



**Abbeyfield Llandudno Society Limited
(The)**

**Report of the Directors and
Financial Statements for the Year Ended 30 September 2015**

Haines Watts Wales LLP, Statutory Auditors
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ





**Abbeyfield Llandudno Society Limited
(The)**

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for the Year Ended 30 September 2015**

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**Abbeyfield Llandudno Society Limited
(The)**

**Company Information
for the Year Ended 30 September 2015**

Directors:

Mr P Adams
Mr C Watkins
Mr A J Rookes
Mr B Cornes

Registered office:

Pagefield House
24 Gold Tops
NEWPORT
NP20 4PG

Registered number:

00710405 (England and Wales)

Auditors:

Haines Watts Wales LLP, Statutory Auditors
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

**Abbeyfield Llandudno Society Limited
(The)**



**Report of the Directors
for the Year Ended 30 September 2015**

The directors present their report with the financial statements of the company for the year ended 30 September 2015.

Principal activity

The Society is a non profit making company whose principal activity through the year was that of the care and accommodation of the lonely and elderly. The objectives of the Society are to provide safe, secure homes for residents with additional support services for those that require them.

The principal funding sources are generated from rent and service charge income charged to residents.

Review of business

Both homes have again suffered from voids. This year the housekeeper of Maelgwyn Road became the House Manager of both homes in Llandudno. The staff are now a joint workforce and the residents come together more. Lloyd Street has had extensive modernisation and decoration with the 1st floor left to decorate and the second floor still to be improved. The resident base has a potential issue as the support provided is going to become an issue due to their increasingly complex needs. A marketing plan is being devised to ensure the future of these homes.

Events since the end of the year

Information relating to events since the end of the year is given in the notes to the financial statements.

Directors

The directors shown below have held office during the whole of the period from 1 October 2014 to the date of this report.

Mr P Adams
Mr C Watkins

Other changes in directors holding office are as follows:

Mr G M Jones - resigned 1 June 2015
Mr A J Rookes - appointed 9 March 2015

Mr B Cornes was appointed as a director after 30 September 2015 but prior to the date of this report.

Changes in fixed assets

Changes in fixed assets are shown in notes 7 and 8 of the financial statements.

**Abbeyfield Llandudno Society Limited
(The)**



**Report of the Directors
for the Year Ended 30 September 2015**

Internal controls

The directors are responsible for the systems of internal control, which focus on the significant risks that threaten the ability of the Society to achieve its objectives, and which provide reasonable assurance of the safeguarding of its assets.

The directors are responsible for reviewing annually the effectiveness of the systems of control.

The directors recognise that any system can only manage and not eliminate risk and can only provide reasonable and not absolute assurance against material misstatement or loss.

The process for identifying evaluating and managing risk has been on going throughout the year. The directors are satisfied that basic controls are in place but these are subject to on going review and formalisation as part of a process of continuous improvement.

The key elements of the system of control which have been in place across the year include:

- (i) A range of written policies and procedures covering the most significant areas of operation, finance and human resources.
- (ii) A review by the directors of business plans including financial budgets and risk management steps, along with the approval and monitoring of these.
- (iii) Delegation of authority for incurring and approving expenditure with formal involvement of directors for larger transactions.
- (iv) Staff recruitment and appraisal processes.
- (v) Regular monitoring of financial performance.
- (vi) Director review of significant projects and initiatives.

Included in these controls and as part of the preparation of the annual business plan, risks are identified which could threaten the achievement of objectives, and an assessment is made of profitability of occurrence and likely impact. Controls which mitigate these risks and are proportionate to them are identified.

Status of the society

The Society is a registered company (00710405) limited by guarantee. In addition the Society is registered with the Welsh Government as a Registered Social Housing Provider (RSHP) and with the Charities Commission (226611). In accordance with this the company has produced accounts which include the disclosures required to meet both the RSHP SORP, which takes precedence over the Charities SORP, and Companies Act requirements.

The Society is run by the the managing agents, Abbeyfield Wales, and is under the control of the Directors. The managing agents are responsible for the running, administration and maintenance of the properties.

