

WEST OF ENGLAND FRIENDS HOUSING SOCIETY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

WEST OF ENGLAND FRIENDS HOUSING SOCIETY LIMITED

SOCIETY INFORMATION

MEMBERS OF THE BOARD

Chris Szpojnarowicz
Geraldyn Meehan
Jo Gray
Melanie Mackintosh
Christopher Denman
Jerry Oliver
Timothy Wye (Chairperson)
Tomas Hazelle
Andrew Lux

COMPANY SECRETARY

Karen Parkin

REGISTERED SOCIETY NUMBER / REGULATOR OF SOCIAL HOUSING NUMBER

13405R / LH2186

REGISTERED OFFICE

Avenue House
5 Cotham Park North
Bristol
BS6 6BH

INDEPENDENT AUDITORS

Haines Watts (Western) Limited
Chartered Accountants & Statutory Auditors
Bath House
6-8 Bath Street
Bristol
BS1 6HL

BANKERS

NatWest Bank Plc
32 Corn Street
Bristol
BS99 7UG

Co-operative Bank Plc
1 Balloon Street
Manchester
M60 5AS

Triodos Bank
Deanery Road
Bristol
BS1 5AS

Manchester Building Society
125 Portland Street
Manchester
M1 4QD

WEST OF ENGLAND FRIENDS HOUSING SOCIETY LIMITED

SOCIETY INFORMATION (CONTINUED)

BANKERS (CONTINUED)

Nationwide Business Savings Team
Nationwide Building Society
Kings Park Road
Northampton
NN3 6NW

Shawbrook Bank
Lutea House, Warley Hill Business Park
The Drive, Great Warley
Brentwood
Essex
CM13 3BE

Redwood Bank Limited
The Nexus Building Broadway
Letchworth Garden City
SG6 3TA

WEST OF ENGLAND FRIENDS HOUSING SOCIETY LIMITED

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WEST OF ENGLAND FRIENDS HOUSING SOCIETY LIMITED

BOARDS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Board present its report and the audited financial statements for the year ended 31 December 2023.

BOARDS' RESPONSIBILITIES STATEMENT

The Board is responsible for preparing the Boards' Report and the audited financial statements in accordance with applicable law and regulations.

Company law and registered social housing legislation requires the Board to prepare audited financial statements for each financial year. Under that law the Board have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Board must not approve the audited financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Society and of the profit or loss of the Society for that period.

In preparing these audited financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the audited financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Board is 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 to enable them to ensure that the audited financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the Society is the provision of accommodation for older and/or disabled people and residential care.

The Society has three houses - Avenue House is a registered care home for 30 residents, Kirwin House and Lansdowne House provide older people specific housing.

WEST OF ENGLAND FRIENDS HOUSING SOCIETY LIMITED

BOARDS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Constitution, objects and policies

The object of the Society is to carry on for the benefit of the community, the business of providing housing and associated facilities and assistance for elderly and/or disabled persons in necessitous circumstances, who may or may not belong to the Society of Friends. The Society does not trade for profit.

The Society is governed by a Board which shall consist of between five and twelve Board members, of whom a third, and preferably half, shall be members of the Society of Friends. Currently the Board has ten members of whom three are Quakers. This includes a tenants' representative, a residents' representative and a member nominated by Quakers at Bristol Area Quakers Meeting. Members of the Board are listed on the Society Information page.

An honorarium is paid to the chair who is appointed for three years at a time with a maximum of two terms.

It should be noted that under the Co-operative and Community Benefit Societies Act 2014 we are now defined as a 'Registered Society' and should no longer be referred to as an Industrial and Provident Society. We remain an 'exempt charity' which means that we are not regulated by the Charity Commission but we still need to comply with charity law and guidance.

Board minutes (excepting any confidential individual staff or resident issues) are made publicly available.

Review of results and future activities

Kirwin and Lansdowne Houses

Kirwin and Lansdowne now provide independent living and are largely now the same in terms of offer and tenancy arrangements.

