

Company No. 00737334
Registered Charity No. 230899
Homes and Communities Agency No. H3295

**THE ABBEYFIELD LANCASTER
SOCIETY LIMITED**

FINANCIAL STATEMENTS
For the year ended 31 March 2015

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THE ABBEYFIELD LANCASTER SOCIETY LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2015

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THE ABBEYFIELD LANCASTER SOCIETY LIMITED

Trustees' annual report for the purposes of Part 8 of the Charities Act 2011 and Directors' report for the purposes of section 417 of the Companies Act 2006 For the year ended 31 March 2015

The trustees present their annual report on the affairs of the society, together with the financial statements for the year ended 31 March 2015.

Reference and Administrative Details

The full name of the charity is The Abbeyfield Lancaster Society Limited.

The society's charity registration number is 230899 and its company registration number is 00737334. It is also a registered social housing provider under the Housing Act 1996 (no. H3295).

The trustees who served during the year were:

Executive committee:

The Lady Shuttleworth (President)	
Mr B P Threlfall (Chairman)	treasurer to 31 August 2014
Mrs A K Howson (Secretary)	
Mr J Gilbert	chairman to 21 July 2014
Mrs P Gilbert	
Mr R Kirkman	
Mrs J E Threlfall	
Mr C P Whytock (Treasurer)	appointed 21 July 2014, treasurer from 1 September 2014

Non-trustees who served on other committees during the year were:

Dr K Froggatt	
Mr G Hall	from 15 December 2014
Miss M Parker	resigned 14 August 2014

The directors of the company during the year were:

Mr J Gilbert	
Mrs A K Howson	
Mr B P Threlfall	
Mr C P Whytock	appointed 11 August 2014

The society's secretary is Mrs A K Howson

The registered office of the society is:

Chirnside House
Abbeyfield Close
Lancaster
LA1 4NL

Day to day management of the society is delegated to Mrs A K Howson, the society secretary, Mr C P Whytock (to 31 August 2014) and Mrs B A Gardner (from 1 September 2014), the bursars.

Bankers	HSBC, 35 Market Street, Lancaster, LA1 1JQ.
Auditors	CLB Coopers, Fleet House, New Road, Lancaster, LA1 1EZ.
Solicitors	Holdens, 2 Castle Hill, Lancaster LA1 1YR.
Architects	Harrison & Pitt Architects Limited, 29 Castle Hill, Lancaster, LA1 1YN.
Investment Advisors	Independent Investment Associates Ltd, Cragdale House, Kents Bank Road Grange-over-Sands, LA11 7EY.

THE ABBEYFIELD LANCASTER SOCIETY LIMITED

Trustees' annual report for the purposes of Part 8 of the Charities Act 2011 and Directors' report for the purposes of section 417 of the Companies Act 2006 For the year ended 31 March 2015

Structure, Governance & Management

Governing Document

The society is a company limited by guarantee under the Companies Act 2006, without share capital. Its operation is governed by its Memorandum & Articles of Association dated 8 October 1962 and amended on 31 October 2006.

Appointment of trustees

The appointment of trustees is governed by provisions contained within the society's Articles of Association. These are as follows:

- At each AGM one third of the members of the Executive Committee must retire and, if desired, stand for re-election. The trustees to retire are those longest in office since their last election.
- The society, at the AGM, may fill the positions vacated by the retiring trustees by electing any persons thereto, or by re-electing the retiring members.
- The Executive Committee has the power to appoint any person to be a trustee either to fill a casual vacancy or in order to increase the number of trustees. Any trustee appointed in this way must retire at the following AGM and stand for re-election, if desired, at that meeting.
- Any member of the society, qualified to attend and vote at the AGM, is entitled to propose the appointment of a person to act as a trustee.
- Appointments to the society's committees are made by the Executive Committee.

Trustee induction and training

Trustees are given induction and training by the society secretary together with the chairman and secretary of the relevant committee to which they belong.

Organisation

The society is governed by its Executive Committee, consisting of not less than three nor more than eighteen members, which meets six times per year. Certain detailed work is delegated as follows:

- A budget meeting prepares the annual budget for approval by the Executive Committee.
- The Chirnside House Committee monitors the day-to-day operation of the registered residential care home. The committee meets on a monthly basis.
- The committees are assisted in their work by senior management, namely the bursar and the manager of the residential care home.

