

Company registration number 00754594  
Charity registration number 230902

# Abbeyfield Wessex Society Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 30 September 2013

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COMPANIES HOUSE

Westlake Clark  
Chartered Accountants  
7 Lynwood Court  
Priestlands Place  
Lymington  
Hampshire  
SO41 9GA

## **Abbeyfield Wessex Society Limited**

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## **Abbeyfield Wessex Society Limited**

### **Executive Committee Report**

The Executive Committee have pleasure in presenting their report for the year ended 30 September 2013. This report is prepared in accordance with the Memorandum and Articles of Association and the recommendations of the Statement of Recommended Practice - Accounting and Reporting by Charities, and Accounting by Registered Social Landlords, and complies with applicable law. The report encompasses the Strategic Report.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Status**

Company limited by guarantee

##### **Executive committee members and trustees**

Mrs B J Biddle (Chairman)

I D Pascall (Secretary)

G Long (Treasurer) (Resigned 12 Dec 2013)

S Arundel

Mrs A H Turner

K H Millman

B Simper (appointed 20 Nov 2013)

Dr C Williams (appointed 20 Nov 2013)

A R Crouch (resigned 22 April 2013)

##### **Company number**

00754594

##### **Charity number**

230902

##### **Homes and Communities Agency number**

H2136

##### **Registered office**

Ground Floor Annexe

31 West Street

Wimborne

BH21 1JS

##### **Auditors**

Westlake Clark

7 Lynwood Court

Priestlands Place

Lymington

Hampshire

SO41 9GA

##### **Bankers**

Lloyds Bank Plc

84 Victoria Road

Ferndown

Dorset

BH22 9JB

## **Abbeyfield Wessex Society Limited**

### **Executive Committee Report**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The organisation is a charitable company limited by guarantee, incorporated on 25 March 1963 and registered as a charity on 29 October 1963. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1. The charity is affiliated to The Abbeyfield Society in St Albans, and is a Homes and Communities Agency Registered Social Landlord.

#### **Directors and Trustees**

The directors of the charitable company, who are also its trustees and members, are its Executive Committee members for the purpose of charity law and throughout this report are collectively referred to as Executive Committee members. The Executive Committee members who served during the year are shown on page 1 of these financial statements.

The Executive Committee, meeting monthly, oversees the management and administration of the charity. Alternate Executive Committee meetings are held in one of the Society's houses so that the Committee members have the opportunity to meet residents, staff and volunteers, and to view the property.

In April 2013 Mr A R Crouch retired as Chairman and Trustee after many years of service to Abbeyfield both with Abbeyfield Wessex Society and prior to that with Abbeyfield Poole Society. In December 2013 Mr G Long, who had been Treasurer of Abbeyfield Wessex since it was formed by the merger of five local Abbeyfield Societies, resigned because he had been asked to take on a voluntary role in the leadership of the local business community. The Trustees wish to record their sincere thanks to both Mr Crouch and Mr Long for all they have contributed to Abbeyfield.

The Executive Committee continues to actively seek new Trustees and during the year ending 30 September 2013 including advertising in the local press and with organisations such as REACH. This resulted in two new Trustees joining the Executive Committee at the end of 2013.

In order to achieve the necessary balance of expertise and knowledge required on the governing body, consultation between the Executive Committee members ensues to ascertain the suitability of the proposed members, whereupon new members are appointed by the decision of the governing body.

#### **Trustee Induction and Training**

A programme of induction is provided for new Trustees to ensure that they quickly become familiar with the work of the Society. The Society has taken out a multiple subscription to the Governance publication which provides Trustees with information and guidance on a wide range of governance issues.

## **Abbeyfield Wessex Society Limited**

### **Executive Committee Report**

#### **Organisational Structure**

The Administration Manager is responsible for overseeing the operation of the Society. House staff manage day to day operation of each house and ensure the well-being of the residents. Volunteers work alongside the staff to provide pastoral care and practical support to the residents but now have no responsibilities for the management of the houses as used to be the case. Decisions are delegated, within clearly defined limits whilst maintaining the Executive Committee's responsibility for the strategic direction and policy of the charity as well as the overall management of the Society.