Due to changing requirements on the obligations of Landlords, this accommodation does present some challenges into the future. Not least of these is the requirement in the near future that flats will have to have an EPC rating of C. At present they need to be at least E and we have had two units fail this which have had to be upgraded. The nature of the building as an old Victorian property does make this challenging and the cost of energy efficiency upgrades is significant. Coupled with this, the rents being charged are well below market rate and Housing Benefit thresholds so there is little scope for major capital works that can be funded out of revenue.

We are currently commissioning a review of our rented housing stock and will be looking to implement this in 2024.

Kirwin and Lansdowne Houses remain popular and have high levels of occupancy with waiting lists.

Avenue House Residential Care Home

Maintaining such a high standard of care takes a lot of hard work and the willingness to go the extra mile. The Board wants to thank Caroline Cooper, the Manager, and all the staff at Avenue House for their dedication and commitment.

A significant piece of work this year has been the introduction of an Electronic Record System. This will become a CQC requirement, but the benefits are obvious. It provides greater assurance that all records are complete and allows greater opportunity for checking that all documentation is updated and that tasks have been carried out. Once it is embedded it also allows other areas such as relative access to care plans which we hope to roll out.

The home remains popular, and we have kept up or exceeded our budgeted occupancy of 26 throughout the year.

The strength of our care team is underlined by the fact that we have very good retention rates and have little problem in recruiting staff. As of April 2024, we are fully staffed. This is unusual in the Care Industry.

WEST OF ENGLAND FRIENDS HOUSING SOCIETY LIMITED

BOARDS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

It is important to us that we are a 'good' employer and that in particular we remain competitive in our terms and conditions. To this end we carried out market benchmarking to ensure that we pay the right amount. We have offered generous uplifts with a more generous uplift to carers in particular who were benchmarking low compared to other providers. This is reflected in our 2024 budget.

We had not been visited by the Care Quality Commission since 2017 where we were rated as 'Good' until after the year end (March 2024) when a Care Quality Commission visit was conducted and the rating remained 'Good'.

Whilst CQC visits generate significant work they do provide an opportunity for external scrutiny. In the absence of this the Board continues its programme whereby Board members carry out visits to the home and assess services under the CQC domains (relating to Regulation 17). The regulation is relevant to Good Governance and Auditing of practice.

Finally, we have made some inroads into providing community outreach and have advertised for a 'lunch club'. This had to wait for completion of our building works (see below), and it is still early days but it is encouraging.

Staffing

We are pleased that the staffing situation has improved this year. However, this still remains a key risk and the industry as a whole still experienced challenges in this area. We continue to review terms and conditions to ensure we are competitive.

Capital Development

The long-awaited new conservatory was finally completed in December 2023. This is already a well-used and appreciated additional area that allows our residents another pleasant space, in particular giving the feeling of being outside even in the cold.

It has also used some of our reserves which is important for our charitable status.

It has caused disruption to staff and residents, so our thanks go to them for their support during this time. Special thanks to Riggs Construction our builders who were very mindful of the impact on the building works and were helpful in reducing the impact.

Reserves policy

It is the policy of the Society to retain a level of reserves sufficient to cover management, administration and support costs for 12 months. We consider the available reserves to be the accumulated reserves less tangible fixed assets which are considered to be functional fixed assets and therefore essential for the delivery of our service.

Available reserves are £1,174,243 (2022 - £1,538,372), which the Trustees consider sufficient to meet expected costs for the following 12 months, in line with our reserves policy. We keep this policy under periodic review.

**BOARDS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Major risks

As a Board we keep a risk register both around resident focused risks and business risk. These are monitored on a regular basis. The key business risks are as follows:

- Recruitment. Whilst not critical at the moment for Avenue House we are aware that recruitment is becoming increasingly difficult.
- Falling demand. We were concerned that the pandemic may have limited the number of people wanting to move into residential care. This remains a risk, but we are pleased the occupancy has bounced back. Fewer people now live in residential care as a result of Local authorities' reluctance to place except in a last resort (we have only had one council funded resident enter the home in 2023 although the funding for several residents has been picked up by local authorities as their assets have been used up) and the development of other care options like live in care and extra housing. At the moment there are fewer homes providing our level of care in the market. At the same time, we still find there is a market for what we provide. We monitor the long-term trends in provision.
- Cost of living. Despite budgeting for significant increases, we are aware of the increases in the cost of living. We have raised fees as much as we feel able to for 2024 but this remains a concern. Of special notes are energy costs, something we obviously can't skimp on.

