
THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
(A company limited by guarantee)

COMMITTEE OF MANAGEMENT'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

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THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
(A company limited by guarantee)

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THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

Committee of Management

Mr R O S Brooks (resigned 23 March 2015)
Ms R L Boulton (appointed 18 January 2016)
Mr D J Farr
Mr K Faulkner, Chairman
Mr S J Gore
Mr R K Seaman
Mr S E Simpson
Mrs C Thomson
Mr J Thomson, Secretary and Treasurer

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
(A company limited by guarantee)

COMMITTEE OF MANAGEMENT'S REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2015

The Committee of Management (members of which are also directors of the Company for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Abbeyfield St Albans Society Limited (the company) for the ended 30 September 2015. The Committee of Management confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a. CONSTITUTION

Incorporated under the Companies Act 1948 on 15 November, 1960, the Company (number 00675042) is limited by guarantee, does not have a share capital and is governed by its Memorandum and Articles of Association.

The Company is also a charity (Number 211934).

The Directors, who were also the Trustees and members of the Committee of Management throughout the financial year, unless stated otherwise, were:

Mr R O S Brooks (retired 23 March 2015)
Mr D J Farr
Mr K Faulkner (Chairman)
Mr S Gore
Mr R Seaman
Mr S E Simpson
Mrs C Thomson
Mr J S Thomson (Secretary & Treasurer)

John Thomson and Richard Seaman are due to retire by rotation and may offer themselves for re-election at the Annual General Meeting to be held in March 2016.

Ruth Boulton was co-opted as a Director/Trustee on 18 January, 2016 and her formal appointment will be sought at the March 2016 AGM.

b. METHOD OF APPOINTMENT OR ELECTION OF COMMITTEE OF MANAGEMENT

Potential members of the Committee/Trustees are identified by their profession and experience and consideration given to how those attributes may complement those of the existing trustees to provide a broad skill base to meet the challenges and responsibilities of the Society. Prospective members are invited to attend three meetings so that they may gain an insight into the operation of the Society, an understanding of the responsibilities to be undertaken and the commitment required.

c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF COMMITTEE OF MANAGEMENT

Beyond basic induction procedures no formal training is usually provided as this is not normally necessary due to the background and experience of the prospective member(s). However attendance at a Corporate Induction Day run by The Abbeyfield Society may be required.

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COMMITTEE OF MANAGEMENT'S REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2015

d. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Committee is responsible for the supervision of the Society's activities, it has a minimum of eight meetings annually and full minutes of the meetings are circulated to all trustees, all of whom are volunteers. The minutes are made available to the auditors.

The day-to-day management of the House is the responsibility of the Manager, Annette Gibbons, to whom operational decisions are delegated. The Manager reports directly to the Chairman as her line manager.

The Manager attends and submits reports to each Committee meeting and it is at those meetings that strategic and budgetary matters are discussed and agreed by the Committee.

The Society sets a financial budget each year which is monitored and reviewed at Committee meetings and amended if appropriate.

Capital expenditure on the fabric of the building at Grace Muriel House, plus Fixtures and Fittings and Equipment, is regularly reviewed and, when considered necessary, free cash is put into Reserves to cover the likely cost of the expenditure.

Specific fund-raising activities are organised when necessary by the Trustees in conjunction with staff, members and Friends of the Society. Staff members, together with Friends, organise events for residents and some fund-raising for various projects during the course of the year.

e. RISK MANAGEMENT

The Directors have assessed the major risks to which the charitable company is exposed and are satisfied that systems are in place to mitigate exposure to those risks.

Objects and Activities

a. POLICIES AND OBJECTS

The principal activity of the Society is the provision of accommodation and care facilities in St. Albans in order to enhance the lives of older people in accordance with the aims and principles of The Abbeyfield Society Limited.

Achievements and performance

a. GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. REVIEW OF ACTIVITIES

It was in November that several staff members attended the Hertfordshire Care Providers Association annual awards ceremony and our Nutritional Champion, Michelle Nash, was voted the HCPA Champion of Champions. An excellent start to the year.

