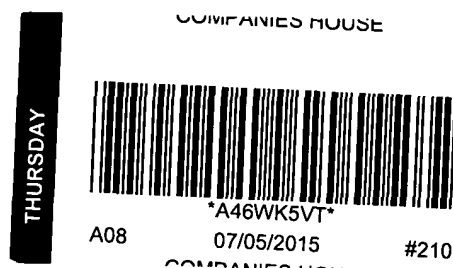

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
(A company limited by guarantee)

COMMITTEE OF MANAGEMENT'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014



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 2014**

Committee of Management

Mr R O S Brooks
Mr D J Farr
Mr K Faulkner, Chairman
Mr S J Gore (appointed 23 June 2014)
Mr R K Seaman
Mr S E Simpson
Mr A Spalding, Treasurer (resigned 30 September 2014)
Mrs C Thomson
Mr J Thomson, Secretary and Treasurer

Company registered number

00675042

Charity registered number

211934

Registered office

Grace Muriel Abbeyfield House
Tavistock Avenue
Hertfordshire
AL1 2NW

Company secretary

Mr J Thomson

Independent auditor

Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Bankers

Barclays Bank plc
22/24 Upper Marlborough Road
St Albans
Hertfordshire

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

COMMITTEE OF MANAGEMENT'S REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2014

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 2014. 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
Mr D J Farr
Mr K Faulkner (Chairman)
Mr S Gore (appointed 26 June 2014)
Mr R Seaman
Mr S E Simpson
Mr A Spalding (Treasurer) - retired 30 September 2014
Mrs C Thomson
Mr J S Thomson (Secretary &, with effect from 30 September 2014, Treasurer)

Mrs C Thomson, Mr D Farr and Mr S E Simpson are due to retire by rotation and are willing to offer themselves for re-election at the Annual General Meeting to be held in March 2015 when Mr S Gore will be proposed for formal election following his co-option in June 2014.

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 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 should not be necessary due to the background and experience of the prospective member(s).

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

COMMITTEE OF MANAGEMENT'S REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2014

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

2013/14 was another busy year at Grace Muriel House particularly in the first two months of 2014. The Care Quality Commission made a surprise visit in January, when we were again found to be fully compliant, and this was followed in February by the near-annual inspections by Hertfordshire County Council and the Fire Service.

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

COMMITTEE OF MANAGEMENT'S REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2014

As a result of the latter various improvements were made including the fitting of door closures linked to the fire alarm system, to ensure compliance with current regulations, plus the installation of a new fire panel.

During the early part of that period that our staff were also having to cope with the problems caused by water leaks and endeavouring to keep inconvenience to several residents to the absolute minimum.

The customary maintenance and refurbishment programme continued throughout the year, the most notable element being the upgrading of the dining room and West Wing lounge (new floor, total redecoration and curtains). The new dining-room furniture was a little later arriving than anticipated but all was completed in time for the Christmas 2014 festivities.

Following the opening of the refurbished summerhouse in June 2013 the re-organisation of the adjoining garden and raised beds was completed with the help of students from Marlborough School and Willmott Dixon - to whom we give our grateful thanks. Therefore the House and garden were in good order in time for the annual Garden Party in July which had a 1914 theme. Our entertainer led the singing of songs from that era and, undoubtedly the highlight of the day, quite a few members of staff were beautifully dressed in period costume.

The weather was kind to us, our Patron, The Right Worshipful the Mayor, Councillor Geoff Harrison accompanied by Ms Seton, spoke to almost everyone present, our Friends were very much involved working alongside our staff and all combined to make the Party a very happy and enjoyable occasion.

As was anticipated, void levels continued throughout the year to be at a higher level than we would wish and this, of course, affected the financial outcome for the year as indicated below.

In previous reports mention was made of ongoing and prolonged discussions with St Albans and District Council as to the level of rent to be paid for the two-thirds or so of our site which is leased from the Council. Last year it was stated that there appeared to be the basis for an acceptable agreement to be reached and it was hoped legal formalities might be completed during 2014. I am pleased to report that proved to be the case and the formal agreements were signed and exchanged last June. There is to be a side-letter and annexe concerning some measure of benefit to the community when our finances permit but, although the wording of the side-letter has been agreed the annexe covering the procedural process is still outstanding.