We should note that there are healthy reserves in the association and there is no risk of financial collapse.

WEST OF ENGLAND FRIENDS HOUSING SOCIETY LIMITED

BOARDS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Value for money metrics

In response to the Regulator of Social Housing Technical note of April 2018 the Society now reports on the Value for Money metrics. There are 7 metrics covered by this technical note.

It is worth noting that these metrics are aimed at housing associations whose main business is development of housing stock. The Society manages its stock of flats in a mainly historic way. The Society owns the housing stock outright and has no plans to expand this side of the business, develop new housing or seek loans to do so.

Metric 1 – Reinvestment %

This metric looks at the investment in properties (existing stock as well as New Supply) as a percentage of the value of total properties held.

The Society's metric for reinvestment is 18.2% (2022: 2.8%).

Metric 2 – New Supply delivered %

The New Supply metric sets out the number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at the period end.

No New Supply has been delivered in the year of either social housing or non-social housing (2022: No New Supply was delivered in the year of either social housing or non-social housing).

Metric 3 – Gearing %

This metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance.

The gearing of the Society is negative at -52.8% (2022: -80.9%) as the Society has no borrowings.

Metric 4 – Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %

The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity.

The Society has no borrowings and pays no interest. (2022: The Society had no borrowings and paid no interest).

Metric 5 – Headline social housing cost per unit

The unit cost metric assesses the headline social housing cost per unit as defined by the Regulator.

The headline social housing cost per unit is £32,532 (2022: £22,521).

Metric 6 – Operating Margin %

The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account.

The operating margin of the Society for its social housing lettings is 5.8% (2022: 7.3%).

The operating margin of the Society as a whole is 4.7% (2022: 7.5%).

Metric 7 – Return on capital employed (ROCE) %

This metric compares the operating surplus to total assets less current liabilities.

For the Society as a whole this is 1.4% (2022: 2.3%).

Investments

Most of our reserves are kept in bank accounts. In 2023 the Board considered our investment strategy at length. We looked at different investment opportunities. In the end the Board considered that, as a charity, we should not have investments with risks and the bank strategy should be pursued. We have however, looked at varying where our reserves are kept to mitigate/spread the risks.

WEST OF ENGLAND FRIENDS HOUSING SOCIETY LIMITED

BOARDS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Public benefit

In setting and reviewing our aims the Board has given careful consideration to the Charity Commission's guidance on public benefit.

Choice of auditors

The Board undertook an exercise to seek new auditors in 2020 asking for three quotes with a minimum commitment from us of three years. Our current auditors were reappointed and remain in post.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are members at the time when this report is approved has confirmed that:

- so far as the Board is aware, there is no relevant audit information of which the Society's auditors are unaware, and
- the Board has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the Society's auditors are aware of that information.

This report was approved by the Board and signed on its behalf.

T Wye
Chairperson

Date:

Avenue House
5 Cotham Park North
Bristol
BS6 6BH

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WEST OF ENGLAND FRIENDS HOUSING SOCIETY LIMITED

OPINION

We have audited the financial statements of West of England Friends Housing Society Limited (the 'Society') for the year ended 31 December 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 Society's affairs as at 31 December 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing in England 2022.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Boards' 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 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 members with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The members are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial 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.

WEST OF ENGLAND FRIENDS HOUSING SOCIETY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WEST OF ENGLAND FRIENDS HOUSING SOCIETY LIMITED (CONTINUED)

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Society and its environment obtained in the course of the audit, we have not identified material misstatements in the Boards' Report.

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

- adequate accounting records have not been kept, 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

RESPONSIBILITIES OF THE BOARD

As explained more fully in the Boards' Responsibilities Statement set out on page 1, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 members are responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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.