Connected charities

The society is one of around 200 similar societies, which exist throughout the United Kingdom to provide assisted living for older people. Co-operation between local societies is considerable although each retains its autonomy. There is also an umbrella organisation, The Abbeyfield Society, of which this society is a member. The Abbeyfield Society is divided into six administrative regions. Each has its own regional council composed of volunteers from societies in the region. The regional officers have regular meetings with each other, so that they can represent the views of their region through national committees.

The head office of the Abbeyfield Society is St Peter's House, 2 Bricket Road, St Albans, AL1 3JW. The staff at Head Office provide support for member societies. During the year the society incurred fees of £8,159 (2014 - £9,798) in respect of its membership of, and affiliation to The Abbeyfield Society.

THE ABBEYFIELD LANCASTER SOCIETY LIMITED

Trustees' annual report for the purposes of Part 8 of the Charities Act 2011 and Directors' report for the purposes of section 417 of the Companies Act 2006 For the year ended 31 March 2015

Structure, Governance & Management (continued)

Risk management

The trustees have assessed the major risks to which the society is exposed, in particular those related to the operations and finances of the society, and are satisfied that systems are in place to mitigate exposure to the major risks.

Objectives & Activities

The society's principal objectives as set out in the Memorandum of Association are:

- The relief of aged, impotent and poor people of all classes
- The advancement of religion and education
- The pursuit of charitable activities beneficial to the community

The society was established in 1962 and it has pursued the foregoing objects by establishing, managing and developing homes in the Lancaster district that cater for the needs of the elderly. Two types of home have been developed – the supported sheltered home and the registered residential care home.

The society currently has one registered residential care home, Chirnside House, catering for thirty residents. This home provides twenty-four hour care for the frail elderly. The supported sheltered house was closed at the end of March 2014.

Chirnside House is registered to cater for persons with dementia as well as the frail elderly.

The society depends considerably on the commitment and enthusiasm of its volunteers. All the management of the society, through the various committees, is undertaken by volunteers. Volunteers also provide significant time and effort in assisting with the day to day operation of the home.

Chirnside House has been approached by young people working towards their Duke of Edinburgh Award Scheme and the society has been pleased to be able to offer the opportunity for community service to these young people. The residents and staff greatly appreciate the input made by these volunteers.

Achievements and Performance

The occupancy level, a key indicator, averaged 97.4% (2014 – 83.8%). This comprised an occupancy level of Nil (2014 – 46.9%) at Aldcliffe Road, now closed and 97.4% (2014 – 88.3%) at Chirnside House.

The society is working towards the Abbeyfield Quality Standard.

The society continued to work in conjunction with Lancaster University in providing training for first year medical students. This has proved to be a most successful and rewarding venture.

All staff, including catering & domestic staff, have been trained to at least NVQ level 2 and the majority have been trained to NVQ level 3 whilst the remainder are receiving training for NVQ level 3. All staff undergo regular training updates.

Chirnside House is recognised as a Preferred Social Care Provider by Lancashire County Council and continues to be placed in Band 1.

During the year Chirnside House has received an unannounced inspection by the Care Quality Commission and was found to be fully compliant in all five areas.

THE ABBEYFIELD LANCASTER SOCIETY LIMITED

Trustees' annual report for the purposes of Part 8 of the Charities Act 2011 and Directors' report for the purposes of section 417 of the Companies Act 2006 For the year ended 31 March 2015

Public Benefit

Admission to Chirnside House is assessed according to need. Equal & fair access is offered to all eligible older people regardless of gender, family, race, colour, religion, sexual orientation or financial circumstances – some residents are self-funded whereas others are state funded. The Society's policy is to provide all residents with support, stimulation and encouragement to an appropriate level for their individual needs.

Residents are encouraged to follow their individual religious beliefs, should they wish to do so, and visiting clergy from various denominations visit individual residents at both houses as well as holding corporate acts of worship.

Various activities & outings are arranged in consultation with the residents. However, participation is a matter of individual choice.

Residents raise money for charitable causes. The choice of charities to benefit from these money raising activities is decided by the residents.

Chirnside House has an active Residents' Circle which meets on a regular basis.