#### **Risk Management**

The Executive Committee actively review the major risks which the society faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the advent of adverse conditions. The Executive Committee members have also examined other operational and business risks faced by the society and confirm that they have established systems to mitigate the significant risks.

A detailed Management Accounts Report and commentary is presented to the Executive Committee each month.

#### **OBJECTIVES AND ACTIVITIES**

##### **Principal activity and charitable activities**

The principal activity of the society, in accordance with its Memorandum of Association, continued to be that of the provision of sheltered homes for the elderly.

##### **Public benefit report**

The charitable objects of the Society are 'to relieve aged impotent and poor people of all classes, for the advancement of religion and education and for other charitable purposes beneficial to the community' (Memorandum of Association Article 3). The Trustees are committed to furthering the Society's objects primarily by providing high quality support and accommodation for the elderly users of the Society's housing facilities.

It is the objective of the Trustees each year to maximise the public benefit provided by the Society in providing high quality support, having regard to the extent of the Society's income and reserves, the cost of facilities and the ability of residents to make payments from their own resources.

The Executive Committee confirm that they have complied with the duty in Section 4 of the Charity Act 2011 having due regard to the public benefit guidance published by the Charity Commission.

##### **Review of activities and achievements**

When reviewing the Society's aims and objectives and planning its activities the Trustees have had due regard to the Charity Commission's public benefit guidance. This year the Trustees have continued to oversee the provision of high quality accommodation and support to elderly users of the Society's housing facilities. In particular, the Trustees have been engaged in the following activities and achieved the following outcomes in pursuit of the public benefit:

- (i) The Society was awarded the Abbeyfield Gold Star in January 2013 in recognition of the high quality of accommodation and services provided by the Society to its residents.
- (ii) To mark the 50th Anniversary of the founding of the original Society the Trustees arranged a celebration lunch in September 2013 attended by many of the residents.
- (iii) A review of the role of the Society's volunteers to ensure that the Society provides appropriate support to our elderly residents.

## **Abbeyfield Wessex Society Limited**

### **Executive Committee Report**

(iv) The Society continues to invest financial resources as available to modernise and upgrade the Societies housing stock to ensure a high standard of accommodation for our residents at an affordable price

(v) A strategic review of the Society's housing stock is in progress to identify how it will meet the medium/long term needs of Abbeyfield residents

(vi) The maintenance of a Designated Fund to provide some financial support for residents who are unable to meet the fees charged by the Society

The Trustees continue to actively manage the number of voids and to seek new ways of publicising the work of the Society. As part of the Society's strategy, the Trustees have continued to implement the policy of providing some two room accommodation in older houses by directly linking adjacent rooms

During the year under review, the refurbishment of the leased property which was part of the former Abbeyfield House at Milford-on-Sea was completed and leased to tenants

The Abbeyfield Wessex Society continues to play an active role within the local Abbeyfield Region

The Trustees wish to put on record their thanks to all the staff and volunteers of the Abbeyfield Wessex Society for their work which enables the residents of the Society to live with dignity and respect in a secure, comfortable and supportive environment

#### **Financial review**

Ignoring legacies, donations, investment income and excluding a £275,241 profit on the sale of the Milford property, the deficit this year was £277,618 compared to a deficit in 2012 of £76,454. The main factors which have contributed towards the deficit are (a) a high level of voids which were 21% on residential charges for the year compared to a budget of 18%, (b) £157,309 spent on the Milford property for refurbishments required before the sale could take place (c) higher staff costs of £29,014 due in part to the trend towards non-residential staff

Revenue from residents increased to £1,386,767 net of voids - an increase of 4%, which is far less than the general increase in charges to residents which was 10%. This was due to the high level of voids for the year at 21%

