the pandemic which had a major impact on our residents, services and finances; launch a programme of improvements to processes, structures, planning, intelligence and business focus; and lead a transformation programme to right size and right shape the Society.

Five Corporate Objectives were agreed by the Board as set out below.



REPORT OF OUR BOARD (continued)

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 quarterly basis to our 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.

What We Achieved in the Year

The 2023-24 financial year has not been without its challenges. Although our financial performance lagged behind expectations, some progress was made towards achieving our Corporate Objectives.

Customer Experience	The results from this year's Residents' Engagement survey showed that 86% of Housing residents who responded are satisfied with the service provided by Abbeyfield, while 87% of Care Home residents who responded are satisfied with the overall standard of the service. Further more, 96% of Housing and 92% of Care Home respondents believe our staff are friendly and approachable. We improved on our care home ratings with the Care Quality Commission.
Financial Viability	We continued to remove stock which was identified as being no longer sustainable, whilst increasing our occupancy from 88% to 92% on our retained stock holding during the period. We also reviewed our overall organisation structure, identifying areas of both operational and financial efficiencies. The Society continues to operate free of debt.
Compliance and Systems	We maintained, and started to improve our regulatory compliance framework and reporting to, Regulators and the Charity Commission. We responded promptly and positively to internal audit recommendations and changes to legislation. We also revamped our Risk Management Framework and risk appetite, developing a new Corporate Risk Register. The Experience Programme (Technology transformation) also delivered improvements to the customer and staff experience by enhancing some of our systems including the roll out of new staff mobile phones, Office 365, Modern desktops to facilitate remote working and the installation of SD WAN and Wi-Fi in some of our homes.

REPORT OF OUR BOARD (continued)

People and Culture	We completed the 2023 B-Heard Survey (our employee engagement forum) which showed that 73% of the respondents are engaged and satisfied working for Abbeyfield. This is an improvement of 2% on the previous year. We also enhanced our pay rates, recruitment and retention benefits in response to the cost of living crisis.
Membership Structure	Following the 2020 and 2021 Annual General Meetings, the Abbeyfield Family approved a revised structure to deliver a more members-focused federation. We achieved the creation of two umbrella organisations namely, Abbeyfield England (AE) and The Abbeyfield Society World Council (TASWC). This also meant that with effect from 1 April 2023, the Society itself became a member society and ceased to be the umbrella organisation for the family. The Society continued to support the Abbeyfield Family during the transitional year from 1 April 2023 to 31 March 2024.

Our Strategic Focus 2024/25 and 2025/26

Acknowledging that some progress was made against the 2023/24 Strategic Objectives, we are committed to delivering value and high quality care and support to our residents. We acknowledge the 2024/25 and 2025/26 financial years are going to be equally challenging given the macro and micro economic factors faced by the housing sector and rightly set out in the Regulator's Sector Risk Profile 2023. The UK economy has been exposed to a sequence of severe shocks over the last few years. Rapid and prolonged inflation, a tight labour market, and continuing supply chain disruption are all increasing costs for providers such as ALS. This is not to underestimate the impact of rising interest rates on our supply chain. In common with similar organisations, we are inevitably faced with difficult trade-off decisions so as to ensure we are delivering on our core objectives for the long term.

For the coming financial years, the Board has agreed the following four Strategic Objectives:

- Achieve a sustainable operating surplus by the end of 2025;
- Improve our customers' experience of our housing, care and support services;
- Enhance our culture and build the capacity and capability of our team;
- Complete the transition from being an umbrella organisation to being a member society.

What Does Success Look Like

- **Achieve a sustainable operating surplus by the end of 2025**

This is one of the key corporate priorities for the coming year for us as an organisation aiming to deliver economic, effective and efficient services to our residents. To achieve this, we will continue our in-depth review of our cost-base and understand the long-term viability of all our homes. We will look to complete the reshaping and resizing of the organisation and address future investment requirements.

Key measures of success are:

- Performance against approved budget and 30-year business plan
- Liquidity Cover
- Headline Social Cost per Unit that demonstrates Value for Money for our residents

REPORT OF OUR BOARD (continued)

- **Improve our customers' experience of our housing, care and support services**

We will strive to deliver high levels of customer service at all times, encourage and respond to feedback regarding the lived experience of our customers and ensure our homes are safe and welcoming places where we are able to enrich the lives of all who live with us.

Key measures of success are:

- Implementation of resident engagement plan
- Delivery of the Experience Programme projects
- Reduction in the level of voids

- **Enhance our culture and build the capacity and capability of our team**

We will recruit, retain and develop our staff and ensure we provide the right tools and resources to empower and inspire them and ensure great leadership and governance. We will celebrate successes, learn from failures and champion our values.

Key measures of success are:

- Improved outcome from the 2024 B-Heard Survey
- Improved staff retention and reduction in staff turnover rate
- Implementation of the HR and Payroll system's full functionalities

- **Complete the transition from being an umbrella organisation to being a member society**

We will complete the implementation of the revised governance structure and improve our financial performance as a member society. We will work with Abbeyfield England and The Abbeyfield Society World Council through the various consultations, ensuring effective engagements during the transitional year.

Key measures of success are:

- Clear governance structure
- New membership agreement
- Agreed quality and reporting standards

In relation to all these objectives, a Balanced Scorecard approach is being taken for measuring and reporting on performance against objectives. The Balanced Scorecard is discussed with our Senior Leadership Team on a quarterly basis with updates provided to the Board also quarterly.

OPERATING AND FINANCIAL REVIEW

The operating environment for the Group remains challenging. At the end of the financial year, the reported Group deficit was £16.1m (2023: £7.4m). Despite the decommissioned properties, turnover remained stable compared to the prior year. Operating costs were 10.5% higher than last year and there was an impairment charge of £7.1m (2023: £1.95m). This resulted in an operating deficit of £18.2m (2023: £7.3m).