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

WEST OF ENGLAND FRIENDS HOUSING SOCIETY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WEST OF ENGLAND FRIENDS HOUSING SOCIETY LIMITED (CONTINUED)

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud and error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Society and the sector in which it operates. We determined that the following laws and regulations were most significant: UK GAAP, the Registered Housing SORP 2018, the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing in England 2022 the UK Corporate Governance Code, UK corporate tax laws, Occupational Health and Safety regulations and the Data protection Act.
- We obtained an understanding of how the Society are complying with those legal and regulatory frameworks and made enquiries to the management of known or suspected instances of fraud and non-compliance with laws and regulations. We corroborated our enquiries through our review of board minutes, other relevant meeting minutes and review of correspondence with regulatory bodies.
- We assessed the susceptibility of the Society's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the audit team included:
 - Identifying and assessing the controls management has in place to prevent and detect fraud;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - Challenging assumptions and judgments made by management in its significant accounting estimates and judgments; and
 - Assessing the extent of compliance with the relevant laws and regulations.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusions.

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

USE OF OUR REPORT

This report is made solely to the Society's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members, as a body, for our audit work, for this report, or for the opinions we have formed.

WEST OF ENGLAND FRIENDS HOUSING SOCIETY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WEST OF ENGLAND FRIENDS HOUSING SOCIETY LIMITED (CONTINUED)

Andrew Jordan FCA (Senior Statutory Auditor)

for and on behalf of

Haines Watts (Western) Limited

Chartered Accountants

Statutory Auditors

Bath House

6-8 Bath Street

Bristol

BS1 6HL

Date:

WEST OF ENGLAND FRIENDS HOUSING SOCIETY LIMITED

STATEMENT OF COMPREHENSIVE INCOME (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Turnover		1,180,015	1,111,781
Cost of sales		(934,712)	(862,986)
Gross profit		245,303	248,795
Administrative expenses		(194,422)	(192,555)
Other operating income	8	1,145	27,673
Operating profit	9	52,026	83,913
Interest receivable and similar income	10	16,257	2,374
Profit before tax		68,283	86,287
Profit for the financial year		68,283	86,287

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income (including income and expenditure account).

There was no other comprehensive income for 2023 (2022:£nil).

The notes on pages 16 to 27 form part of these financial statements.

WEST OF ENGLAND FRIENDS HOUSING SOCIETY LIMITED
REGISTERED NUMBER:13405R / LH2186

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	2,578,801	2,146,399
		<u>2,578,801</u>	<u>2,146,399</u>
Current assets			
Stocks	14	4,641	4,190
Debtors: amounts falling due within one year	15	29,758	18,904
Cash at bank and in hand	16	1,360,706	1,737,487
		<u>1,395,105</u>	<u>1,760,581</u>
Creditors: amounts falling due within one year	17	(147,734)	(143,322)
Net current assets		<u>1,247,371</u>	<u>1,617,259</u>
Total assets less current liabilities		<u>3,826,172</u>	<u>3,763,658</u>
Creditors: amounts falling due after more than one year	18	(73,128)	(78,887)
Net assets		<u><u>3,753,044</u></u>	<u><u>3,684,771</u></u>
Capital and reserves			
Called up share capital	19	33	43
Profit and loss account		3,753,011	3,684,728
		<u><u>3,753,044</u></u>	<u><u>3,684,771</u></u>

WEST OF ENGLAND FRIENDS HOUSING SOCIETY LIMITED
REGISTERED NUMBER:13405R / LH2186

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

T Wye
Chairperson

K Parkin
Secretary

Date:

The notes on pages 16 to 27 form part of these financial statements.

WEST OF ENGLAND FRIENDS HOUSING SOCIETY LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Called up share capital	Income and expenditure account	Total reserves
	£	£	£
At 1 January 2022	41	3,598,441	3,598,482
Surplus for the year	-	86,287	86,287
Total comprehensive income	-	86,287	86,287
Contributions by and distributions to owners			
Shares issued during the year	3	-	3
Shares redeemed during the year	(1)	-	(1)
Total transactions with owners	2	-	2
At 1 January 2023	43	3,684,728	3,684,771
Comprehensive income for the year			
Surplus for the year	-	68,283	68,283
Total comprehensive income for the year	-	68,283	68,283
Contributions by and distributions to owners			
Shares issued during the year	1	-	1
Shares redeemed during the year	(11)	-	(11)
Total transactions with owners	(10)	-	(10)
At 31 December 2023	33	3,753,011	3,753,044

The notes on pages 16 to 27 form part of these financial statements.