The results for the year and the state of affairs of the Society at 30 September 2013 are set out in the attached financial statements

#### **Investment Policy**

Surplus funds earmarked for future expenditure are held on deposit with CCLA Investment Management Limited

Longer term investments are managed by Charles Stanley stockbrokers

#### **Fixed assets**

In the Executive Committee's opinion, the market value of the housing properties is £9,200,000 (2012 £9,150,000). This exceeds the cost of the properties by approximately £1.95 million

## **Abbeyfield Wessex Society Limited**

### **Executive Committee Report**

#### **Reserves**

The general fund represents the unrestricted funds arising from past operating results. Most significant assets are included within this fund, and the Executive Committee is satisfied that the balance is satisfactory, in view of the charity's obligations to tenants and staff.

#### **Designated fund**

The Society has a Residents Discretionary Hardship Fund to assist existing residents of the Abbeyfield Wessex Society who are having difficulty in meeting their Abbeyfield Wessex charges. Disbursements from the fund are at the sole discretion of the Executive Committee.

#### **PLANS FOR FUTURE PERIODS**

The Trustees are in the process of recruiting a new Treasurer and expect to make an appointment shortly.

Plans are in hand for the disposal of one property which does not meet the current standard of accommodation which the Society wishes to provide. The proceeds will in due course be reinvested either in the Society's existing housing stock or in a new Abbeyfield House in the area served by the Society.

#### **STATEMENT OF EXECUTIVE COMMITTEE RESPONSIBILITIES**

The Executive Committee (who are also directors of Abbeyfield Wessex 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 Executive Committee 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 Executive Committee are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society will continue in operation.

The Executive Committee 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, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2012. 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 Executive Committee members are aware

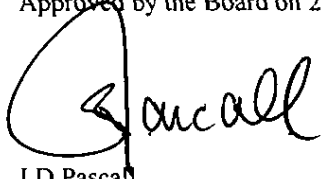
- there is no relevant audit information of which the society's auditor is unaware, and
- the Executive Committee have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Abbeyfield Wessex Society Limited**  
**Executive Committee Report**

**Auditors**

Westlake Clark are deemed to be re-appointed in accordance with S 487(2) of the Companies Act 2006

Approved by the Board on 26 March 2014 and signed on its behalf by



I D Pascal  
Trustee



## **Independent Auditors' Report to the Members of**

### **Abbeyfield Wessex Society Limited**

We have audited the financial statements of Abbeyfield Wessex Society Limited for the year ended 30 September 2013, set out on pages 9 to 27. 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 society's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing Regeneration Act 2008. Our work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of executive committee and auditors**

As explained more fully in the Executive Committees' Responsibilities Statement, the trustees (who 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 society'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 Executive Committees' 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 society's affairs as at 30 September 2013 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, and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2012.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

**Independent Auditors' Report to the Members of  
Abbeyfield Wessex Society Limited**

*continued*

**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
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of board members' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Executive committee report for the financial year for which the financial statements are prepared is consistent with the financial statements

In addition we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion

- a satisfactory system of control over transactions has not been maintained



Zoe Redmill BSc (Hons) ACA CTA  
Senior Statutory Auditor  
For and on behalf of Westlake Clark, Statutory Auditor

26 March 2014

Chartered Accountants  
7 Lynwood Court  
Priestlands Place  
Lymington  
Hampshire  
SO41 9GA

Westlake Clark is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**Abbeyfield Wessex Society Limited**

**Statement of Financial Activities (including Income and Expenditure Account and  
Statement of Total Recognised Gains and Losses) for the Year Ended 30 September  
2013**