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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COMMITTEE OF MANAGEMENT'S REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2015

January saw a successful interim review of our Investors in People status.

We were invited by the HCPA to host a live broadcast by BBC Three Counties Radio by Roberto Perrone and his team who had decided they would like to demonstrate, during Hertsfordshire Good Care Week, that there are many good things happening in the care sector. The event took place in June, during Ascot week, when all our residents dressed up for the occasion and participated in a range of activities during the afternoon.

Additionally, residents, relatives and staff took part in the broadcast and spoke of their experiences of Grace Muriel House and the care received and given.

The weather was kind, the atmosphere was extraordinary and everyone thoroughly enjoyed the occasion including the sumptuous afternoon tea. Without exception everyone was very complimentary concerning GMH and thanks are due to all who participated or contributed in any way.

The sun shone again for our August Garden Party and our Patron, the Right Worshipful the Mayor of St Albans and District, Councilor Salih Gaygusuz, and the Mayoress spent quite some time with us and probably managed to speak to all residents, relatives, Friends and staff, thereby adding to another happy event.

Later that month we were inspected by the Care Quality Commission and, I am pleased to report, a few weeks later were advised that we had been assessed as being "Good" in each of the five areas of the CQC Key Lines of Enquiry and as "Good" overall.

In September, following the customary inspection, we received the highest rating for Food Hygiene.

Shortly afterwards we were visited by The Abbeyfield Society under their recently-introduced Core Standard assessment and, although we are optimistic concerning the outcome, for various reasons the Society is rather behind schedule and we have not yet been advised of the result.

The annual maintenance programme ensured that the premises were properly maintained and well presented. There were, however, several instances of leakages due to defective pipework which caused inconvenience both to residents and staff.

Void levels continued at a higher level throughout the year than we would have wished, albeit it was not totally unexpected, and that impacted on the financial outcome for the year as indicated below.

Most of our residents are, I am pleased to say, willing and able to comment on the running of the House in meetings and discussions, to express their views and to make suggestions e.g. via the Food Forum and residents' meetings. Those comments indicated a high level of satisfaction with the standard of care and service throughout Grace Muriel House and that was confirmed through questionnaires completed by our residents, relatives and sponsors coupled with our directors' monthly monitoring visits and the various inspections.

From the foregoing it was clearly a successful year from an operational viewpoint.

None of this would be possible without our caring and enthusiastic staff and management, our Friends, volunteers and Board members. A sincere "thank you" to everyone for all you have done throughout the year to ensure high standards have been maintained in a caring and happy environment.

Shortly before the financial year end Stan Simpson indicated that he wished to stand down following the March 2016 AGM. Stan has been involved with the Society for some sixteen years during which he has assumed responsibility for many of the property maintenance matters at Grace Muriel House as well as undertaking regular inspections of the George Street property. His commitment and support over the years has been considerable, has been very much appreciated and we wish him a happy retirement.

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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COMMITTEE OF MANAGEMENT'S REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2015

Financial review

a. RESERVES POLICY

The Society owns a freehold property known as 24 George Street, St Albans. This property is not held for direct use by the Society and is let to a tenant under a fully repairing lease for commercial purposes. The rental income received is currently put aside into the Society's free reserves.

The property itself is available to mortgage or sell to meet any general or specific expenditure agreed by the Directors that is not part of the Society's planned annual day-to-day commitments.

The rental income is currently excluded from the budget and is being transferred to the Society's free reserves. The accumulating fund is used in part to meet the Society's public benefit contribution with the use of the remainder to be considered further once it is known how the extension/en-suite project at Grace Muriel House is to proceed.

For many years the Society has budgeted from within its fee income an amount above normal expenditure to be applied towards defined categories of expenditure relating to Grace Muriel House that is not planned. It has always been the practice to transfer freely between different categories as need arises and where there is a specific "surplus" against a specific "shortfall" within these reserves. Because of this practice these funds are regarded as unrestricted and to be applied towards any unplanned expenditure.