The Trustees of The Abbeyfield Lancaster Society Limited believe they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

Financial Review

The financial results for the year are as set out in the income and expenditure account on page 9 and the position at the end of the year is shown in the balance sheet on page 10. The deficit for the year and its allocation are as follows:

	2015 £	2014 £
Operating deficit	(4,273)	(36,335)
Investment income, legacies and donations	5,282	5,252
Increase in market value of investments below cost	5,461	910
Deficit on ordinary activities for the financial year	6,470	(30,173)
Allocation:		
Transfer from charitable capital expenditure reserve	(12,237)	(12,237)
Transfer to / (from) Swainson Bursary Fund	163	(7,740)
Transfer from future repairs reserve	-	(28,614)
Transfer to / (from) revenue reserve	18,544	18,418
	6,470	(30,173)

The main points arising from these accounts are as follows:

- A deficit of £4,273 (2014 – £36,355) arose in the year from the operation of the two homes.
- Residential charges received rose to £785,785 (2014 - £782,634), an increase of 0.4 %.
- Operational costs, excluding property depreciation, fell to £732,499 (2014 - £763,974), a decrease of 4.1%.
- The revenue reserves of the society increased to £90,111 (2014 - £71,567).

The principal funding source is income from residential charges.

THE ABBEYFIELD LANCASTER SOCIETY LIMITED

Trustees' annual report for the purposes of Part 8 of the Charities Act 2011 and Directors' report for the purposes of section 417 of the Companies Act 2006 For the year ended 31 March 2015

Financial Review (continued)

Movements in fixed assets in the year are shown in notes 6 and 7 to the financial statements. Capital expenditure of £6,750 was incurred during the year.

The trustees consider the market value of the society's fixed assets to be in excess of their current book values.

Indemnity insurance in respect of the trustees has been provided by way of a block arrangement within the overall insurance policies for the two houses and no separate premium is identifiable.

Investment powers and policy

The society is permitted by its Memorandum of Association to invest any funds not immediately required for its purposes in any investments, securities or property as may be thought fit. Funds subject to the jurisdiction of the Charity Commissioners may only be invested in such securities and with such sanction as may for the time being be prescribed by law.

The society's investment policy is a balance between long-term investment and some short-term investment to allow accessibility of some funds.

The society's investments, as shown in note 10 to the financial statements comprise Bonds and Unit Trusts held at 1 April 2014 and additional units purchased during the year in accordance with the powers available to the trustees.

Reserves Policy

The current policy of the society is to maintain free reserves at a level that equates to between 3 and 6 months of operating expenditure. The reserves policy is reviewed annually in order to take account of any changes in the environment in which the society operates.

Total unrestricted reserves held at the year end amounted to £609,986. Included in unrestricted reserves are designated reserves totalling £516,875 and further details of these are given in note 14 to the financial statements. The unrestricted revenue reserves, not committed or invested in tangible fixed assets ("free reserves") held by the society at 31 March 2015 amounted to £54,918. This equates to approximately three and three quarter weeks of expected operating expenditure for 2016 which is below the level as set by the trustees. The trustees will take measures in future periods to increase the level of reserves held.

Plans for future periods

One of the society's main aims is to continue to provide high quality care and to obtain successful Investors in People review, thus ensuring continued inclusion in Band 1 of Lancashire County Council's Preferred Providers. Other aims are to ensure continued compliance in all areas of inspection with the Care Quality Commission and to successfully achieve the Abbeyfield Quality Standard and subsequently a high Abbeyfield Quality Rating

The society is in the process of selling the property on Aldcliffe Road and is considering ways in which the released funds can be used for the benefit of future residents.

Chirnside House is committed to interacting with the local community as much as is practicable and to give young people the opportunity to understand and become involved with the elderly.

The society is committed to working to meet the challenges arising from the impact of the Care Act. It is the intention of the society that staff training will be undertaken to initiate specialists in core areas to further improve the care provided to the residents.

THE ABBEYFIELD LANCASTER SOCIETY LIMITED

Trustees' annual report for the purposes of Part 8 of the Charities Act 2011 and Directors' report for the purposes of section 417 of the Companies Act 2006 For the year ended 31 March 2015

Plans for future periods (continued)

As well as providing high quality permanent care, Chirnside House is also committed to providing the same high quality respite care for which there is an increasing demand from the local community.

The society is committed to ensuring that all staff receive on-going training to ensure that the residents continue to receive the high quality of care which the society prides itself in providing.