		Unrestricted Funds	Total Funds 2013	Total Funds 2012 <i>as restated</i>
	Note	£	£	£
<b>Incoming resources</b>				
Incoming resources from generated funds				
Voluntary income	2	2,860	2,860	9,163
Investment income	3	5,688	5,688	15,815
Incoming resources from charitable activities	4	1,386,767	1,386,767	1,334,399
Other incoming resources	5	280,342	280,342	337
Total incoming resources		<u>1,675,657</u>	<u>1,675,657</u>	<u>1,359,714</u>
<b>Resources expended</b>				
Charitable activities	6	1,517,398	1,517,398	1,268,998
Governance costs	6	152,088	152,088	142,192
Total resources expended		<u>1,669,486</u>	<u>1,669,486</u>	<u>1,411,190</u>
Net income/(expenditure) before transfers		6,171	6,171	(51,476)
<b>Transfers</b>				
Gross transfers between funds		-	-	-
Net income/(expenditure) before other recognised gains and losses		6,171	6,171	(51,476)
<b>Other recognised gains/losses</b>				
Gains on investment assets		<u>17,940</u>	<u>17,940</u>	<u>16,719</u>
Net movements in funds		24,111	24,111	(34,757)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>5,800,140</u>	<u>5,800,140</u>	<u>5,834,897</u>
Total funds carried forward		<u><u>5,824,251</u></u>	<u><u>5,824,251</u></u>	<u><u>5,800,140</u></u>

All incoming resources and resources expended derive from continuing activities

These financial statements were approved and authorised for issue by the board on 26 March 2014 and signed on its behalf

I D Pascal  
Secretary

Mrs A H Turner  
Trustee

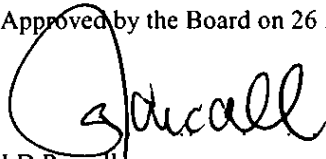
The notes on pages 12 to 27 form an integral part of these financial statements

## Abbeyfield Wessex Society Limited

## Balance Sheet as at 30 September 2013

		2013		2012	
				<i>as restated</i>	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets - Housing	12	7,247,778		7,372,488	
Less Social Housing Grant		<u>(2,032,743)</u>		<u>(2,032,743)</u>	
		5,215,035		5,339,745	
Tangible assets – Other	13	148,126		214,685	
Investments	14	<u>267,078</u>		<u>252,104</u>	
		5,630,239		5,806,534	
<b>Current assets</b>					
Stocks and work in progress	15	450		300	
Debtors	16	30,233		17,547	
Cash at bank and in hand		<u>532,582</u>		<u>396,838</u>	
		563,265		414,685	
<b>Creditors: Amounts falling due within one year</b>	17	<u>(344,253)</u>		<u>(399,134)</u>	
<b>Net current assets</b>			<u>219,012</u>		<u>15,551</u>
<b>Total assets less current liabilities</b>			5,849,251		5,822,085
<b>Creditors: Amounts falling due after more than one year</b>	18		-		(21,945)
<b>Provisions for liabilities</b>	19		<u>(25,000)</u>		-
<b>Net assets</b>			<u>5,824,251</u>		<u>5,800,140</u>
<b>The funds of the charity</b>					
<b>Unrestricted funds</b>					
Revaluation reserve			71,836		53,896
Unrestricted income funds			<u>5,752,415</u>		<u>5,746,244</u>
<b>Total unrestricted funds</b>			5,824,251		5,800,140
<b>Total charity funds</b>			<u>5,824,251</u>		<u>5,800,140</u>

Approved by the Board on 26 March 2014 and signed on its behalf by

  
 I D Pascall  
 Trustee

  
 Mrs A H Turner  
 Trustee

The notes on pages 12 to 27 form an integral part of these financial statements

**Abbeyfield Wessex Society Limited**  
**Cash Flow Statement for the Year Ended 30 September 2013**

		2013	2012
	Note	£	£
Net cash flow from operating activities	23	(224,387)	28,192
Returns on investment and servicing of finance	22	4,681	13,864
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(13,697)	(39,929)
Sale of tangible fixed assets		408,374	-
Purchase of trade investments (ignoring endowment funds)		(227,522)	(4,087)
Sale of trade investments (ignoring endowment funds)		230,488	-
		<u>397,643</u>	<u>(44,016)</u>
<b>Cash inflow/(outflow) before management of liquid resources and financing</b>		177,937	(1,960)
<b>Financing</b>			
Repayment of loans and borrowings		(42,193)	(41,249)
		<u>(42,193)</u>	<u>(41,249)</u>
<b>Increase/(decrease) in cash</b>		<u>135,744</u>	<u>(43,209)</u>