Turnover

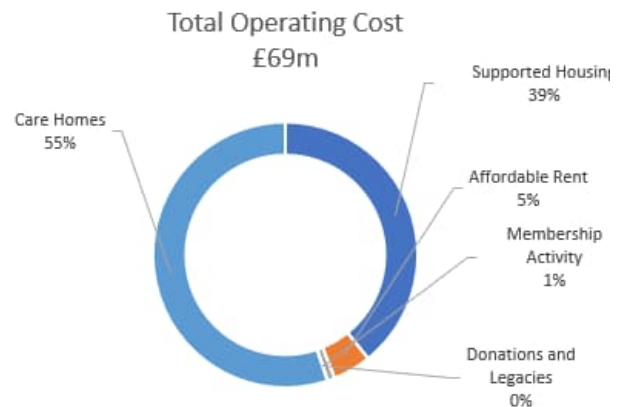
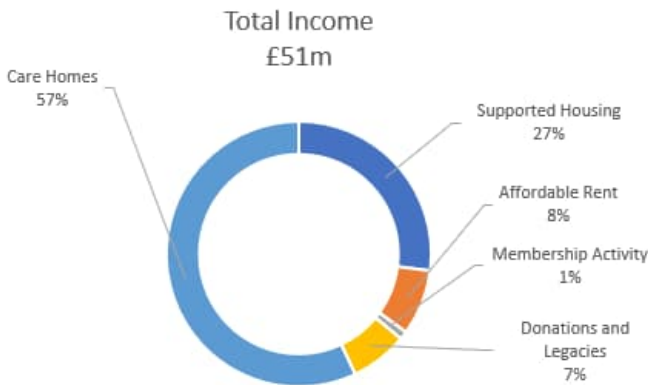
Income from housing, care and support services increased by £100k to £50.7m (2023: £50.6m). Fees and rental income increased by £1.6m with discounts given to local authorities also increasing by £500k and void losses decreasing by £400k. Other income including donations and legacies reduced by £1.4m.

Operating Costs

Total operating costs before the impairment charge of £7.1m (2023: £1.95m) was £61.9m (2023: £56.0m). This represented a £5.9m (10.5%) increase on the prior year. Our direct employee costs increased by £1.3m to £29.9m, and we also saw an increase of £300k in our agency labour spend as a result of the high staff turnover rate. The annualised staff turnover rate was 30%, with 33% reported in our care homes and 18% reported in our supported housing. The Care Quality Commission (CQC) stated in a recent publication that the pandemic brought into sharp focus how much people depend on the skills and experience of health and social care staff. But across the breadth of health and social care services, providers are struggling desperately to recruit and retain staff with the right skills and in the right numbers to meet the increasing needs of people. The CQC reported an average staff turnover rate of 35.9% during the year, a decrease from 38.2% in prior year. As part of our cost mitigation strategy, we reviewed our recruitment and retention strategy, third party engagements, staff pay award and retention packages.

Operating and Net Deficits

The operating deficit at the end of the year was £18.2m (2023: £7.3m), as illustrated in the pie charts below. This included an impairment charge of £7.1m. Whilst we saw an increase in interest receivable from £0.26m to £0.53m resulting from optimising our cash deposits held with banks, the interest payable costs increased to £0.29m from £0.26m. Our property disposal programme lagged behind budget contributing to the net Group deficit of £16.1m at the year end (2023: £7.4m).



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	2024	2023	2022	2021	2020
	£'000	£'000	£'000	£'000	£'000
Turnover	50,702	50,612	47,088	48,102	50,949
Operating Costs	(61,854)	(55,960)	(53,022)	(52,441)	(57,853)
Impairment	(7,087)	(1,951)	(10,869)	-	(6,421)
Operating Deficit	(18,239)	(7,299)	(16,803)	(4,339)	(13,325)
Other net (costs) or contributions	2,137	(134)	1,682	5,600	2,621
Net Deficit	(16,102)	(7,433)	(15,121)	1,261	(10,704)

5-Year Overview of Financial Position

As at 31 March	2024	2023	2022	2021	2020
	£'000	£'000	£'000	£'000	£'000
Housing properties	109,166	117,585	121,852	133,423	139,083
Other fixed assets and investment properties	1,945	2,033	858	945	1,178
Net current assets	6,027	12,374	22,553	24,845	11,833
Creditors falling due after more than one year	(22,073)	(20,825)	(26,663)	(25,492)	(19,634)
Net assets	95,065	111,167	118,600	133,721	132,460

5-Year Overview of Cash flow

For the year ended 31 March	2024	2023	2022	2021	2020
	£'000	£'000	£'000	£'000	£'000
Net cash (outflow)/inflow from operating activities	(5,473)	(7,508)	(6,571)	3,172	(2,235)
Net cash used in investing activities	2,559	(1,175)	7,764	9,622	3,472
Net cash (outflow)/inflow by financing activities	(289)	(262)	(172)	(143)	(211)
Net (decrease)/increase in cash and cash equivalents	(3,203)	(8,945)	1,021	12,651	1,026
Cash and cash equivalents	12,564	15,767	24,712	23,691	11,040

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 an £8m overdraft facility. The bank facility is secured on a selection of the Society's properties. In October 2023 the Board decided not to renew the £5m RCF but instead to increase the overdraft from £5m to £8m. This new arrangement provides the Society with an adequate level of liquidity and removes the requirement to comply with the restrictive interest-cover covenant. 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 5.4% (2023: 10%) in the year. As at 31 March 2024, the total number of FTE employees was 859 (2023: 908) 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 it should give 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, liquidity cover of four months, with an aspiration of six months, has been set by the Board as part of its Golden Rules. The total reserves at the end of March 2024 were £95.1m (2023: £111.2m). Of this, the liquid funds (i.e. cash and cash equivalent with investments) were £12.95m (2023: £16.12m) and the total restricted reserves were £3.8m (2023: £5.6m). Therefore the free reserves at the end of the financial year were £9.2m, which is below the minimum £10m free reserves requirement. The liquidity cover at the end of the year was £21m (i.e. cash and cash equivalent, investments, RCF and Overdraft) representing four months of expenditure.