Chirnside House is working towards accreditation in the Gold Standard Framework.

Trustees' responsibilities in relation to the financial statements

The trustees (four of whom are also directors of The Abbeyfield Lancaster Society Limited for the purposes of company law) are responsible for preparing the Trustees' Annual 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the society and of the incoming resources and application of resources, including the income and expenditure of the society for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Registered Social Housing Providers SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the society 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 society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the society's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution will be proposed at the Annual General Meeting that CLB Coopers be re-appointed as auditors to the society for the ensuing year.

THE ABBEYFIELD LANCASTER SOCIETY LIMITED


Trustees' annual report for the purposes of Part 8 of the Charities Act 2011 and Directors' report for the purposes of section 417 of the Companies Act 2006
For the year ended 31 March 2015

Statutory compliance

The trustees' report and the attached financial statements comply with the current statutory requirements, the Statement of Recommended Practice "Accounting by Registered Social Housing Providers 2010" and with the requirements of the Memorandum and Articles of Association.

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

Approved by the Executive Committee on 10 July 2015



Mrs A K Howson
Secretary and trustee

THE ABBEYFIELD LANCASTER SOCIETY LIMITED

Independent Auditor's Report to the members of The Abbeyfield Lancaster Society Limited

We have audited the financial statements of The Abbeyfield Lancaster Society Limited for the year ended 31 March 2015 on pages 9 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association'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 association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 6, the trustees (four of whom are also the directors of the charitable company for the purposes of company law) 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 (APB'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 association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. 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 association's affairs as at 31 March 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;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing in England from April 2012.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

Fleet House
New Road
Lancaster
LA1 1EZ

Date 10 July 2015



Philip Whiteway (Senior Statutory Auditor)
for and on behalf of
CLB Coopers
Statutory Auditors and Chartered Accountants

THE ABBEYFIELD LANCASTER SOCIETY LIMITED

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2015

	Note	2015 £	2014 £
Turnover	1	785,785	782,634
Operating costs	2	(790,058)	(818,969)
Operating deficit		(4,273)	(36,335)
Other operating income	4	1,825	1,714
Other interest receivable and similar income	5	3,457	3,538
Amounts written back to investments		5,461	910
Surplus / (deficit) on ordinary activities for the financial year		6,470	(30,173)
Transfers from reserves	14	12,074	48,591
Net surplus transferred to revenue reserve		18,544	18,418
Revenue reserve brought forward		71,567	53,149
Revenue reserve carried forward		90,111	71,567


Continuing operations

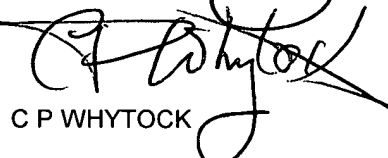
None of the society's activities were acquired or discontinued during the above two financial years.


Statement of total recognised gains and losses

Surplus / (deficit) for the year	6,470	(30,173)
Total recognised surplus / (deficit) for the year	6,470	(30,173)

Approved by the Executive Committee


 B P THRELFALL
 Director and chairman


 C P WHYTOCK
 Director and treasurer


 A K HOWSON
 Director and secretary

10-07-2015
Date:

THE ABBEYFIELD LANCASTER SOCIETY LIMITED

Company number: 00737334

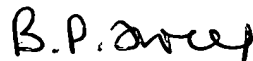
Charity number: 230899

BALANCE SHEET

As at 31 March 2015

	Note	2015 £	2014 £
Tangible fixed assets			
Housing properties - gross cost less depreciation		1,881,141	1,893,378
Social Housing Grant		(1,384,702)	(1,384,702)
Other public grants		(100,000)	(100,000)
Net book value of housing properties	6	396,439	408,676
Other fixed assets	7	35,193	43,295
Total fixed assets		431,632	451,971
Current assets			
Stocks	8	2,351	2,214
Debtors	9	14,881	15,912
Investments	10	95,607	87,423
Cash at bank and in hand	11	109,883	100,760
		222,722	206,309
Creditors: amounts falling due within one year	12	(47,368)	(57,764)
Net current assets		175,354	148,545
Total assets less current liabilities		606,986	600,516
Capital and reserves			
Designated reserves	14	516,875	528,949
Revenue reserve	13	90,111	71,567
		606,986	600,516