WEST OF ENGLAND FRIENDS HOUSING SOCIETY LIMITED**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 £	2022 £
Cash flows from operating activities		
Profit for the financial year	68,283	86,287
Adjustments for:		
Depreciation of tangible assets	36,102	34,425
Loss on disposal of tangible assets	-	3,388
Government grants	-	(26,518)
Interest received	(16,257)	(2,374)
(Increase) in stocks	(451)	(548)
(Increase)/decrease in debtors	(10,854)	1,496
(Decrease)/increase in creditors	(1,347)	4,936
Net cash generated from operating activities	<u>75,476</u>	<u>101,092</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(468,504)	(59,893)
Government grants received	-	26,518
Interest received	16,257	2,374
Net cash from investing activities	<u>(452,247)</u>	<u>(31,001)</u>
Cash flows from financing activities		
Issue of ordinary shares	1	3
Purchase of ordinary shares	(11)	(1)
Net cash used in financing activities	<u>(10)</u>	<u>2</u>
Net (decrease)/increase in cash and cash equivalents	<u>(376,781)</u>	<u>70,093</u>
Cash and cash equivalents at beginning of year	1,737,487	1,667,394
Cash and cash equivalents at the end of year	<u>1,360,706</u>	<u>1,737,487</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,360,706	1,737,487
	<u>1,360,706</u>	<u>1,737,487</u>

The notes on pages 16 to 27 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. GENERAL INFORMATION

West of England Friends Housing Society Limited is an exempt charity registered in England and Wales and is a private registered provider (RP) of social housing in the United Kingdom. The address of the registered office is Avenue House, 5 Cotham Park North, Bristol, BS6 6BH. The nature of the RP's operations and principal activities are detailed in the Board Report.

West of England Friends Housing Society Limited constitutes a public benefit entity as defined by FRS 102.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2014, and with the Accounting Direction for private registered providers of social housing in England 2022. The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling, which is the functional currency of the Society.

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

2.2 GOING CONCERN

The Board assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the society to continue as a going concern. The Board make this assessment in respect of a period of one year from the date of approval of the financial statements. Under all the scenarios reviewed, the Society has sufficient reserves to enable it to continue as a going concern for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

2.3 TURNOVER

Turnover represents rental and services income receivable.

2.4 INVESTMENT INCOME

Investment income is included in the accounts when receivable.

2.5 DONATION AND LEGACY INCOME

Donation income is included in the accounts when received.

Legacy income is recognised in the accounts when there is an entitlement to receive it, where the value is measurable and where it is probable that the income will be received.

2.6 SOCIAL HOUSING AND OTHER GRANTS

Social Housing grants are recognised at the fair value of the asset received or receivable. Where the assets are accounted for using the valuation model then the government grant is accounted for using the performance model so that turnover is taken once the performance conditions have been met. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised within turnover.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. ACCOUNTING POLICIES (continued)

2.7 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical 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 Society separately identified the major components which comprise its housing properties, and charges depreciation, so as to write down the cost of each component to its estimated residual value, on a straight line basis, over its estimated useful economic life.

The Society depreciates the major components of its housing properties on a straight line basis over the following periods:

Nurse call system	10 years
Windows	40 years
Lift refurbishment	10 years
Roof works and flat upgrades	20 years
Avenue House en-suites	15 years

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance or straight line basis, as deemed appropriate.

Depreciation is provided on the following basis:

Housing properties	- no depreciation
Fixtures and fittings	- 25% per annum on a reducing balance basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or 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 in profit or loss.

2.8 STOCKS

Stocks of provisions and cleaning materials are stated at the lower of cost and net realisable value.

2.9 CYCLICAL REPAIRS AND MAINTENANCE

The Society does not provide for liabilities that are not contracted at the year end. Consequently, cyclical repairs and maintenance costs incurred are charged to the income and expenditure account when incurred.