The notes on pages 12 to 27 form an integral part of these financial statements

## **Abbeyfield Wessex Society Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2013**

#### **1 Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and certain fixed assets, and in accordance with United Kingdom financial reporting standards, the Statement of Recommended Practice (Accounting by Registered Social Landlords Update 2010) and with the Accounting Direction for private registered providers of social housing in England 2012. The financial statements are prepared in accordance with the historical cost basis of accounting except as modified by the revaluation of investments and certain fixed assets.

The Society is registered as a Charity with the Charity Commissioners and is also registered under the Housing and Regeneration Act 2008, being wholly engaged in housing activities as defined in the Act.

##### **Fund accounting policy**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

The trustees have agreed to establish a Residents Discretionary Hardship Fund (Designated fund) to assist existing residents of the Abbeyfield Wessex Society who are having difficulty in meeting their Abbeyfield Wessex charges. Disbursements from the fund are at the sole discretion of the Executive Committee.

Further details of each fund are disclosed in note 25.

##### **Incoming resources**

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Investment income is recognised on a receivable basis.

Residential charges are receivable in respect of tenants in occupation during the accounting year. The receipt is recognised when the charity becomes entitled to the income.

Void losses occur when rental income is lost as a result of rooms not being let although they were available to let.

##### **Resources expended**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the society to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Resources expended are recognised in the year in which they were incurred, inclusive of irrecoverable VAT.

##### **Governance costs**

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

## Abbeyfield Wessex Society Limited

### Notes to the Financial Statements for the Year Ended 30 September 2013

*continued*

#### **Support costs**

Support costs are those incurred directly in support of expenditure on the objects of the charity and include project management

#### **Depreciation**

##### **Depreciation of housing properties**

Housing properties are depreciated on a straight line basis over their expected useful economic lives. The depreciable amount is arrived at on the basis of original cost including the cost of acquisition and development expenditure, less the proportion of Social Housing Grant and other grants attributable to housing properties, less residual value, which is taken to be the proportion of the net book value attributable to land and the structure.

No depreciation is provided on housing properties in the course of construction. Major components are treated as separable assets and depreciated over their expected useful economic lives at the following annual rates:

Roofs	50 years straight line
Windows and doors	30 years straight line
Kitchens	30 years straight line
Bathrooms	30 years straight line
Lifts	15 years straight line

The Society's policy and practice is to upgrade properties to a high standard through a continuing programme of refurbishment or replacement, thereby increasing the property structure residual values. The Society, having considered the realisable values, is of the opinion that the estimated residual values are in excess of the carrying values in the accounts and that there has been no impairment of these residual values, so that a charge of depreciation is inappropriate.

The above policies are adopted in accordance with the Statement of Recommended Practice (Accounting by Registered Social Landlords Update 2010) so that the financial statements show a true and fair view of the state of the company's affairs, even though this is a departure from the requirements of the Companies Act 2006.

##### **Depreciation of other tangible fixed assets**

Depreciation is provided on tangible fixed assets so as to write off the cost of valuation, less any estimated residual value, over their expected useful economic life as follows:

- Leasehold improvements	over the remainder of the lease
Fixtures, fittings and equipment	5 - 8 years straight line basis

## **Abbeyfield Wessex Society Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2013**

*continued*

#### **Social Housing Grant**

Social Housing Grant received towards the capital costs of a scheme is shown in the housing properties note. Where properties are included at historical cost, the total grant receivable is deducted from the cost of housing properties.