Approved by the Executive Committee



B THRELFALL

Director and chairman



C P WHYTOCK

Director and treasurer



A K HOWSON

Director and secretary

10-07-2015

Date:

THE ABBEYFIELD LANCASTER SOCIETY LIMITED

CASHFLOW STATEMENT

For the year ended 31 March 2015

	Note	2015 £	2014 £
Reconciliation of operating profit to net cash outflow for operating activities			
Operating deficit		(4,273)	(36,335)
Depreciation of tangible fixed assets		22,974	28,895
Loss on disposal of tangible fixed assets		3,655	5
(Decrease) / increase in stocks		(137)	8
Decrease /(increase) in debtors		1,135	(6,533)
Decrease in creditors		(10,396)	(5,201)
Net cash outflow for operating activities		12,958	(19,161)
Cash flow statement			
Net cash inflow / (outflow) for operating activities		12,958	(19,161)
Returns on investment and servicing of finance	1	5,178	5,252
Capital expenditure and financial investment	2	(9,013)	(16,318)
Increase / (decrease) in cash at bank and in hand	3	9,123	(30,227)

NOTES TO THE CASH FLOW STATEMENT

1. Returns on investments and servicing of finance

Interest received	3,353	3,538
Other operating income	1,825	1,714
	5,178	5,252

2. Capital expenditure and financial investment

Purchase of other fixed assets	6,750	13,364
Sale of other fixed assets	(460)	-
Purchase of current asset investments	2,723	2,954
	9,013	16,318

3. Analysis of changes in net funds

	As at 1 April 2014 £	Cash flows £	As at 31 March 2015 £
Net cash:			
Cash at bank and in hand	100,760	9,123	109,883
Net funds	100,760	9,123	109,883

THE ABBEYFIELD LANCASTER SOCIETY LIMITED

ACCOUNTING POLICIES

For the year ended 31 March 2015

Accounting basis

These financial statements have been prepared under the historical cost convention and in accordance with:

- (a) applicable financial reporting standards in the United Kingdom;
- (b) the statement of recommended practice - Accounting by Registered Social Housing Providers 2010;
- (c) the Accounting Direction for Social Housing in England from April 2012.

Turnover

Turnover comprises rental income receivable.

Monetary donations

Monetary donations to the society are credited to the income and expenditure account on a receipts basis.

Fixed assets: housing land and buildings

- a) The cost of housing land and buildings includes the following:
 - i) the cost of acquiring land and buildings;
 - ii) development expenditure;
 - iii) interest payable on the expenditure incurred up to the date of practical completion.
- b) Schemes are classified in the relevant note as being 'completed' or 'under construction'. Schemes are transferred to completed schemes at the time of completion.

Social Housing Grants

Social Housing Grant (SHG) is paid by the Homes and Communities Agency to reduce the cost of developments and is shown as a deduction from the net book value of housing properties on the balance sheet. SHG is repayable under certain circumstances, primarily following the sale of a property, but any repayment will normally be restricted to the net proceeds of sale of the property. Any liability for the repayment of SHG is provided for where the property concerned is expected to be sold in the foreseeable future. This treatment of SHG is in accordance with the Statement of Recommended Practice (the SORP) issued by the National Federation of Housing Associations but represents a departure from the requirement of the Companies Act 2006 that fixed assets are to be stated at purchase price or production cost. SHG is paid to Registered Social Housing Providers (RSHPs) to subsidise capital costs incurred in the provision of affordable housing and the resulting net cost is approximately equal to the economic value of the property in its designated use.

In order to reflect this situation and present a true and fair view it is considered that the SORP treatment is more appropriate than that laid down by the Companies Act 2006.

Other grants

Local government grants received for the improvement of furnishings and Abbeyfield Society grants received for the alteration of property and additional furnishings are shown as a deduction from the net book value of fixtures and fittings and property on the balance sheet in accordance with the Statement of Recommended Practice (the SORP) issued by the National Federation of Housing Associations but represents a departure from the requirement of the Companies Act 2006 that fixed assets are to be stated at purchase price or production cost.

Depreciation

1. Housing properties - SHG assisted schemes and non SHG assisted schemes.

- i) Depreciation, as defined in ii) and iii) below, is provided on the cost of freehold buildings.
- ii) Depreciation is not charged on that portion of the cost which has qualified, or which will qualify, for SHG.
- iii) For that portion of the cost financed by borrowings or from the society's own or other charitable resources a charge is made to the income and expenditure account for depreciation on buildings at 2% per annum on such cost.