2.10 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Society's cash management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. ACCOUNTING POLICIES (continued)

2.11 FINANCIAL INSTRUMENTS

The Society only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Society would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. ACCOUNTING POLICIES (continued)

2.13 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Society operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Society pays fixed contributions into a separate entity. Once the contributions have been paid the Society has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Society in independently administered funds.

2.14 HOLIDAY PAY ACCRUAL

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

2.15 TAXATION

The Society is an exempt charity that has charitable objectives and is recognised as a charity for taxation purposes.

2.16 VALUE ADDED TAX

The activities of the Society are exempt from VAT. Expenditure is shown gross of VAT in the financial statements.

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these accounts the Board are required to make judgements and estimates as follows:

- Estimated useful life of fixtures and fittings, and components. At the date of capitalisation the Board estimates the useful life based on judgement and experience
- The components of housing properties and the splitting of properties into appropriate components.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. SOCIAL HOUSING TURNOVER AND COSTS (2023)

	Residential Care (Avenue House)	Independent Living (Kirwin House)	Independent Living (Lansdowne House)	Total
	£	£	£	£
Gross rent	1,212,604	47,512	37,872	1,297,988
Service charges	-	20,791	10,797	31,588
Voids	(207,395)	(1,509)	(108)	(209,012)
Other income from residents	53,690	-	-	53,690
Net rent receivable	1,058,899	66,794	48,561	1,174,254
Amortised government grants	4,154	199	1,408	5,761
Turnover	1,063,053	66,993	49,969	1,180,015
Cost of sales (note 6)	(858,610)	(46,649)	(29,453)	(934,712)
Administrative expenditure (note 6)	(159,502)	(21,621)	(13,299)	(194,422)
Other operating income (note 9)	1,145	-	-	1,145
Net surplus/(deficit)	46,086	(1,277)	7,217	52,026

SOCIAL HOUSING TURNOVER AND COSTS (2022)

	Residential Care (Avenue House)	Independent Living (Kirwin House)	Independent Living (Lansdowne House)	Total
	£	£	£	£
Gross rent	1,135,105	47,523	35,660	1,218,288
Service charges	-	16,842	10,157	26,999
Voids	(186,846)	(12,835)	(888)	(200,569)
Other income from residents	57,263	4,039	-	61,302
Net rent receivable	1,005,522	55,569	44,929	1,106,020
Amortised government grants	4,154	199	1,408	5,761
Turnover	1,009,676	55,768	46,337	1,111,781
Cost of sales (note 6)	(801,996)	(38,536)	(22,454)	(862,986)
Administrative expenditure (note 6)	(162,125)	(19,248)	(11,182)	(192,555)
Other operating income (note 9)	25,753	960	960	27,673
Net surplus/(deficit)	71,308	(1,056)	13,661	83,913

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**
5. ACCOMMODATION UNITS

The Society owned the following bed spaces available for occupation and in development:

	2023	2022
	No	No
Residential care	30	30
Independent living	18	18
	<u>48</u>	<u>48</u>
	<u><u>48</u></u>	<u><u>48</u></u>

6. OPERATING EXPENDITURE

	2023	2022
	£	£
Management expenses		
Property management	844,164	778,340
Depreciation	36,102	34,425
	<u>880,266</u>	<u>812,765</u>
	<u><u>880,266</u></u>	<u><u>812,765</u></u>
Repairs and maintenance	54,446	50,221
	<u>934,712</u>	<u>862,986</u>
	<u><u>934,712</u></u>	<u><u>862,986</u></u>
Administrative expenditure	194,422	192,555
	<u><u>194,422</u></u>	<u><u>192,555</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

7. STAFF COSTS AND BOARD AND KEY MANAGEMENT PERSONNEL REMUNERATION

The average number of employees, including members of the executive team, calculated on a full time equivalent basis, assuming a 40 hour working week, was 22 employees (2022 - 19).

The average headcount was 31 (2022 - 28).

There was one (2022 - one) employee who received more than between £60,000 and £70,000 as their employment package.

Key management personnel comprise the Home Manager. The total remuneration (including employers pension and national insurance contributions) for key management personnel amounts to £67,683 (2022 - £64,825).

The Home Manager is an ordinary member of the Society's defined contribution pension scheme.