Risk management

The Directors review the Society's activities at Board meetings and they have assessed the risks to which the Society is exposed. As part of this process, the Directors have implemented a risk management strategy which comprises both financial control and stock maintenance.

The Directors acknowledges their responsibility for ensuring that the Society has in place a system of controls that are appropriate to the business environment in which it operates.

Reserves

The Directors objective is to maintain sufficient reserves for the continuation of the Society. No amounts have been designated or restricted.

**Abbeyfield Llandudno Society Limited
(The)**



**Report of the Directors
for the Year Ended 30 September 2015**

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. We review our aims, objectives and activities each year. This review looks back at what we achieved and the outcomes of our work in the previous year. This review helps us ensure our aims, objectives and activities are focused on our stated purposes.

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Haines Watts Wales LLP, Statutory Auditors, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board:



Mr P Adams - Director

Date: 26/4/16

**Report of the Independent Auditors to the Members of
Abbeyfield Llandudno Society Limited
(The)**



We have audited the financial statements of Abbeyfield Llandudno Society Limited (The) for the year ended 30 September 2015 on pages seven to fifteen. 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors 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 company's affairs as at 30 September 2015 and of its deficit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
Abbeyfield Llandudno Society Limited
(The)**



Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors 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 or in preparing the Report of the Directors.

Tania Cregg (Senior Statutory Auditor)
for and on behalf of Haines Watts Wales LLP, Statutory Auditors
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

Date:



**Abbeyfield Llandudno Society Limited
(The)**

**Income and Expenditure Account
for the Year Ended 30 September 2015**

	Notes	2015 £	2014 £
Turnover	2	103,699	103,392
Administrative expenses		(141,760)	(174,235)
		(38,061)	(70,843)
Other operating income		1,966	1,426
Operating deficit and Deficit on ordinary activities before taxation	4	(36,095)	(69,417)
Tax on deficit on ordinary activities	5	-	-
Deficit for the financial year		(36,095)	(69,417)

The notes form part of these financial statements



Abbeyfield Llandudno Society Limited
(The) (Registered number: 00710405)

Balance Sheet
30 September 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible assets	6	569,460	579,029
Current assets			
Debtors	7	3,545	3,880
Creditors			
Amounts falling due within one year	8	(2,259)	(7,680)
Net current assets/(liabilities)		<u>1,286</u>	<u>(3,800)</u>
Total assets less current liabilities		570,746	575,229
Creditors			
Amounts falling due after more than one year	9	(167,120)	(135,508)
Net assets		<u>403,626</u>	<u>439,721</u>
Reserves			
Income and expenditure account	10	403,626	439,721
		<u>403,626</u>	<u>439,721</u>

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

The financial statements were approved by the Board of Directors on and were signed on its behalf by:

Mr P Adams - Director

Mr C Watkins - Director

The notes form part of these financial statements

**Abbeyfield Llandudno Society Limited
(The)**



**Notes to the Financial Statements
for the Year Ended 30 September 2015**

1. Accounting policies

Basis of preparing the financial statements

The financial statements are prepared under the historical cost convention in accordance with the applicable Accounting Standards in the United Kingdom and in accordance with the Standard of Recommended Practice (SORP) 2010 and with the Accounting requirements for Registered Social Housing Providers General Determination Order 2009.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Turnover represents the rental income from lettings in respect of sheltered housing for the elderly.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Fixtures and fittings - 10% on cost

Fixed assets - land and buildings

Housing land and building are stated at cost. Costs include amounts to acquire land and buildings, development or conversion expenditure and costs to replace identified components.

All invoices and architects certificates relating to capital expenditure incurred in the year at gross value before retentions are included in the financial statements for the year to which they apply.

On implementation of component accounting and subsequent application, grant received for capital works to properties has been allocated against the assets to which it relates. Deducting grants from the cost of fixed assets contravenes the Companies Act but is necessary to show a true and fair view.