Where reserves are not held in the form of fixed assets but in cash, the funds are invested in suitable interest earning accounts that the Directors consider should not place the underlying investment at risk. With that in mind a significant proportion of the Society's reserves are deposited with a second major bank. Interest rates are reviewed on a regular basis against those being offered by similar providers to ensure the Society benefits from any competitive movement in interest rates.

The Society does not have a policy to maintain reserves in a form that is a multiple of annual expenditure but, under the direction of the Directors, takes a prudent view to maintain reserves at a level considered appropriate to meet any unforeseen expenditure but at the same time not restricting availability of funds to meet clear charitable need within the objects of the Society.

In the unlikely event of the Society ceasing to trade, redundancy payments and any outstanding debts could be covered by the sale of the property.

The reserves policy is reviewed at the Annual General Meeting.

b. OUTCOME FOR THE YEAR

As mentioned under "Review of Activities", void levels were higher than projected and, although this was not altogether surprising, that had an adverse effect on our financial performance. It resulted in income being some £82k less than budgeted which was only partially offset by expenses being £17k below budget.

The net result was an operating loss (our first for quite some years) of £29k which was reduced to a loss overall of £19k after interest, donations and rent received.

The net assets of the Society remain substantial, as do cash balances, and the Trustees are of the opinion that the financial position of the Society remains strong. Nevertheless we are aware that void levels may well continue to be high until such time as we implement significant improvements in the standard of accommodation.

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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COMMITTEE OF MANAGEMENT'S REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2015

Plans for the future

a. FUTURE DEVELOPMENTS

As stated in previous reports, we know that we have to improve the standard of our accommodation for we have too many rooms without en-suite facilities. By the end of the financial year, plans were in place to convert a group of four rooms to three en-suites to be ready for occupation by Spring 2016.

Additionally we held a preliminary discussion with our architect to examine further the proposal to construct an extension, of possibly eight en-suite rooms, thereby increasing the number of en-suites and giving us the extra accommodation necessary to enable further conversions/improvements to be made to our existing rooms.

There will be further discussions in early 2016 with a view to obtaining the planning permission necessary for an extension.

COMMITTEE OF MANAGEMENT' RESPONSIBILITIES STATEMENT

The Committee are responsible for preparing the Committee of Management's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Committee of Management to prepare financial statements for each financial year. Under company law the Committee of Management must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Committee of Management are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Committee of Management are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

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

- so far as that Committee of Management is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that Committee of Management has taken all the steps that ought to have been taken as a Committee of Management in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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COMMITTEE OF MANAGEMENT'S REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2015

AUDITOR

The auditor, Hillier Hopkins LLP, has indicated its willingness to continue in office. The Committee of Management will propose a motion re-appointing the auditor at the Annual General Meeting.

In preparing this report, the Committee of Management have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Committee of Management on 16 May 2016 and signed on their behalf by:


.....
Mr K Faulkner, Chairman

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED

We have audited the financial statements of The Abbeyfield St. Albans Society Limited for the year ended 30 September 2015 set out on pages 10 to 23. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF COMMITTEE OF MANAGEMENT AND AUDITOR

The responsibilities of the Committee of Management (who are also the directors of the company for the purposes of company law) for preparing the Committee of Management's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and for being satisfied that the financial statements give a true and fair view, are set out in the Statement of Committee of Management's responsibilities.

The Committee of Management have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Committee of Management; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Committee of Management's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Committee of Management's report is inconsistent in any material respect with the financial statements; or
- the company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP
Date:

26 MAY 2016

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 30 SEPTEMBER 2015

| | Note | Restricted funds 2015 £ | Unrestricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|---|------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| INCOMING RESOURCES | | | | | |
| Incoming resources from generated funds: | | | | | |
| Voluntary income | 2 | - | 2,332 | 2,332 | 12,570 |
| Investment income | 3 | - | 20,531 | 20,531 | 28,933 |
| Incoming resources from charitable activities | 4 | - | 1,318,843 | 1,318,843 | 1,317,847 |
| Other incoming resources | 5 | - | 3,687 | 3,687 | - |
| TOTAL INCOMING RESOURCES | | - | 1,345,393 | 1,345,393 | 1,359,350 |
| RESOURCES EXPENDED | | | | | |
| Charitable activities | 6 | - | 1,342,249 | 1,342,249 | 1,276,711 |
| Governance costs | 7 | - | 22,189 | 22,189 | 19,335 |
| TOTAL RESOURCES EXPENDED | | - | 1,364,438 | 1,364,438 | 1,296,046 |
| MOVEMENT IN TOTAL FUNDS FOR THE YEAR - NET INCOME/(EXPENDITURE) FOR THE YEAR | | - | (19,045) | (19,045) | 63,304 |
| <i>Total funds at 1 October 2014</i> | | <i>135,416</i> | <i>2,597,115</i> | <i>2,732,531</i> | <i>2,669,227</i> |
| TOTAL FUNDS AT 30 SEPTEMBER 2015 | | 135,416 | 2,578,070 | 2,713,486 | 2,732,531 |

The notes on pages 13 to 23 form part of these financial statements.

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED

(A company limited by guarantee)

REGISTERED NUMBER: 00675042

**BALANCE SHEET
AS AT 30 SEPTEMBER 2015**

| | Note | £ | 2015 £ | £ | 2014 £ |
|--|------|----------------|------------------|----------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 11 | | 1,725,645 | | 1,776,322 |
| Investment property | 12 | | 315,000 | | 315,000 |
| | | | <u>2,040,645</u> | | <u>2,091,322</u> |
| CURRENT ASSETS | | | | | |
| Stocks | | 3,000 | | 3,000 | |
| Debtors | 13 | 22,412 | | 18,440 | |
| Cash at bank and in hand | | 865,554 | | 834,341 | |
| | | <u>890,966</u> | | <u>855,781</u> | |
| CREDITORS: amounts falling due within one year | 14 | (90,275) | | (73,022) | |
| NET CURRENT ASSETS | | | <u>800,691</u> | | <u>782,759</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>2,841,336</u> | | <u>2,874,081</u> |
| CREDITORS: amounts falling due after more than one year | 15 | | (127,850) | | (141,550) |
| NET ASSETS | | | <u>2,713,486</u> | | <u>2,732,531</u> |
| CHARITY FUNDS | | | | | |
| Restricted funds | 16 | | 135,416 | | 135,416 |
| Unrestricted funds: | | | | | |
| Unrestricted income funds | 16 | 2,288,070 | | 2,307,115 | |
| Revaluation reserve | | <u>290,000</u> | | <u>290,000</u> | |
| Total unrestricted funds | | | <u>2,578,070</u> | | <u>2,597,115</u> |
| TOTAL FUNDS | | | <u>2,713,486</u> | | <u>2,732,531</u> |

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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BALANCE SHEET (continued)
AS AT 30 SEPTEMBER 2015

The Committee of Management consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Committee of Management acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 30 September 2015 and of its net resources expended for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Committee of Management on
16 May 2016 and signed on their behalf, by:

.....
Mr K Faulkner, Chairman

.....
Mr J Thomson, Secretary, Treasurer

The notes on pages 13 to 23 form part of these financial statements.

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The company is a company limited by guarantee. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Committee of Management in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Committee of Management for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

1. ACCOUNTING POLICIES (continued)

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|---------------------------|---|-------------------------------------|
| Freehold building | - | zero depreciation |
| L/Term Leasehold Property | - | over period of lease - expires 2070 |
| Furniture and fittings | - | 3 - 6 years straight line |

Grace Muriel Abbeyfield House comprises long leasehold and freehold property. Cost includes acquisition and development expenditure.

The useful economic lives of all the tangible fixed assets are reviewed annually.

All properties are considered for impairment annually and detailed reviews of assets for impairment are carried out if there is any indication that impairment has occurred. Impairments that are a result of a major reduction in the service potential of a property are recognised in the same income and expenditure account.

Freehold buildings are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the Committee of Management, necessary in order to give a true and fair view of the financial position of the company. The Freehold is reviewed annually for impairment.