During the year, no remuneration was paid to Board Members. During the year, a Board member received £7,267 (2022 - £7,000) as an honorarium for their services as Chairperson of the Board.

Expenses paid to Trustees of the Society amounted to £925 (2022 - £nil).

8. OTHER OPERATING INCOME

	2023	2022
	£	£
Government grants receivable	-	26,518
Sundry income	1,145	1,155
	<u>1,145</u>	<u>27,673</u>

9. OPERATING SURPLUS

The operating surplus is stated after charging:

	2023	2022
	£	£
Depreciation	36,102	34,425
Defined pension costs	13,301	12,329
Auditors' remuneration	8,190	7,800
	<u>57,593</u>	<u>54,554</u>

10. INTEREST RECEIVABLE AND OTHER INCOME

	2023	2022
	£	£
Other interest receivable	16,257	2,374
	<u>16,257</u>	<u>2,374</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**
11. TAXATION

The Society is an "exempt" charity and as such is normally exempt from income and capital taxes on its income and surpluses.

12. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Components £	Total £
COST OR VALUATION				
At 1 January 2023	1,733,252	161,909	499,331	2,394,492
Additions	455,707	4,143	8,654	468,504
At 31 December 2023	<u>2,188,959</u>	<u>166,052</u>	<u>507,985</u>	<u>2,862,996</u>
DEPRECIATION				
At 1 January 2023	-	134,824	113,269	248,093
Charge for the year on owned assets	-	7,030	29,072	36,102
At 31 December 2023	<u>-</u>	<u>141,854</u>	<u>142,341</u>	<u>284,195</u>
NET BOOK VALUE				
At 31 December 2023	<u>2,188,959</u>	<u>24,198</u>	<u>365,644</u>	<u>2,578,801</u>
At 31 December 2022	<u>1,733,252</u>	<u>27,085</u>	<u>386,062</u>	<u>2,146,399</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

13. COMPONENTS

	Windows Kirwin / Lansdowne £	Lift refurb £	Kirwin roof and flat upgrades £	Nurse call system £	Avenue House en-suites £	TOTAL £
COST						
1 January 2022	147,369	44,921	82,135	36,737	188,169	499,331
Additions	-	-	-	8,654	-	8,654
	<u>147,369</u>	<u>44,921</u>	<u>82,135</u>	<u>45,391</u>	<u>188,169</u>	<u>507,985</u>
DEPRECIATION						
1 January 2022	26,710	14,345	27,294	307	44,613	113,269
Charge for year	3,684	4,492	4,173	4,178	12,545	29,072
	<u>30,394</u>	<u>18,837</u>	<u>31,467</u>	<u>4,485</u>	<u>57,158</u>	<u>142,341</u>
NET BOOK VALUE						
At 31 December 2023	116,975	26,084	50,668	40,906	131,011	365,644
At 31 December 2022	120,659	30,576	54,841	36,430	143,556	386,062

14. STOCKS

	2023 £	2022 £
Housekeeping stock	2,807	2,488
Kitchen stock	1,834	1,702
	<u>4,641</u>	<u>4,190</u>

15. DEBTORS

	2023 £	2022 £
Trade debtors	11,750	1,213
Other debtors	862	2,200
Prepayments and accrued income	17,146	15,491
	<u>29,758</u>	<u>18,904</u>

WEST OF ENGLAND FRIENDS HOUSING SOCIETY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

16. CASH AND CASH EQUIVALENTS

	2023	2022
	£	£
Bank current accounts	262,354	736,244
Bank deposit accounts	1,098,163	1,001,152
Cash balances	189	91
	<u>1,360,706</u>	<u>1,737,487</u>

Bank deposit accounts represent cash held on account as follows:

	2023	2022
	£	£
	-	-
The Co-operative Bank	87,619	86,533
Triodos	493,207	486,626
Manchester Building Society	77,786	77,033
Nationwide Building Society	87,801	86,380
Shawbrook Bank	266,750	264,580
Redwood Bank	85,000	-
	<u>1,098,163</u>	<u>1,001,152</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Other loans	1,000	1,000
Trade creditors	38,152	16,955
Deposits received	56,945	58,659
Other creditors	19,892	11,402
Accruals and deferred income	31,745	55,306
	<u>147,734</u>	<u>143,322</u>

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

	2023	2022
	£	£
Social Housing and other grants	73,128	78,887
	<u>73,128</u>	<u>78,887</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

19. SHARE CAPITAL

	2023 £	2022 £
ALLOTTED, CALLED UP AND FULLY PAID		
33 (2022: 43) Ordinary shares of £1.00 each	33	43

The shareholders have no equity interest in the Society and have no rights to receive dividends or a distribution on the winding up of the Society.