**Abbeyfield Llandudno Society Limited
(The)**



**Notes to the Financial Statements - continued
for the Year Ended 30 September 2015**

1. Accounting policies - continued

Depreciation - land and buildings

The year ended 30 September 2013 accounts are the first to be prepared under component accounting rules. Component accounting has been implemented in accordance with the requirements of the Statement of Recommended Practice (SORP) for Accounting for Registered Social Housing Providers, as updated in 2010.

The move to a component based split on a property from a single housing component resulted in a number of significant changes in accounting policies and practice.

The result of the change in policy includes:

Housing properties are now split into components all with varying lifecycles as detailed below. The Land component is not depreciated; all other components are depreciated on a monthly basis depending on the lifecycles (detailed below). Replacement components are identified separately and allocated to specific housing properties. Where a net book value exists on a replaced component, the value is written off to the Income and Expenditure Account.

Where a housing property comprises of two or more major components with substantially different useful economic lives each component is accounted for separately and depreciate over its useful economic life. Expenditure relating to the subsequent replacement for renewal of components is capitalised as incurred.

Depreciation is charged on cost on a straight line basis over the components expected economic lives as follows:

Land	~
Buildings	100
Kitchen	15
Heating	15
Bathroom	15
Doors	25
Windows	30
Electrics	30
Pitched Roof/Flat Roof	80/30

**Abbeyfield Llandudno Society Limited
(The)**



**Notes to the Financial Statements - continued
for the Year Ended 30 September 2015**

1. Accounting policies - continued

Allocation of expenses

Expenses are allocated to management, repairs and service costs on the basis of the proportion of time or other relevant factors attributable to those activities.

Corporation Tax and VAT

The Society has charitable status and is exempt from corporation tax on the income it has received. The Society is not registered for VAT. Accordingly no VAT is charged to residents and expenditure in the financial statements is stated inclusive of VAT.

Going Concern

The Society is currently in the process of transferring its status to a Co-Operative and Communities Benefit Society. Once this has been completed the next step will be to merge with Abbeyfield Wales Society.

At present neither of these actions have been completed. With the financial support of Abbeyfield Wales Society the Directors believe it is correct to prepare the accounts of the Society as a going concern as it will continue until these processes have been actioned. No repayment of the intercompany balance will be requested before the merger takes place.

Cashflow statement

The financial statements do not include a cash flow statement as the Society is exempt from preparing one due to its size.

**Abbeyfield Llandudno Society Limited
(The)**



**Notes to the Financial Statements - continued
for the Year Ended 30 September 2015**

2. Turnover

Particulars of Turnover, Operating Costs and operating Deficit

	Turnover £	Operating Costs £	Operating Deficit £
Supported Housing Lettings - 2015	103,699	141,760	(38,061)
Supported Housing Lettings - 2014	103,392	174,235	(70,843)

Particulars of Income and Expenditure from supported housing lettings

	2015 £	2014 £
Income		
Rent receivable	24,888	24,814
Service Charges	78,811	78,578
Turnover from supported housing	103,699	103,392
Cost		
Management costs	110,885	121,235
Routine Maintenance	8,085	17,616
Depreciation of Housing properties	14,144	26,144
Other costs	8,646	9,240
Operational costs on supported housing	141,760	174,235
Operational Deficit on supported housing	(38,061)	(70,843)
Rent loss from voids (memorandum note)	93,593	90,061

3. Staff costs

The average number of full time equivalent employees during the year was 4 (2014: 4)

	2014 £	2013 £
Wages	57,839	62,494
Social Security	3,713	3,770
Total	61,552	66,264

The Directors did not receive any remuneration either in the current or previous year.

There are no pension arrangements in place for either staff or Directors.

4. Operating deficit

The operating deficit is stated after charging:

	2015 £	2014 £
Depreciation - owned assets	17,618	16,813
Auditors' remuneration	3,500	3,580
Additional depreciation charge due to asset write off	-	12,000
	<u> </u>	<u> </u>

**Abbeyfield Llandudno Society Limited
(The)**



**Notes to the Financial Statements - continued
for the Year Ended 30 September 2015**

4. Operating deficit - continued

Directors' remuneration and other benefits etc	-	-
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5. Taxation

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 30 September 2015 nor for the year ended 30 September 2014.

6. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Totals £
Cost			
At 1 October 2014	662,856	96,623	759,479
Additions	-	8,049	8,049
At 30 September 2015	662,856	104,672	767,528
Depreciation			
At 1 October 2014	105,558	74,892	180,450
Charge for year	14,144	3,474	17,618
At 30 September 2015	119,702	78,366	198,068
Net book value			
At 30 September 2015	543,154	26,306	569,460
At 30 September 2014	557,298	21,731	579,029

During the year no capital works were under taken on the properties. £8k of works were expensed as revenue costs.

Included in freehold property is land of £36K which is not depreciated.

7. Debtors: amounts falling due within one year

	2015 £	2014 £
Prepayments	3,545	3,880

8. Creditors: amounts falling due within one year

	2015 £	2014 £
Accruals and deferred income	2,259	7,680

9. Creditors: amounts falling due after more than one year

	2015 £	2014 £
Amounts owed to group undertakings	167,120	135,508

**Abbeyfield Llandudno Society Limited
(The)**



**Notes to the Financial Statements - continued
for the Year Ended 30 September 2015**

10. Reserves

	Income and expenditure account £
At 1 October 2014	439,721
Deficit for the year	(36,095)
At 30 September 2015	<u>403,626</u>

11. Related party disclosures

Abbeyfield Wales Society
Managing Agents

As the managing agents all transactions go through Abbeyfield Wales and are then recharged on to Abbeyfield Llandudno via the intercompany account.

No repayment of the intercompany balance will be sort before the anticipated merger occurs and as such the balance has been shown in long term creditors.

	2015 £	2014 £
Amount due to related party at the balance sheet date	<u>167,120</u>	<u>135,508</u>

12. Post balance sheet events

The Society is currently in the process of transferring its status to a Co-Operative and Communities Benefit Society. Once this has been completed the next step will be to merge with Abbeyfield Wales Society.

At present neither of these actions have been completed and therefore the Directors believe it is correct to prepare the account of the Society as a going concern as it will continue until these processes have been actioned. No repayment of the intercompany balance will be sort before the merger occurs.

13. Ultimate controlling party

The ultimate controlling party is the Directors.

14. Housing stock

For both the current and proceeding year the Society held the following units. During the current year these have been managed by Abbeyfield Wales Society.

	2015 Number	2014 Number
Supported Housing Units:		
57 Lloyd Street	10	11
Maelgwyn Road	6	6
Total	16	17

**Abbeyfield Llandudno Society Limited
(The)**



**Notes to the Financial Statements - continued
for the Year Ended 30 September 2015**

15. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the directors is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

16. Grant received

As at the 30 September 2015 £43K (2014: £43k) of grant had been received to fund capital works to the properties.



**Abbeyfield Llandudno Society Limited
(The)**

**Detailed Income and Expenditure Account
for the Year Ended 30 September 2015**

	2015		2014	
	£	£	£	£
Turnover				
Rental Income	197,292		193,453	
Voids	<u>(93,593)</u>		<u>(90,061)</u>	
		103,699		103,392
Other income				
Sundry receipts		<u>1,966</u>		<u>1,426</u>
		105,665		104,818
Expenditure				
Rates and water	7,876		6,297	
Insurance	7,028		3,829	
Light and heat	10,560		21,106	
Wages	57,904		57,839	
Social security	3,475		3,713	
Telephone	10,379		11,716	
Post and stationery	191		129	
Subscriptions and licences	31		161	
Repairs and renewals	8,085		17,616	
Affiliation fees	1,622		2,816	
Food and cleaning costs	13,441		16,445	
Sundry expenses	-		125	
Auditors' remuneration	3,500		3,580	
Depreciation of tangible fixed assets				
Freehold property	14,144		26,144	
Fixtures and fittings	<u>3,474</u>		<u>2,669</u>	
		141,710		174,185
		(36,045)		(69,367)
Finance costs				
Bank charges		<u>50</u>		<u>50</u>
Net deficit		<u>(36,095)</u>		<u>(69,417)</u>