Going Concern and Viability

The net assets of the Group at the end of the year were £95.1m (2023: £111.2m) with total assets net of current liabilities of £117.1m. In addition to this, the Group had £8m of undrawn lending facilities through its overdraft facility. Although, the Group is reporting a net Group deficit of £16.1m (2023: £7.4m 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 2025/26. 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 achieving 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.

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.

	2023/24	2022/23	2021/22	2020/21
Operating Margin % (continuing operations excluding impairment)	(21%)	(9.2%)	(7.4)%	(5.9)%
Care occupancy %	84%	82%	76%	79%
Housing occupancy %	85%	85%	84%	87%
Development expenditure	£1.1m	£0.7m	£4.2m	£3.5m
Fundraising Income	£1.3m	£3.6m	£1.9m	£2.0m

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 32 (2023: 25).

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 63 recommendations and partly compliant with six other recommendations. The residents' survey showed that 70% 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 25th September 2024 and signed on its behalf by:



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 2019-2024 was developed to ensure we 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 front line services; and maintain a high level of resident satisfaction with value for money.

Benchmarking

In order to maintain compliance with the VfM standard, we monitor the performance of the Society against appropriate benchmarks and also look to understand variances. For robustness, we have selected two benchmark groups to compare our performance against. We also 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 an increase in the reinvestment metric following a year of significant investment into our existing assets. There was however a decline or worsening in our EBITDA MRI Interest Cover, Headline Social Cost per Unit, Operating Margin %s and Return on Capital Employed. As these metrics are linked to contributions from operations or profitability, the reported deficits of the Society, year-on-year, has been the lead contributing factor.

	The Abbeyfield Society - Year on Year	2020/21	2021/22	2022/23	2023/24	Flag
1	Reinvestment %	5.5%	3.4%	2.6%	4.0%	↑
2a.	New Supply delivered – Social Housing Units	0.3%	0.0%	1.6%	0.0%	↓
2b.	New Supply delivered – Non Social Housing Units	0.0%	0.0%	0.0%	0.0%	↔
3	Gearing %	-14.0%	-16.2%	-13.4%	-12%	↑
4	EBITDA/MRI Interest Cover	-1870%	-3409%	-2188%	-3979%	↓
5	Headline Social Cost per Unit	£23042	£24,043	£25,047	£27,378	↓
6a.	Operating margin % - Social Housing lettings only	-25.2%	-23.9%	-21.98%	-27.94%	↓
6b.	Operating margin % - Overall	-9.0%	-9.0%	-10.93%	-16.21%	↓
7	Return on Capital Employed	-0.5%	-2.9%	-4.2%	-7.1%	↓

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 and housing for older people. These providers and their performance were extracted from the Regulator of Social Housing 2023 Global Accounts

VALUE FOR MONEY (continued)

	The Abbeyfield Society	2023/24	Median - Peer Group 22/23	Median - Industry 22/23
1	Reinvestment %	4.0%	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 %	-12.0%	24.8%	45.3%
4	EBITDA/MRI Interest Cover	-3979.0%	220.0%	128.4%
5	Headline Social Cost per Unit	27,378	8,760	4,586
6a.	Operating margin % - Social Housing lettings only	-27.9%	14.8%	19.8%
6b.	Operating margin % - Overall	-16.2%	7.9%	18.2%
7	Return on Capital Employed	-7.1%	2.5%	2.8%

We compare favourably against the Peer Group and industry medians in new social housing units supplied and gearing %. However, we under-performed against both medians on the other metrics. Our operating margin % metric was below the 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 support needs to be considered in the context of the 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. As such, one focus for the coming year will be to develop our VfM Strategy for 2024-27.

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. During the year, the Board overhauled the entire 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 2023 to ensure we have captured relevant risks in our risk register and have appropriate mitigation plans for 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 top three Corporate Risks are:

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

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 2023/24			Consumption 2022/23			
	KWh	Mileage	Kg CO2e		KWh	Mileage	Kg CO2e
	000	000	000		000	000	000
Electric	6,877		1,603	Electric	6,232		1,453
Gas	16,017		3,734	Gas	17,696		4,126
Transport		392	92	Transport		384	105
Total	22,894	392	5,429	Total	23,928	384	5,684

Year on Year Improvement	255
% Improvement	4%

consumption, plans to increase resource focused on environmental initiatives and funding for specific capital expenditure in our schemes to deliver environmental efficiency.

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 4%. During the year, there was an 10% increase in electric consumption but a 9% 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

We are committed to achieving the highest standards of professional fundraising. We 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. We 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 (2023: 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 25th September 2024 and signed on its behalf by:



Mike Turner
Chair

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

We have audited the financial statements of The Abbeyfield Society ('the Society') and its subsidiaries ('the group') for the year ended 31 March 2024 which comprise the consolidated and Society statements of comprehensive income, the consolidated and Society statement of financial position, the consolidated statement of cash flows, the consolidated and Society statement 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 Financial Reporting Standard 102 - the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the Society's affairs as at 31 March 2024 and of the group and society's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to Going Concern

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

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

Other information

The Board are responsible for the other information contained within the Report of the Board. The other information comprises the information included in the Report of the Board, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

In 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, incorporating the Strategic Report.