Opinions expressed by our residents, their relatives and sponsors via conversations, questionnaires, meetings, directors' monthly monitoring visits and the CQC outcome confirm that our enthusiastic, caring staff and management continue to be our greatest asset. To them, our committed Friends and Board members, my sincere thanks for all they have done throughout the year to maintain high standards

Subsequent to the year end Richard Brooks expressed a wish to stand down at the March 2015 AGM. Richard has been involved with the Society for over twenty-five years and was Chairman for part of that time. We shall particularly miss his experience and his legal expertise of which he has given so readily. His commitment and support over the years has been very much appreciated and we wish him a happy retirement.

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

COMMITTEE OF MANAGEMENT'S REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2014

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 earlier in the report under "Review of Activities", the level of voids remains higher than in earlier years. This was not altogether unexpected but, inevitably, it impacted on our financial performance, although with continued careful cost control we were still able to show an operating surplus of £21,802 (2013 £32,123) – without compromising on the level of care and service provided for our residents. This surplus increased to £63,304 (2013 £61,637) after adding much-appreciated Donations and Legacies totalling £12,569 and Investment Income of £28,933 (being primarily the rental income from the George Street property).

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 higher than seen in previous years until such time as we are to implement significant improvements in the standard of accommodation.

Plans for the future

a. FUTURE DEVELOPMENTS

Previous reports have stated that we have, for some time, been looking to improve the standard of accommodation at Grace Muriel House.

As mentioned above, the rental issue having been settled, albeit with some associated procedural matters still to be clarified, we shall now be giving further thought in the early months of 2015 as to how and how soon we may upgrade the accommodation as well as continuing discussions with the Local Authority.

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

COMMITTEE OF MANAGEMENT'S REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2014

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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

COMMITTEE OF MANAGEMENT'S REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2014

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.

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 13/04/15 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 2014 set out on pages 10 to 21. 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 2014 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
(A company limited by guarantee)

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
Herts
WD17 1HP
5 May 2015

Hillier Hopkins LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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 2014

	Note	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	-	12,569	12,569	3,115
Investment income	3	-	28,933	28,933	26,399
Incoming resources from charitable activities	4	-	1,317,848	1,317,848	1,273,503
TOTAL INCOMING RESOURCES		-	1,359,350	1,359,350	1,303,017
RESOURCES EXPENDED					
Charitable activities	5	-	1,276,711	1,276,711	1,221,129
Governance costs	6	-	19,335	19,335	20,251
TOTAL RESOURCES EXPENDED		-	1,296,046	1,296,046	1,241,380
MOVEMENT IN TOTAL FUNDS FOR THE YEAR - NET INCOME FOR THE YEAR		-	63,304	63,304	61,637
<i>Total funds at 1 October 2013</i>		135,416	2,533,811	2,669,227	2,607,590
TOTAL FUNDS AT 30 SEPTEMBER 2014		135,416	2,597,115	2,732,531	2,669,227

The notes on pages 13 to 21 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 2014**

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	10		1,776,321		1,777,803
Investment property	11		315,000		315,000
			<u>2,091,321</u>		<u>2,092,803</u>
CURRENT ASSETS					
Stocks		3,000		3,000	
Debtors	12	18,441		21,704	
Cash at bank and in hand		834,341		773,946	
		<u>855,782</u>		<u>798,650</u>	
CREDITORS: amounts falling due within one year	13	(73,022)		(66,976)	
NET CURRENT ASSETS			<u>782,760</u>		<u>731,674</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,874,081</u>		<u>2,824,477</u>
CREDITORS: amounts falling due after more than one year	14		(141,550)		(155,250)
NET ASSETS			<u><u>2,732,531</u></u>		<u><u>2,669,227</u></u>
CHARITY FUNDS					
Restricted funds	15		135,416		135,416
Unrestricted funds:					
Unrestricted income funds	15	2,307,115		2,243,811	
Revaluation reserve		<u>290,000</u>		<u>290,000</u>	
Total unrestricted funds			<u>2,597,115</u>		<u>2,533,811</u>
TOTAL FUNDS			<u><u>2,732,531</u></u>		<u><u>2,669,227</u></u>

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

BALANCE SHEET (continued)
AS AT 30 SEPTEMBER 2014

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 2014 and of its net incoming resources 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
13 April 2015 and signed on their behalf, by:


.....
Mr K Faulkner, Chairman


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

The notes on pages 13 to 21 form part of these financial statements.