1.5 Revaluation of tangible fixed assets

As permitted by the transitional provisions of the Financial Reporting Standard for Smaller Entities (effective April 2008) the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, previously revalued at 30 September 2006 and will not update that valuation.

1.6 Incoming resources

All incoming resources are included in the Statement of financial activities when the company has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the company being notified of an impending distribution or the legacy being received.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

1. ACCOUNTING POLICIES (continued)

1.7 Resources expended

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

1.8 Investment properties

Investment properties are included in the Balance sheet at their open market value in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the Committee of Management, necessary in order to give a true and fair view of the financial position of the company.

1.9 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

1.10 Stocks

Stocks relate to household provisions and are held at cost.

2. VOLUNTARY INCOME

| | Restricted funds 2015 £ | Unrestricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|------------------|--|--|---------------------------------------|---------------------------------------|
| Donations | - | 2,332 | 2,332 | 2,570 |
| Legacies | - | - | - | 10,000 |
| Voluntary income | - | 2,332 | 2,332 | 12,570 |

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

3. INVESTMENT INCOME

| | Restricted funds 2015 £ | Unrestricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|---------------|--|--|---------------------------------------|---------------------------------------|
| Rental Income | - | 18,011 | 18,011 | 26,071 |
| Interest | - | 2,520 | 2,520 | 2,862 |
| | <u>-</u> | <u>20,531</u> | <u>20,531</u> | <u>28,933</u> |

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | Restricted funds 2015 £ | Unrestricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|---------------------------|--|--|---------------------------------------|---------------------------------------|
| Residential fees and rent | - | 1,318,843 | 1,318,843 | 1,317,847 |
| | <u>-</u> | <u>1,318,843</u> | <u>1,318,843</u> | <u>1,317,847</u> |

5. OTHER INCOMING RESOURCES

| | Restricted funds 2015 £ | Unrestricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|--------------------------|--|--|---------------------------------------|---------------------------------------|
| Other incoming resources | - | 3,687 | 3,687 | - |
| | <u>-</u> | <u>3,687</u> | <u>3,687</u> | <u>-</u> |

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

6. DIRECT COSTS

| | General £ | Total 2015 £ | Total 2014 £ |
|--------------------------------|------------------|--------------------|--------------------|
| Repairs & general maintenance | 95,437 | 95,437 | 82,871 |
| Sundry | 6,387 | 6,387 | 5,370 |
| Equipment | 23,661 | 23,661 | 26,121 |
| Insurance | 12,553 | 12,553 | 12,626 |
| Loan interest | 2,400 | 2,400 | 2,618 |
| Legal fees | 11,263 | 11,263 | (737) |
| CRB | - | - | 1,130 |
| Agency staff | 42,085 | 42,085 | 42,349 |
| Contract cleaning | 61,624 | 61,624 | 61,776 |
| Telephone | 5,328 | 5,328 | 5,786 |
| Staff training | 5,501 | 5,501 | 6,297 |
| Advertising and recruitment | 4,718 | 4,718 | 10,418 |
| Printing, postage & stationery | 5,759 | 5,759 | 7,174 |
| Food and other household costs | 129,706 | 129,706 | 137,746 |
| Water rates and council tax | 8,797 | 8,797 | 9,029 |
| Rent | 1,965 | 1,965 | 2,068 |
| Travel | 788 | 788 | 1,114 |
| Wages and salaries | 803,765 | 803,765 | 752,285 |
| National insurance | 61,097 | 61,097 | 58,818 |
| Depreciation | 59,415 | 59,415 | 51,852 |
| | <u>1,342,249</u> | <u>1,342,249</u> | <u>1,276,711</u> |

7. GOVERNANCE COSTS

| | Restricted funds 2015 £ | Unrestricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|----------------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Auditors' remuneration | - | 6,650 | 6,650 | 6,180 |
| Abbeyfield affiliation Fee | - | 10,954 | 10,954 | 9,930 |
| Registration fees | - | 4,585 | 4,585 | 3,225 |
| | <u>-</u> | <u>22,189</u> | <u>22,189</u> | <u>19,335</u> |

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

8. NET INCOME / (EXPENDITURE)

This is stated after charging:

| | 2015 | 2014 |
|---|---------------|---------------|
| | £ | £ |
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 59,415 | 51,852 |
| Auditors' remuneration - other services | 6,650 | 6,180 |
| | ===== | ===== |

During the year, no Committee of Management member received any remuneration (2014 - £NIL).