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

- adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Board members' 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 set out on page 22, the Board 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 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 either intend to liquidate the Group or 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditors-responsibilities. 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 identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Society and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Housing and Regeneration Act 2008 together with the Accounting Direction for Private Registered Providers of Social Housing 2022 and the Housing SORP 2018 (Statement of Recommended Practice for registered social housing providers). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Society's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Society and the group for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing and the Care Quality Commission, Health and Safety legislation, employment legislation and General Data Protection Regulations (GDPR).

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

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board members and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of rental, care and legacy income, the capital costs of development, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Regulator of Social Housing, the Charity Commission and Care Quality Commission, substantive testing of key income streams, substantive testing of development expenditure and reading minutes of meetings of those charged with governance.

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

Use of our Report

This report is made solely to the Society's members, as a body, in accordance 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.



Julia Poulter
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London, UK

27 September 2024

FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2024

	Note	Total 2024 £'000	Total 2023 £'000
Turnover	4	50,702	50,612
Operating costs		(61,854)	(55,960)
Impairment	15	(7,087)	(1,951)
Total Operating Costs	4	(68,941)	(57,911)
Operating (deficit)/ surplus	4	(18,239)	(7,299)
(Deficit) / surplus on disposal of Housing Properties	11	1,856	(185)
Other interest receivable and similar income	12	532	264
Interest and financing costs	13	(289)	(262)
Movement in fair value of investment properties	17	-	80
Movement in fair value of investments	21	38	(31)
(Deficit) / surplus before taxation		(16,102)	(7,433)
Taxation	14	-	-
(Deficit)/surplus after taxation and total comprehensive (expense) / income for the year		(16,102)	(7,433)

The Notes on pages 34 to 57 form part of these Financial Statements.

FINANCIAL STATEMENTS

Society Statement of Comprehensive Income for the year ended 31 March 2024

	Note	Total 2024 £'000	Total 2023 £'000
Turnover	4	50,702	50,588
Operating costs		(61,854)	(55,959)
Impairment	15	(7,087)	(1,951)
Total Operating Costs	4	(68,941)	(57,910)
Operating (deficit)/ surplus	4	(18,239)	(7,322)
(Deficit)/ surplus on disposal of Housing Properties	11	1,856	(185)
Other interest receivable and similar income	12	532	264
Interest and financing costs	13	(289)	(262)
Movement in fair value of investment properties	17	-	80
Movement in fair value of investments	21	38	(31)
(Deficit) / surplus before taxation		(16,102)	(7,456)
Taxation	14	-	-
(Deficit) /surplus before and after taxation and total comprehensive (expense) / income for the year		(16,102)	(7,456)

The Notes on pages 34 to 57 form part of these Financial Statements.

FINANCIAL STATEMENTS

Consolidated and Society Statements of Financial Position at 31 March 2024

	Note	Group 2024 £'000	Group 2023 £'000	Society 2024 £'000	Society 2023 £'000
Fixed assets					
Tangible fixed assets - housing properties	15	109,166	117,585	110,446	118,885
Other fixed assets - Tangible and Intangible	16	1,065	1,153	1,065	1,153
Investment properties	17	880	880	880	880
		111,111	119,618	112,391	120,918
Current assets					
Properties held for sale	19	1,859	2,717	1,894	2,752
Debtors - receivable within one year	20	3,752	3,962	4,075	4,258
Debtors - receivable after one year	20	232	238	232	238
Investments	21	394	356	394	356
Cash and cash equivalents		12,564	15,767	12,350	15,372
		18,801	23,040	18,945	22,976
Creditors: amounts due within one year	22	(12,774)	(10,666)	(12,956)	(10,629)
Net current assets		6,027	12,374	5,989	12,347
Total assets less current liabilities		117,138	131,992	118,380	133,265
Creditors: amounts due after one year	23	(20,873)	(20,825)	(20,873)	(20,856)
Provision for Liabilities and Charges due after one year	24	(1,200)	-	(1,200)	-
Net assets		95,065	111,167	96,307	112,409
Capital and reserves					
Income and expenditure reserve		91,265	105,557	92,507	106,799
Restricted reserve		3,800	5,610	3,800	5,610
Total Capital and reserves		95,065	111,167	96,307	112,409

The financial statements were approved by the Board and authorised for issue on 25th September 2024 and signed on their behalf by:



Mike Turner
Chair

The Notes on pages 34 to 57 form part of these Financial Statements.

FINANCIAL STATEMENTS

Consolidated statement of Cash Flows for the year ended 31 March 2024

		2024	2023
		£'000	£'000
Cash flows from operating activities			
(Deficit) / surplus for the financial year		(16,102)	(7,433)
Adjustments for:			
Impairment of housing properties	7	7,087	1,951
Depreciation of fixed assets - housing properties	7	2,526	2,485
Accelerated depreciation on disposal of components	7	93	266
Impairment of current assets	7	-	-
Depreciation of other fixed assets - Tangible and Intangible	16	249	44
Amortisation of grant	5	(126)	(125)
Movement in fair value of investments	21	(38)	31
Interest payable and finance costs	13	289	262
Interest received	12	(532)	(264)
Deficit / (surplus) on the disposal of fixed assets	11	(1,856)	185
(Increase) / decrease in trade and other debtors	20	216	(144)
(Increase) / decrease in properties held for sale	19	858	(540)
Increase / (decrease) in creditors		1,863	(4,171)
Net cash (outflow)/inflow from operating activities		(5,473)	(7,453)
Cash flows from investing activities			
Transaction costs for sale of housing properties	11	(158)	(77)
Grant repaid		-	-
Sale of current asset investments	21	-	205
Proceeds from sale of fixed assets - housing properties	11	6,536	2,700
Purchase of fixed assets - housing properties	15	(4,196)	(3,223)
Purchase of Other fixed assets - Tangible and Intangible	16	(161)	(1,167)
Receipt of grant and other movements	25	-	-
Net loan repayments from/(advances) to member societies	20	6	68
Interest received	12	532	264
Net cash generated/(used) in investing activities		2,559	(1,230)
Cash flows from financing activities			
Interest paid	13	(289)	(262)
Net cash (outflow)/inflow by financing activities		(289)	(262)
Net (decrease)/increase in cash and cash equivalents		(3,203)	(8,945)
Cash and cash equivalents at beginning of year		15,767	24,712
Cash and cash equivalents at end of year		12,564	15,767