This treatment is a departure from the requirements of the Companies Act but in the opinion of the Executive Committee is a relevant accounting policy, comparable to that adopted by other Registered Providers of Social Housing, required to present a true and fair view of the Registered Social Landlord's state of affairs.

Social Housing Grant received and not matched by development expenditure or relevant expenditure in the income and expenditure account is included in current liabilities. The amount of Social Housing Grant in advance is calculated by reference to the aggregate of all schemes in the Social Housing Grant funded development programme.

All Social Housing Grants are repayable upon sale of the property for which they were given.

#### **Impairment losses**

Impairment reviews are carried out annually on the housing properties comparing the carrying value to the recoverable amount. Provisions are made where it is considered that properties have suffered an impairment in value.

#### **Investments**

Listed fixed asset investments are shown at their market value and the relevant increase or decrease during the year is carried to investment revaluation reserve.

#### **Stock**

Stock is valued at the lower of cost and net realisable value.

#### **Works on existing housing properties**

Expenditure on housing properties which is either capable of generating increased future rents, extends its useful life, or significantly reduces future maintenance costs, is capitalised. All other expenditure incurred in respect of general repairs to the housing properties is charged to the Income and Expenditure account in the year in which it was incurred.

#### **Provisions**

Provisions are measured at the best estimate (including risks and uncertainties) of the expenditure required to settle the present obligation, and reflects the present value of expenditure required to settle the obligation where the time value of money is material.

#### **Operating leases**

Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.



## Abbeyfield Wessex Society Limited

### Notes to the Financial Statements for the Year Ended 30 September 2013

*continued*

#### Prior period adjustment

In accordance with the Statement of Recommended Practice - "Accounting by registered social housing providers" 2010, the Company has adopted a new accounting policies. In accordance with FRS3 "Reporting Financial Performance" one prior period adjustment has been recorded

The adoption of component accounting has resulted in the capitalisation of major repairs which had previously been expensed, writing off the residual values of any components that have been replaced and expensing the additional depreciation arising as a consequence of the shorter component lives. This has resulted in a net prior period adjustment of £20,089

As a result, comparative figures for the year ended 30 March 2012 have been adjusted as follows

	Deficit for the year £	Net Assets £
As previously reported	(55,230)	5,780,051
Effect of the adoption of component accounting	20,473	20,089
As restated	(34,757)	5,800,140

#### 2 Voluntary income

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
<b>Donations and legacies</b>			
Appeals and donations	2,860	2,860	9,103
Calendar sales	-	-	60
	<u>2,860</u>	<u>2,860</u>	<u>9,163</u>

#### 3 Investment income

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Dividends received from listed investments	3,070	3,070	11,691
Interest on cash deposits	2,618	2,618	3,091
Investment interest received	-	-	1,033
	<u>5,688</u>	<u>5,688</u>	<u>15,815</u>

# Abbeyfield Wessex Society Limited

## Notes to the Financial Statements for the Year Ended 30 September 2013

*continued*

### 4 Incoming resources from charitable activities

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
<b>Charitable activities</b>			
Residential charges receivable	1,749,536	1,749,536	1,597,656
Voids	(365,305)	(365,305)	(265,107)
Guests	2,536	2,536	1,850
	<u>1,386,767</u>	<u>1,386,767</u>	<u>1,334,399</u>

### 5 Other incoming resources

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
<b>Other income</b>			
Sundry income	5,101	5,101	337
Profit/(loss) on sale of tangible fixed assets held for charity's own use	275,241	275,241	-
	<u>280,342</u>	<u>280,342</u>	<u>337</u>