During the year, no Committee of Management member received any benefits in kind (2014 - £NIL).

1 Committee of Management member received reimbursement of expenses amounting to £227 in the current year, (2014 - 1 Committee of Management member - £583).

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

9. STAFF COSTS

Staff costs were as follows:

| | 2015 £ | 2014 £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 803,765 | 752,285 |
| Social security costs | 61,097 | 58,818 |
| | <u>864,862</u> | <u>811,103</u> |

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

| | 2015 No. | 2014 No. |
|--|-------------|-------------|
| | <u>52</u> | <u>48</u> |

No employee received remuneration amounting to more than £60,000 in either year.

10. TAXATION

Factors affecting tax charge for the year

The Society has charitable status and is therefore not subject to corporation tax.

11. TANGIBLE FIXED ASSETS

| | Freehold £ | Long Leasehold £ | Furniture and fittings £ | Total £ |
|--------------------------|----------------|------------------------|--------------------------------|------------------|
| Cost or valuation | | | | |
| At 1 October 2014 | 492,646 | 1,477,938 | 613,277 | 2,583,861 |
| Additions | - | - | 7,386 | 7,386 |
| At 30 September 2015 | <u>492,646</u> | <u>1,477,938</u> | <u>620,663</u> | <u>2,591,247</u> |
| Depreciation | | | | |
| At 1 October 2014 | 51,124 | 241,229 | 515,186 | 807,539 |
| Charge for the year | - | 24,000 | 34,063 | 58,063 |
| At 30 September 2015 | <u>51,124</u> | <u>265,229</u> | <u>549,249</u> | <u>865,602</u> |
| Net book value | | | | |
| At 30 September 2015 | <u>441,522</u> | <u>1,212,709</u> | <u>71,414</u> | <u>1,725,645</u> |
| At 30 September 2014 | <u>441,522</u> | <u>1,236,709</u> | <u>98,091</u> | <u>1,776,322</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

11. TANGIBLE FIXED ASSETS (continued)

The Society's properties are all situated in St Albans.

Grace Muriel Abbeyfield House comprises a long leasehold SHG assisted element together with a freehold extension.

12. INVESTMENT PROPERTY

| | Freehold property £ |
|---|---------------------------|
| Valuation | |
| At 1 October 2014 and 30 September 2015 | 315,000 |
| Comprising | |
| Cost | 315,000 |
| At 30 September 2015 | 315,000 |

The property was valued by Aitchison Rafferty, on an open market value for existing use basis in 2014. However, the directors consider the initial valuation more reasonable based on the current commercial economic market.

13. DEBTORS

| | 2015 £ | 2014 £ |
|---------------|---------------|---------------|
| Other debtors | 22,412 | 18,440 |

**14. CREDITORS:
Amounts falling due within one year**

| | 2015 £ | 2014 £ |
|------------------------------------|---------------|---------------|
| Bank loans and overdrafts | 13,700 | 13,700 |
| Trade creditors | 37,766 | 29,590 |
| Other taxation and social security | 14,948 | 13,958 |
| Other creditors | 1,111 | 643 |
| Accruals and deferred income | 22,750 | 15,131 |
| | 90,275 | 73,022 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

15. CREDITORS:

Amounts falling due after more than one year

| | 2015 £ | 2014 £ |
|------------|-----------|-----------|
| Bank loans | 127,850 | 141,550 |

Creditors include amounts not wholly repayable within 5 years as follows:

| | 2015 £ | 2014 £ |
|--------------------------|-----------|-----------|
| Repayable by instalments | 127,850 | 141,550 |

The loan is secured on Grace Muriel House and the land at the rear of the property. The loan is subject to an interest rate of 1.1% over the base rate.