The Notes on pages 34 to 57 form part of these Financial Statements.

FINANCIAL STATEMENTS

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

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

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

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

Consolidated statement of changes in reserves for the year ended 31 March 2023

	Income and expenditure reserve £'000	Restricted reserves £'000	Total £'000
Balance at 31 March 2022	111,628	6,972	118,600
(Deficit) / Surplus for the year	(6,071)	(1,362)	(7,433)
Balance at 31 March 2023	105,557	5,610	111,167

Society statement of changes in reserves for the year ended 31 March 2023

	Income and expenditure reserve £'000	Restricted reserves £'000	Total £'000
Balance at 31 March 2022	112,893	6,972	119,865
(Deficit) / Surplus for the year	(6,094)	(1,362)	(7,456)
Balance at 31 March 2023	106,799	5,610	112,409

The Notes on pages 34 to 57 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:

- 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 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

Tangible Fixed Assets- Housing Properties (continued)

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

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 and are substantially for the upkeep of property and welfare of residents. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 the year, 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

	Note	Turnover 2024 £'000	Cost of Sales 2024 £'000	Operating costs 2024 £'000	Operating (deficit) / surplus 2024 £'000
Social housing lettings	5	12,768	-	(20,628)	(7,860)
Care Homes	5	30,153	-	(42,450)	(12,297)
Activities other than Social Housing Activities					
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
Furlough Income		-	-	-	-
Total		50,702	(861)	(68,080)	(18,239)

	Note	Turnover 2023 £'000	Cost of Sales 2023 £'000	Operating costs 2023 £'000	Operating (deficit) / surplus 2023 £'000
Social housing lettings	5	13,519	-	(19,637)	(6,118)
Care Homes	5	28,584	-	(33,673)	(5,089)
Activities other than Social Housing Activities					
Affordable rent (Independent Living) and other		4,119	-	(3,561)	558
Property Sales		-	-	-	-
Membership activity		682	-	(769)	(87)
International activity		8	-	(45)	(37)
Other		1	-	-	1
Donations and legacies		3,580	-	(226)	3,354
Furlough Income		119	-	-	119
Total		50,612	-	(57,911)	(7,299)

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Particulars of turnover, operating costs and operating surplus - Society

		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)
Activities other than Social Housing Activities					
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
Furlough Income		-	-	-	-
Total		50,702	(861)	(68,080)	(18,239)

		Turnover	Cost of	Operating	Operating
		2023	Sales	costs 2023	(deficit)
	Note	£'000	2023	£'000	/ surplus 2023
			£'000		£'000
Social housing lettings	5	13,519	-	(19,637)	(6,118)
Care Homes	5	28,584		(33,673)	(5,089)
Activities other than Social Housing Activities					
Affordable rent (Independent Living) and other		4,119	-	(3,561)	558
Membership activity		682	-	(769)	(87)
International activity		8	-	(45)	(37)
Other		1	-	1	2
Donations and legacies		3,556	-	(226)	3,330
Furlough Income		119	-	-	119
Total		50,588	-	(57,910)	(7,322)

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	Care £'000	Supported Housing £'000	Total 2024 £'000	Total 2023 £'000
Income				
Rents net of identifiable service charges	30,027	3,249	33,276	31,932
Service charge income	-	9,519	9,519	10,046
Grant amortisation	126	-	126	125
Turnover from social housing lettings	30,153	12,768	42,921	42,103
Expenditure				
Management	(10,009)	(5,276)	(15,285)	(9,418)
Service charge costs	-	(9,306)	(9,306)	(8,930)
Charges for support services	(25,037)	-	(25,037)	(26,321)
Routine maintenance	(631)	(1,938)	(2,569)	(3,379)
Major repairs expenditure	(529)	(137)	(666)	(589)
Bad debts	(84)	(183)	(267)	165
Impairment (Housing Properties)	(4,653)	(2,434)	(7,087)	(1,951)
Accelerated depreciation	(23)	(62)	(85)	(216)
Depreciation (Housing Properties)	(1,318)	(1,208)	(2,526)	(2,058)
Depreciation (Other Fixed Assets)	(165)	(84)	(249)	(44)
Abortive Costs	(1)	-	(1)	(569)
Operating expenditure on social housing lettings	(42,450)	(20,628)	(63,078)	(53,310)
Operating (deficit)/surplus on social housing lettings	(12,297)	(7,860)	(20,157)	(11,207)
Void losses	(6,122)	(2,610)	(8,732)	(9,042)

6. UNITS OF HOUSING STOCK – GROUP AND SOCIETY

	2024 Total	2023 Total
Supported Housing	898	950
Residential care home bed spaces	518	653
Affordable Rent	292	293
Total Owned and Directly Managed accommodation	1,708	1,896
Units owned by the Society but managed by others	105	105
Non Housing Stock (Restaurants and Commercial units)	22	21
Total Commercial and Indirectly Managed accommodation	127	126
Total units owned and managed	1,835	2,022