THE ABBEYFIELD LANCASTER SOCIETY LIMITED

ACCOUNTING POLICIES

For the year ended 31 March 2015

Depreciation (continued)

2. Other tangible fixed assets

Depreciation of all other fixed assets has been calculated using the straight line method. The annual rates used are as follows:

Fixtures, fittings and equipment	10%
Office equipment	15%

Designated reserves

Reserves which are earmarked for designated uses are included within these accounts. Further details are shown in note 14 to the financial statements.

Corporation tax and value added tax

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 expenses in the income and expenditure account are inclusive of VAT.

Pensions

The society contributes to defined contribution schemes for selected employees. The charge each year represents the contributions payable to the schemes in respect of the accounting year.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Current asset investments

Investments held as current assets are revalued at their market value at the balance sheet date and the gain or loss is taken to the Statement of Total Recognised Gains and Losses.

Liquid resources

The society considers its liquid resources to be cash at the society's bank and building society together with any cash in hand.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Operating leases

Rentals payable under operating leases are charged to the income and expenditure account on the straight line basis over the term of the lease.

THE ABBEYFIELD LANCASTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

1. Income from lettings	2015	2014
	£	£
Special needs accommodation - rents	806,487	926,471
Losses arising from vacancies	(20,702)	(143,837)
	785,785	782,634
2. Operating costs	2015	2014
	£	£
Administrative costs	45,322	42,758
Costs attributable to properties	744,736	776,211
	790,058	818,969
Operating costs are inclusive of the following:		
Director's remuneration	7,943	7,943
Auditors' remuneration: as auditors	4,800	5,550
Auditors' remuneration: non-audit services	1,606	2,122
Depreciation of tangible fixed assets	22,974	28,895
Operating lease payments - equipment	13,090	13,090
3. Staff costs and numbers	2015	2014
	£	£
Staff costs for the year were:		
Wages and salaries	542,932	551,331
Social security costs	30,208	32,723
Other pension costs	1,459	1,969
	574,599	586,023
The average monthly number of employees during the year were:-	2015	2014
	Number	Number
Administration - part time	2	2
Hostel staff - full time and part time	35	41
	37	43
The average monthly number of full time equivalent employees during the year were:		
Administration	1	1
Hostel staff	25	27
	26	28

Remuneration of £7,943 (2014 - £7,943) in respect of secretarial services was paid to Mrs A K Howson, a director and trustee of the society, as permitted by the Memorandum and Articles of Association.

No remuneration was paid to any other director or trustee in either of the two years.

No employee earned over £60,000 in the year.

THE ABBEYFIELD LANCASTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

4. Other operating income	2015	2014
	£	£
Donations and legacies	1,825	1,314
Other income	-	400
	1,825	1,714
5. Other interest receivable and similar income	2015	2014
	£	£
Building society interest	9	9
Unit Trusts and Bonds interest (gross)	3,121	3,401
Bank interest (gross)	327	121
Interest on income tax reclaimed	-	7
	3,457	3,538
6. Housing land and buildings		
SHG assisted schemes - freehold	2015	2014
	£	£
Cost - completed schemes		
At 1 April 2014	634,118	634,118
At 31 March 2015	634,118	634,118
Depreciation		
At 1 April 2014	225,442	213,205
Charge for the year	12,237	12,237
At 31 March 2015	237,679	225,442
Net book value	396,439	408,676
Cost at 31 March 2015 is represented by:		
Gross cost	2,118,820	2,118,820
Less: Social Housing Grant	(1,384,702)	(1,384,702)
Abbeyfield Society grant	(100,000)	(100,000)
	634,118	634,118
Total expenditure on freehold land and buildings		
Repairs charged to the Income and Expenditure Account	4,723	7,769
	4,723	7,769

THE ABBEYFIELD LANCASTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

7. Other fixed assets

Fixtures, fittings & office equipment	2015 £	2014 £
Cost		
At 1 April 2014	228,469	241,309
Additions	6,750	13,364
Disposals	(31,326)	(26,204)
At 31 March 2015	203,893	228,469
Depreciation		
At 1 April 2014	185,174	194,715
Charge for the year	10,737	16,658
Disposals	(27,211)	(26,199)
At 31 March 2015	168,700	185,174
Net book value	35,193	43,295
Cost at 31 March 2015 is represented by:		
Gross cost	223,893	248,469
Less: Lancashire County Council Grant	(10,000)	(10,000)
Abbeyfield Society grant	(10,000)	(10,000)
	203,893	228,469