During the year 11 shares were redeemed at par value.

During the year, one ordinary share of £1 was allotted, for which a total consideration of £1 was received.

20. CONTINGENT LIABILITIES

As at 31 December 2023, a contingent liability of £64,089 (2022 - £61,345) exists in respect of amortisation charged to date against social housing and other grants.

21. PENSION COMMITMENTS

The Society operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Society in an independently administered fund. Contributions totalling £2,629 (2022 - £2,172) were payable to the fund at the reporting date and are included in creditors.

22. RELATED PARTY TRANSACTIONS

In 2023 a member of the Board received £7,267 (2022 - £7,000) as an honorarium for their duties. No other member of the Board of Management undertook any paid management duties.

At the date of these financial statements one Board member was a tenant in an associated property. All transactions were conducted at third party rates. The value of the rent payable by the tenant Board member who served in the year, while they were serving on the Board, totaled £5,144 (2022 - £37,650). At the year end the Board member owed £nil (2022 - £nil).

23. LEGISLATIVE PROVISIONS

The Society is governed by the Cooperative and Community Benefit Societies Act 2014.

WEST OF ENGLAND FRIENDS HOUSING SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

24. PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

	Avenue House £	Kirwin House £	Lansdowne House £	2023 Total £	2022 Total £
INCOME					
Rent and other income	1,058,899	66,794	48,561	1,174,254	1,106,020
Amortised government grants	4,154	199	1,408	5,761	5,761
	<u>1,063,053</u>	<u>66,993</u>	<u>49,969</u>	<u>1,180,015</u>	<u>1,111,781</u>
OTHER OPERATING INCOME					
Amenities fund donations	1,145	-	-	1,145	1,155
Government grants receivable	-	-	-	-	26,518
	<u>1,145</u>	<u>-</u>	<u>-</u>	<u>1,145</u>	<u>27,673</u>
MANAGEMENT EXPENSES					
Food	59,523	-	-	59,523	54,964
Council tax and water	7,995	(595)	76	7,476	7,455
Lighting and heating	28,269	6,031	1,844	36,144	35,820
Insurance	18,856	6,238	4,993	30,087	27,224
Telephone	10,248	-	-	10,248	6,232
Salaries and wages	624,466	10,661	6,930	642,057	588,871
General expenses	53,634	2,682	2,313	58,629	48,882
Expenses covered by grants	-	-	-	-	8,892
Depreciation					
- fixtures and fittings	6,425	166	439	7,030	9,077
- components	20,710	6,520	1,842	29,072	25,348
	<u>830,126</u>	<u>31,703</u>	<u>18,437</u>	<u>880,266</u>	<u>812,765</u>
REPAIRS & MAINTENANCE					
Day to day and special repairs	28,484	14,946	11,016	54,446	50,221
ADMINISTRATIVE COSTS					
Salaries and wages	106,280	8,597	3,053	117,930	115,070
Accountancy fees	24,456	8,151	6,523	39,130	40,375
Professional fees	1,096	2,311	2,145	5,552	1,931
Audit fees	5,119	1,706	1,365	8,190	7,800
Loss on disposal of fixed assets	-	-	-	-	3,388
Registration fee	5,531	86	69	5,686	5,544
Staff recruitment and training	5,401	-	-	5,401	5,549
Bank charges	542	181	144	867	883
Sundry admin costs	9,640	589	-	10,229	11,167
Staff entertainment	1,437	-	-	1,437	848
	<u>159,502</u>	<u>21,621</u>	<u>13,299</u>	<u>194,422</u>	<u>192,555</u>