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. OPERATING DEFICIT

	Group	Group	Society	Society
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
The operating deficit is arrived at after charging:				
Depreciation of housing properties: charge for the year	2,021	2,058	2,021	2,058
Depreciation of market let properties: charge for the year	505	427	505	427
Depreciation of other fixed assets - tangible and intangible	249	44	249	44
Accelerated depreciation of housing properties	93	216	93	216
Accelerated depreciation of market let properties	-	50	-	50
Impairment (Housing Properties)	7,087	1,951	7,087	1,951
Operating lease charges	817	769	817	769
Auditors' remuneration:				
Group accounts	95	90	95	90
Subsidiaries	11	11	11	11
other audit related assurance	8	8	8	8
tax advice	13	13	13	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	Group
	2024	2023
	£'000	£'000
Staff costs (including Executive Management Team) consist of:		
Wages and salaries	26,907	25,592
Social Security costs	2,045	2,060
Cost of defined contribution scheme	905	887
Total	29,857	28,539

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	FTE's	Headcount	Headcount
	2024	2023	2024	2023
Administration	96	109	122	134
Development	1	1	1	2
Housing, Support and Care	762	798	1,098	1,136
Total	859	908	1,221	1,272

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Board and executive remuneration

None of the members of the Board received any emoluments (2023: £nil). Board expenses for the year are **£6,020** (2023: £6,773).

	Group 2024 £'000	Group 2023 £'000	Society 2024 £'000	Society 2023 £'000
Executive emoluments	811	827	811	827
Employer NI	102	107	102	107
Contributions to money purchase pension schemes	39	41	39	41
Total	952	975	952	975

The total amount payable to the Chief Executive post, who was also the highest paid director, in respect of emoluments was **£191,436** (2023: £186,600). Employer pension contributions totalling **£7,000** 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 2024 number	Group 2023 number	Society 2024 number	Society 2023 number
£60,001 - £70,000	12	14	12	14
£70,001 - £80,000	8	4	8	4
£80,001 - £90,000	2	3	2	3
£90,001 - £100,000	3	2	3	2
£110,001 - £120,000	1	2	1	2
£130,001 - £140,000	1	-	1	-
£170,001 - £180,000	-	1	-	1
£190,001 - £200,000	1	-	1	-

10. BOARD AND COMMITTEE MEMBERS

Board/Committee Member	Group Board	People Committee	Audit and Risk Committee	Finance & Investment Committee	Customer Committee
David Carr	✓		✓		
Martin Cox	✓			✓	✓
Terri Pettifer-Eagles	✓	✓			✓
Sara Beaman	✓	✓			✓
Roger Lees	✓			✓	
George Ashworth	✓			✓	
Mike Turner	✓	✓			
Marc Marrero	✓		✓		

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	2024	2023
	£'000	£'000
Disposal proceeds	6,536	2,700
Net Book Value	(4,159)	(2,455)
Impairment reversed at sale	1,252	(166)
Selling costs	(158)	(77)
Grant recycled	(1,615)	(187)
Total	1,856	(185)

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

	Group	Group	Society	Society
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Interest on loans to member societies	17	9	17	9
Bank and Investment Interest	515	255	515	255
Total	532	264	532	264

13. INTEREST PAYABLE AND SIMILAR CHARGES – GROUP AND SOCIETY

	Group	Group	Society	Society
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Bank Loans and overdrafts	90	145	90	145
Recycled capital grant fund	199	117	199	117
Total	289	262	289	262

14. TAXATION

There was no tax charge for the year (2023: £nil) as the Society's activities are charitable in nature.

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. HOUSING PROPERTIES – GROUP

	Care Housing and Independent Living completed £'000	Care, Housing and Independent Living under construction £'000	Shared Ownership completed £'000	Total £'000
Cost:				
As at 31 March 2023	147,742	9,838	793	158,373
Additions:				
Construction Costs	-	11	-	11
Replaced components	4,184	-	-	4,184
Component disposal	(204)	-	-	(204)
Closed property disposal	(5,632)	-	-	(5,632)
Construction assets completed during the year	11	(11)	-	-
As at 31 March 2024	146,101	9,838	793	156,732
Depreciation:				
As at 31 March 2023	23,153	-	-	23,153
Charge for the year	2,526	-	-	2,526
Eliminated on disposals: components	(111)	-	-	(111)
Eliminated on disposals: other	(1,473)	-	-	(1,473)
As at 31 March 2024	24,095	-	-	24,095
Impairment:				
As at 31 March 2023	7,797	9,836	-	17,633
Charge for the year	7,513	-	-	7,513
Reversed prior year impairment	(426)	-	-	(426)
Released in the year at sale	(1,251)	-	-	(1,251)
Adjustment to PY	-	2	-	2
As at 31 March 2024	13,633	9,838	-	23,471
Net book value at 31 March 2024	108,373	-	793	109,166
Net book value at 31 March 2023	116,792	-	793	117,585

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. HOUSING PROPERTIES – SOCIETY