THE REPUBLIC OF ALGERIA
(A company limited by shares)

BALANCE SHEET
AS AT 31 DECEMBER 1980

The Company's Management, concerned to ensure that the Balance Sheet is a true and fair statement of the Company's financial position, has prepared the Balance Sheet in accordance with the provisions of the Companies Act, 1947, and the Companies (Accounts) Regulations, 1968, and has caused the same to be audited by Messrs. [Name of Auditors], Chartered Accountants, who have issued their report thereon.

The Company's Management is responsible for the preparation and presentation of the Balance Sheet in accordance with the provisions of the Companies Act, 1947, and the Companies (Accounts) Regulations, 1968, and for the truth and fairness of the same. The auditors are responsible for expressing an opinion on the Balance Sheet in accordance with the provisions of the Companies Act, 1947, and the Companies (Accounts) Regulations, 1968, and for the truth and fairness of the same.

The Balance Sheet is prepared in accordance with the provisions of the Companies Act, 1947, and the Companies (Accounts) Regulations, 1968, and is a true and fair statement of the Company's financial position as at 31 December 1980.

The Balance Sheet is prepared in accordance with the provisions of the Companies Act, 1947, and the Companies (Accounts) Regulations, 1968, and is a true and fair statement of the Company's financial position as at 31 December 1980.

For the Board of Directors
[Name of Director]

For the Auditors
[Name of Auditor]

The Balance Sheet is prepared in accordance with the provisions of the Companies Act, 1947, and the Companies (Accounts) Regulations, 1968, and is a true and fair statement of the Company's financial position as at 31 December 1980.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

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 financial statements have been prepared in accordance with 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
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014

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
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

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 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Donations	-	2,569	2,569	3,115
Legacies	-	10,000	10,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	-	12,569	12,569	3,115
	<hr/>	<hr/>	<hr/>	<hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

3. INVESTMENT INCOME

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Rental Income	-	26,071	26,071	20,821
Interest	-	2,862	2,862	5,578
	<u>-</u>	<u>28,933</u>	<u>28,933</u>	<u>26,399</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Residential fees and rent	-	1,317,848	1,317,848	1,273,503

5. DIRECT COSTS

	General £	Total 2014 £	Total 2013 £
Repairs & general maintenance	82,871	82,871	74,341
Sundry	5,370	5,370	5,431
Equipment	26,121	26,121	23,241
Insurance	12,626	12,626	12,240
Loan interest	2,618	2,618	2,837
Legal fees	(737)	(737)	5,663
CRB	1,130	1,130	660
Agency staff	42,349	42,349	48,090
Contract cleaning	61,776	61,776	60,675
Telephone	5,786	5,786	5,448
Staff training	6,297	6,297	5,892
Advertising and recruitment	10,418	10,418	10,062
Printing, postage & stationery	7,174	7,174	5,699
Food and other household costs	137,746	137,746	136,583
Water rates and council tax	9,029	9,029	8,222
Rent	2,068	2,068	1,281
Travel	1,114	1,114	1,202
Wages and salaries	752,285	752,285	698,650
National insurance	58,818	58,818	53,230
Depreciation	51,852	51,852	61,682
	<u>1,276,711</u>	<u>1,276,711</u>	<u>1,221,129</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

6. GOVERNANCE COSTS

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Auditors' remuneration	-	6,180	6,180	6,180
Abbeyfield affiliation Fee	-	9,930	9,930	9,771
Registration fees	-	3,225	3,225	4,300
	<u>-</u>	<u>19,335</u>	<u>19,335</u>	<u>20,251</u>

7. NET INCOME

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	51,852	61,682
Auditors' remuneration - other services	<u>6,180</u>	<u>6,180</u>

During the year, no Committee of Management received any remuneration (2013 - £NIL).

During the year, no Committee of Management received any benefits in kind (2013 - £NIL).