8. Stocks

	2015 £	2014 £
Food	1,047	1,212
Cleaning materials	1,304	1,002
	2,351	2,214

9. Debtors

	2015 £	2014 £
Trade debtors	5,230	7,595
Other debtors	418	443
Prepayments	9,122	7,867
Accrued income	111	7
	14,881	15,912

Trade debtors comprise of amounts due in respect of residents' fees.

THE ABBEYFIELD LANCASTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

10. Investments	2015	2014
	£	£
Investments listed on UK stock exchange		
Market value at 1 April 2014	87,423	83,559
Additions	2,723	2,954
Revaluation in the year	5,461	910
Market value at 31 March 2015	95,607	87,423
Cost at 31 March 2015	105,201	102,478
11. Cash at bank and in hand	2015	2014
	£	£
Bank deposit accounts	89,384	86,776
Bank current accounts	10,613	4,489
Building society account	9,198	9,189
Cash in hand	688	306
	109,883	100,760
12. Creditors: Amounts falling due within one year	2015	2014
	£	£
Trade creditors	7,083	22,412
Other taxes and social security	7,472	8,203
Other creditors	578	1,580
Accruals and deferred income	32,235	25,569
	47,368	57,764
The average number of days between the receipt and payment of purchase invoices is 14 (2014 - 14).		
Accruals and deferred income includes rent paid in advance amounting to £Nil (2014 - £68).		
13. Revenue reserve	2015	2014
	£	£
Revenue reserve at 1 April 2014	71,567	53,149
Deficit for the year	6,470	(30,173)
	78,037	22,976
Transfers from designated reserves (note 14)	12,074	48,591
Revenue reserve at 31 March 2015	90,111	71,567

THE ABBEYFIELD LANCASTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

14. Designated reserves

	Swainson Bursary Fund £	Repairs reserve £	Charitable capital expenditure reserve £	Total 2015 £	Total 2014 £
Balance at 1 April 2014	35,273	85,000	408,676	528,949	577,540
Transfers from / (to) revenue reserve	163	-	(12,237)	(12,074)	(48,591)
Balance at 31 March 2015	35,436	85,000	396,439	516,875	528,949

i) Swainson Bursary Fund

This reserve reflects donations and legacies received which will be used to assist residents who are unable to meet the full cost of their accommodation.

The reserve balance at 31 March 2015 has been calculated as follows:

	£
Reserve balance at 1 April 2014	35,273
Interest received - building society and bank	163
	<hr/>
	35,436
Less: contributions to fees in the year	-
	<hr/>
Reserve balance at 31 March 2015	35,436

ii) Repairs reserve

This reserve represents an amount set aside to carry out future major repairs on completed housing properties. The level of the reserve has been assessed by the trustees in the light of the current condition of the properties, the probable expenditure required in the foreseeable future, and the availability of grants for such work.

iii) Charitable capital expenditure reserve

This represents that portion of the cost of the society's properties which has been financed by charitable donations.

15. Members

	2015 Number	2014 Number
There is no authorised share capital and the number of members, each of whose liability is limited to £1, at the year end was:	13	15

No one person has overall control.

16. Operating costs from lettings

	2015 £	2014 £
Special needs accommodation - 30 units (2014 - 37 units)		
Services	719,862	745,587
Management	45,322	42,758
Routine maintenance	24,874	30,624
	<hr/>	<hr/>
	790,058	818,969

THE ABBEYFIELD LANCASTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

17. Payments to committee members	2015	2014
	£	£
Expenses paid to directors	306	194

18. Pension costs

The society makes defined contributions to employees personal pension plans. The assets of the schemes are held in separately administered funds. The pension cost charge represents contributions payable by the society and amounted to £1,459 (2014 - £1,951). All amounts were paid during the year.

19. Operating lease commitments

The society has the following annual non-cancellable payments under operating leases expiring:

	2015	2014
	£	£
Equipment		
Between 2 & 5 years	13,090	-
After five years	-	13,090