	Care Housing and Independent Living completed £'000	Care, Housing and Independent Living under construction £'000	Shared Ownership completed £'000	Total £'000
Cost:				
As at 31 March 2023	149,042	9,838	793	159,673
Additions:				
Construction Costs	-	9	-	9
Replaced components	4,163	-	-	4,163
YE Adjustment	-	3	-	3
Component disposal	(204)	-	-	(204)
Closed property disposal	(5,632)	-	-	(5,632)
Construction assets completed during the year	12	(12)	-	-
As at 31 March 2024	147,381	9,838	793	158,012
Depreciation:				
As at 31 March 2023	23,153	-	-	23,153
Charge for the year	2,526	-	-	2,526
Eliminated on disposals: components	(111)	-	-	(111)
Eliminated on disposals: other	(1,473)	-	-	(1,473)
As at 31 March 2024	24,095	-	-	24,095
Impairment:				
As at 31 March 2023	7,797	9,838	-	17,635
Charge for the year	7,513	-	-	7,513
Reversed prior year impairment	(426)	-	-	(426)
Released in the year at sale	(1,251)	-	-	(1,251)
As at 31 March 2024	13,633	9,838	-	23,471
Net book value at 31 March 2024	109,653	-	793	110,446
Net book value at 31 March 2023	118,092	-	793	118,885

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. HOUSING PROPERTIES – FURTHER ANALYSES

Freehold vs Leasehold

	Society 2024 £'000	Society 2023 £'000
Freehold	107,933	116,337
Long leasehold	2,513	2,549
Total	110,446	118,886

Major Works

	Society 2024 £'000	Society 2023 £'000
Improvements to existing properties capitalised	4,163	2,216
Total	4,163	2,216

Capital Grants – Housing Properties Grants in Reserves

	Society 2024 £'000	Society 2023 £'000
Capital grant - Housing Properties in Reserves		
Capital grant - Housing Properties in reserves	23,616	25,340
Capital grant - Housing Properties in creditors	17,457	16,661
Recycled Capital Grant Fund	5,729	5,707
Total	46,802	47,708

The Society had property with a book value of £17.6m pledged as security at 31 March 2024 (2023: £17.6m). The bank revaluation exercise completed as at year end date reported total security value of £30.9m

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	Fixtures, fittings and furniture £'000	Computer and other office equipment £'000	Total £'000
Cost:			
As at 31 March 2023	3	1,660	1,663
Additions	-	161	161
Disposals	-	(181)	(181)
As at 31 March 2024	3	1,640	1,643
Depreciation:			
As at 31 March 2023	2	508	510
Charge for the year	-	249	249
Disposals	-	(182)	(181)
As at 31 March 2024	2	575	578
Net book value at 31 March 2024	1	1,065	1,065
Net book value at 31 March 2023	1	1,152	1,153

Included in the Other Fixed Assets net book value as at 31 March 2024 are intangible assets of £334k (2023: £246k) representing software costs.

17. INVESTMENT PROPERTIES

Group and Society

	Market rent £'000
Cost:	
As at 1 April 2023	880
Revaluation	-
At 31 March 2024	880

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 2024 £'000	Group 2023 £'000	Society 2024 £'000	Society 2023 £'000
Cost:				
Historic cost	591	591	591	591
Accumulated Depreciation	(149)	(145)	(149)	(145)
At 31 March 2023	442	446	442	446

18. INVESTMENTS

	Country of incorporation or registration	Voting rights % held	Nominal value of the shares held	Nature of business	Nominal value of the share held
Subsidiary Undertakings					
Abbeyfield Properties Limited	England	100%	£1	Design-and-build	Incorporated company, limited by shares
The Abbeyfield Research Foundation	England	100%	£nil	Fundraising and grant making	Incorporated company, limited by guarantee
Pebblemist Limited	England	100%	£nil	Dormant	Incorporated company, limited by 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 properties held for sale £'000	Developed units £'000	2024 Total £'000	2023 Total £'000
Completed properties - developed and closed	2,337	-	2,337	2,337
Completed properties - acquired	380	-	380	380
Properties sold	(858)	-	(858)	-
Total	1,859	-	1,859	2,717

19B. PROPERTIES FOR SALE – SOCIETY

	Closed properties held for sale £'000	Developed units £'000	2024 Total £'000	2023 Total £'000
Completed properties - developed and closed	2,372	-	2,372	2,372
Completed properties - acquired	380	-	380	380
Properties sold	(858)	-	(858)	-
Total	1,894	-	1,894	2,752

Properties developed for sale do not include capitalised interest.

20. DEBTORS – GROUP AND SOCIETY

	Group 2024 £'000	Group 2023 £'000	Society 2024 £'000	Society 2023 £'000
Due within one year				
Rent and service charge arrears	2,316	1,333	2,316	1,333
Less: Provision for doubtful debts	(467)	(266)	(467)	(266)
	1,849	1,067	1,849	1,067
Abbeyfield member societies	71	61	71	61
Other debtors	141	235	465	531
Prepayments and accrued income	1,691	2,599	1,690	2,599
Total	3,752	3,962	4,075	4,258
Due after one year				
Due from Abbeyfield member societies	232	238	232	238

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. CURRENT ASSET INVESTMENTS – GROUP AND SOCIETY

	2024	2023
	£'000	£'000
Opening fair value	356	592
Additions	-	-
Fair Value Adjustment	38	(31)
Disposals	-	(205)
Closing fair value	394	356

All current asset investments are shares held in listed companies which trade on a regular basis. Investments in the year were managed by LGT Wealth Management (Vestra) and Waverton Investment Management. The closing fair value as at 31 March 2024 related to investments held with Waverton Investment Management only which had original cost of investment of £307k.

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

	Group	Group	Society	Society
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade creditors	1,167	973	1,167	973
Taxation and social security	521	856	521	856
Other creditors	778	1,938	524	1,868
Deferred capital grant (note 25)	126	125	126	125
Recycled Capital Grant Fund (note 26)	2,505	1,949	2,505	1,949
Accruals and deferred income	7,277	4,825	7,554	4,760
Amount owed to group undertakings	-	-	159	98
Onerous Lease Provision	400	-	400	-
Total	12,774	10,666	12,956	10,629

Taxation and social security above includes 1 month's pension liability of £148k (2023 £450k)

Of the Recycled Capital Grant Fund, £1,697k (2023: £861k) is likely to be repaid to the Greater London Authority if approval is not given for extended use.