16. STATEMENT OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Carried Forward £ |
|-------------------------------|-------------------------|----------------------------|----------------------------|-------------------------|
| Designated funds | | | | |
| Repairs fund | 30,000 | - | - | 30,000 |
| Small projects fund | 30,000 | - | - | 30,000 |
| Lift fund | 52,000 | 12,000 | - | 64,000 |
| Gift Aid | 12,266 | - | - | 12,266 |
| Legacies | 212,328 | - | - | 212,328 |
| Friends of Grace Muriel House | 938 | - | - | 938 |
| Investment income | 116,671 | 28,000 | (9,989) | 134,682 |
| Mayne dining room | 1,175 | - | (1,175) | - |
| | <u>455,378</u> | <u>40,000</u> | <u>(11,164)</u> | <u>484,214</u> |
| General funds | | | | |
| General Fund | 1,851,737 | 1,305,393 | (1,345,404) | 1,811,726 |
| Revaluation reserve | 290,000 | - | - | 290,000 |
| Other General funds | - | - | (7,870) | (7,870) |
| | <u>2,141,737</u> | <u>1,305,393</u> | <u>(1,353,274)</u> | <u>2,093,856</u> |
| Total Unrestricted funds | <u>2,597,115</u> | <u>1,345,393</u> | <u>(1,364,438)</u> | <u>2,578,070</u> |
| Restricted funds | | | | |
| Social Housing Grant | 135,416 | - | - | 135,416 |
| Total of funds | <u>2,732,531</u> | <u>1,345,393</u> | <u>(1,364,438)</u> | <u>2,713,486</u> |

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

SUMMARY OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Carried Forward £ |
|------------------|-------------------------|----------------------------|----------------------------|-------------------------|
| Designated funds | 455,378 | 40,000 | (11,164) | 484,214 |
| General funds | 2,141,737 | 1,305,393 | (1,353,274) | 2,093,856 |
| | <u>2,597,115</u> | <u>1,345,393</u> | <u>(1,364,438)</u> | <u>2,578,070</u> |
| Restricted funds | 135,416 | - | - | 135,416 |
| | <u>2,732,531</u> | <u>1,345,393</u> | <u>(1,364,438)</u> | <u>2,713,486</u> |

17. CAPITAL COMMITMENTS

There were no capital commitments at the balance sheet date.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Restricted funds 2015 £ | Unrestricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|-------------------------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Tangible fixed assets | 135,416 | 1,590,230 | 1,725,646 | 1,776,321 |
| Investment property | - | 315,000 | 315,000 | 315,000 |
| Current assets | - | 890,967 | 890,967 | 855,782 |
| Creditors due within one year | - | (90,276) | (90,276) | (73,022) |
| Creditors due in more than one year | - | (127,850) | (127,850) | (141,550) |
| Difference | - | (1) | (1) | - |
| | <u>135,416</u> | <u>2,578,070</u> | <u>2,713,486</u> | <u>2,732,531</u> |

19. CONTINGENT LIABILITIES

Until 2007, the Society was registered with the Housing Corporation and was in receipt of Social Housing Grants amounting to £135,416 in respect of the development of the residential home. The Society has now deregistered but should the land and buildings be sold in the future the Housing Corporation (now the Tenant Services Authority) may demand repayment of these grants.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

20. OPERATING LEASE COMMITMENTS

At 30 September 2015 the company had annual commitments under non-cancellable operating leases as follows:

| | 2015 £ | 2014 £ |
|-----------------------|------------|-----------|
| Expiry date: | | |
| Between 2 and 5 years | 458 | - |

21. RELATED PARTY TRANSACTIONS

During the year a donation of £10 was received from Derek Farr, a director.

During the year a donation of £10 was received from Stan Simpson, a director.

During the year a donation of £10 was received from Steve Gore, a director.

During the year a donation of £5 was received from Keith Faulkner, a director.

During the year D J Farr, a director, was reimbursed expenses of £227.