1 Committee of Management received reimbursement of expenses amounting to £583 in the current year, (2013 - 1 Committee of Management - £549).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

8. STAFF COSTS

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	752,285	698,650
Social security costs	58,818	53,230
	<u>811,103</u>	<u>751,880</u>

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

	2014 No.	2013 No.
	<u>48</u>	<u>49</u>

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

9. TAXATION

Factors affecting tax charge for the year

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

10. TANGIBLE FIXED ASSETS

	Freehold £	Long Leasehold £	Furniture and fittings £	Total £
Cost or valuation				
At 1 October 2013	492,646	1,477,938	562,907	2,533,491
Additions	-	-	50,370	50,370
At 30 September 2014	<u>492,646</u>	<u>1,477,938</u>	<u>613,277</u>	<u>2,583,861</u>
Depreciation				
At 1 October 2013	51,124	219,231	485,333	755,688
Charge for the year	-	21,998	29,854	51,852
At 30 September 2014	<u>51,124</u>	<u>241,229</u>	<u>515,187</u>	<u>807,540</u>
Net book value				
At 30 September 2014	<u>441,522</u>	<u>1,236,709</u>	<u>98,090</u>	<u>1,776,321</u>
At 30 September 2013	<u>441,522</u>	<u>1,258,707</u>	<u>77,574</u>	<u>1,777,803</u>

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

10. 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.

11. INVESTMENT PROPERTY

	Freehold property £
Valuation	
At 1 October 2013 and 30 September 2014	315,000
Comprising	

The 2006 valuations were made by Aitchison Rafferty, on an open market value for existing use basis.

An up to date valuation was undertaken in February 2014 and the current value of the property is in the region of £375,000. However due to uncertainties on maintaining full rental at the current level, the directors do not recommend amendment to the valuation included within the accounts.

12. DEBTORS

	2014 £	2013 £
Other debtors	18,441	21,704

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

	2014 £	2013 £
Bank loans and overdrafts	13,700	13,700
Trade creditors	29,590	-
Other taxation and social security	13,958	14,214
Other creditors	643	-
Accruals and deferred income	15,131	39,062
	73,022	66,976

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

14. CREDITORS:
Amounts falling due after more than one year

	2014 £	2013 £
Bank loans	141,550	155,250

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

	2014 £	2013 £
Repayable by instalments	141,550	155,250

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 cost of funds.

15. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
Designated funds				
Repairs fund	30,000	-	-	30,000
Small projects fund	23,125	6,875	-	30,000
Lift fund	40,000	12,000	-	52,000
Gift Aid	10,266	2,000	-	12,266
Legacies	202,328	10,000	-	212,328
Friends of Grace Muriel House	938	-	-	938
Investment income	90,973	28,000	(2,302)	116,671
Mayne dining room	1,175	-	-	1,175
	398,805	58,875	(2,302)	455,378
General funds				
General Fund	1,845,006	1,300,475	(1,293,744)	1,851,737
Revaluation reserve	290,000	-	-	290,000
	2,135,006	1,300,475	(1,293,744)	2,141,737
Total Unrestricted funds	2,533,811	1,359,350	(1,296,046)	2,597,115
Restricted funds				
Social Housing Grant	135,416	-	-	135,416
Total of funds	2,669,227	1,359,350	(1,296,046)	2,732,531

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
Designated funds	398,805	58,875	(2,302)	455,378
General funds	2,135,006	1,300,475	(1,293,744)	2,141,737
	<u>2,533,811</u>	<u>1,359,350</u>	<u>(1,296,046)</u>	<u>2,597,115</u>
Restricted funds	135,416	-	-	135,416
	<u>2,669,227</u>	<u>1,359,350</u>	<u>(1,296,046)</u>	<u>2,732,531</u>

The Repair fund was established to fund cyclical repairs to the properties.

16. CAPITAL COMMITMENTS

There were no capital commitments at the balance sheet date.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	135,416	1,640,905	1,776,321	1,777,803
Investment property	-	315,000	315,000	315,000
Current assets	-	855,782	855,782	808,572
Creditors due within one year	-	(73,022)	(73,022)	(76,898)
Creditors due in more than one year	-	(141,550)	(141,550)	(155,250)
	<u>135,416</u>	<u>2,597,115</u>	<u>2,732,531</u>	<u>2,669,227</u>

18. 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.