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

	Group	Group	Society	Society
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Deferred capital grant (note 25)	17,331	16,536	17,331	16,536
Recycled Capital Grant Fund (note 26)	3,224	3,758	3,224	3,758
Bank Loan	-	-	-	-
Other creditors	318	531	318	562
Total	20,873	20,825	20,873	20,856

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. ONEROUS CONTRACTS – GROUP AND SOCIETY

During the year, 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. The provision for this onerous contract has been calculated as follows:

Description of the Contract: Lease of office space at St Peters House

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

Total Provision: £1.6m

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 4 years.

Within note 22 £0.4m is shown as due within 1 year with the balance of £1.2m being shown as due after 1 year but within 5 years.

25. DEFERRED CAPITAL GRANT – GROUP AND SOCIETY

	2024	2023
	£'000	£'000
At 31 March 2023	16,661	16,786
Grants recycled from the recycled grant fund	921	-
Released to income during the year	(126)	(125)
Total	17,456	16,661

26. RECYCLED CAPITAL GRANT – GROUP AND SOCIETY

Capital grant: relating to development activities funded by

	HCA	GLA	Total	HCA	GLA	Total
	2024	2024	2024	2023	2023	2023
	£'000	£'000	£'000	£'000	£'000	£'000
At 31 March 2023	3,214	2,493	5,707	2,968	2,580	5,548
Inputs to fund:						
Grants recycled from reserves at point of sale	1,562	53	1,615	187	-	187
Transfer to deferred grant	(921)	-	(921)	-	-	-
Interest accrued	124	75	199	67	51	118
Repayment to GLA	-	(871)	(871)	-	(133)	(133)
Tax rebate	-	-	-	(8)	(5)	(13)
At 31 March 2024	3,979	1,750	5,729	3,214	2,493	5,707
Included in creditors: amounts due						
within one year	808	1,697	2,505	1,087	862	1,949
Included in creditors: amounts due						
after more than one year	3,171	53	3,224	2,127	1,631	3,758
At 31 March 2024	3,979	1,750	5,729	3,214	2,493	5,707

NOTES TO THE FINANCIAL STATEMENTS (continued)

27A. LOANS AND BORROWINGS – GROUP AND SOCIETY

	Bank loans 2024 £'000	Bank loans 2023 £'000
Maturity of debt:		
More than one year and up to two years	-	-
Total	-	-

The Group has a £8 million overdraft facility with Barclays Bank. The facility are 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.

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

	2024 £'000	2023 £'000
Financial assets		
Financial assets measured at fair value:		
Investments	394	356
Financial assets measured at historic cost:		
Trade receivables	2,316	1,333
Other receivables	1,668	2,867
Cash and cash equivalents	12,564	15,767
Total financial assets	16,942	20,323

Financial liabilities

Financial liabilities measured at historic cost:		
Trade creditors	(1,167)	(973)
Other creditors	(9,102)	(7,619)
Total financial liabilities	(10,269)	(8,592)

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. CONTINGENT LIABILITIES

The Group receives grants from Homes England and from the Greater London Authority, which are used to fund the acquisition and development of housing properties and their components. Where member societies and other organisations have transferred their net assets to the Group through a transfer of undertakings, any related grants are taken into account in the fair value of the assets and this is credited to reserves as part of the surplus/deficit on transfer. The Group has a future obligation to recycle such grants once the properties are disposed of. The amount of grant on properties which are not operational which will be recycled on disposal, where not already accrued is £11,451k.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Through the Abbeyfield Research Foundation, grants are awarded to fund research into issues affecting the care of older people, with the aim of developing practical solutions to improve care. At 31 March 2024 the outstanding commitment made by Abbeyfield Research Foundation is £78k (2023: £353k).

Total Grants in reserves relating to ALS amount to £23.62m (2023 £25.34m).

29. OPERATING LEASES – GROUP AND SOCIETY

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

	2024	2023
	£'000	£'000
Amounts payable as lessee:		
Within one year	858	769
After one year but within five years	3,430	2,996
After five years	17,216	15,791
Total	21,504	19,556

30. CAPITAL COMMITMENTS – GROUP AND SOCIETY

	2024	2023
	£'000	£'000
Commitments contracted but not provided for:		
Major Works	-	2,120
Construction	-	239
Experience Programme	113	211
Commitments approved by the Board but not provided for:		
Major Works	-	3,407
Construction	528	200
Experience Programme	-	159
Total	641	6,336

Capital commitments for the Group and Society will be funded as follows:

Social Housing Grant	-	920
Sales of properties	-	3,846
Donations	-	1,200
Existing cash and utilisation of facilities	641	370
Total	641	6,336

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. RELATED PARTY DISCLOSURES

Total charges received from Abbeyfield Properties Limited (“APL”) for design-and-build fees amount to £195k (2023: £927k) that includes 5% mark up by APL. The costs relating to the design-and-build invoices from the contractors amount to £186k (2023: £882k). APL made no charitable donation to The Society during the year (2023: £24k).

No grant (2023: £nil) was made to Abbeyfield Research Foundation (“ARF”) by the Society during the year.

During the year costs of £673k (2023: £769k) were incurred as part of the society's support for member societies. This includes a nominal allocation of central costs of £255k for Marketing, PR, Development and Accounting support. (2023:£334k).

In 2024 the below referenced related party relationships existed.

Name	Relationship	Value of transactions
M. Cox	Board Member Spouse	£630

[End of Report]

The Abbeyfield 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