# Abbeyfield Wessex Society Limited

## Notes to the Financial Statements for the Year Ended 30 September 2013

*continued*

### 6 Total resources expended

	Charitable activities	Governance	Total 2013	Total 2012
	£	£	£	£
<b>Direct costs</b>				
Head office property costs	-	11,424	11,424	10,678
House and other salaries and wages	626,960	-	626,960	597,946
Administration staff	-	110,300	110,300	88,592
Staff training	9,295	29	9,324	4,473
Travelling	2,178	-	2,178	4,054
Rent	18,500	-	18,500	18,500
Council tax	19,401	-	19,401	23,353
Water rates	32,248	-	32,248	34,015
Electricity	40,646	-	40,646	35,809
Insurance	20,147	-	20,147	22,319
Gas	50,974	-	50,974	55,712
Trustees indemnity insurance	-	-	-	189
Routine maintenance	171,901	-	171,901	151,866
Refurbishment costs to rental property	157,309	-	157,309	-
Gardening	12,974	-	12,974	13,322
Telephone	11,320	-	11,320	11,032
Careline	10,601	-	10,601	9,165
Television	1,452	-	1,452	1,689
House stationery and postage	9,479	-	9,479	7,146
Postage, stationery, advertising and sundries	10,674	-	10,674	12,146
Subscriptions	-	704	704	1,257
Affiliation fees	22,670	-	22,670	14,717
Motor vehicle leasing	3,429	-	3,429	3,383
Sundry expenses	19,708	-	19,708	12,170
Cleaning	7,505	-	7,505	7,328
Food	158,573	-	158,573	153,573
Motor expenses	109	-	109	-
The audit of the charity's annual accounts	-	4,800	4,800	4,800
Consultancy fees	-	-	-	4,433
Professional fees	-	24,831	24,831	32,063
Bank charges	1,505	-	1,505	1,542
Bank interest payable	1,007	-	1,007	1,951
Transfer to onerous lease provision	25,000	-	25,000	-
Depreciation of freehold property	863	-	863	863
Depreciation of short leasehold property	-	-	-	1,024

# Abbeyfield Wessex Society Limited

## Notes to the Financial Statements for the Year Ended 30 September 2013

*continued*

Depreciation of fixtures and fittings	70,970	-	70,970	70,080
	<u>1,517,398</u>	<u>152,088</u>	<u>1,669,486</u>	<u>1,411,190</u>

### 7 Trustees' remuneration and expenses

No trustees received any remuneration during the year

Mileage costs and out of pocket expenses, totalling £2,395 (2012 £2,275), were reimbursed to trustees

### 8 Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting)

	2013		2012	
	£	£	£	£
Hire of other assets - operating leases		21,929		21,883
Auditors' remuneration - audit services		4,800		4,800
Profit on disposal of tangible fixed assets		(275,241)		-
Depreciation of owned assets		71,833		70,943
Amortisation of short leasehold properties		-		1,024
		<u>-</u>		<u>1,024</u>

### 9 Employees' remuneration

The average number of persons employed by the charity (including trustees) during the year, analysed by category, was as follows

	2013 No	2012 No.
Services and accommodation	36	37
Management and administration	3	4
	<u>39</u>	<u>41</u>

The aggregate payroll costs of these persons were as follows

	2013 £	2012 £
Gross wages and salaries	680,047	656,825
Employers national insurance	39,343	37,041
	<u>719,390</u>	<u>693,866</u>

No employee earned more than £60,000 during the year

#### *Senior employees*

During the year, defined contribution pension contributions on behalf of these staff amounted to £nil (2012 - £nil)

**Abbeyfield Wessex Society Limited**  
**Notes to the Financial Statements for the Year Ended 30 September 2013**

*continued*

**10 Taxation**

The company is a registered charity and is, therefore, exempt from taxation

**11 Accommodation and bedspaces in management**

	<b>2013</b>	<b>2012</b>
<b>Supported housing and housing for older people</b>		
Houses	<u>10</u>	<u>10</u>
Bed spaces	<u>119</u>	<u>120</u>

Abbeyfield Wessex Society Limited  
Notes to the Financial Statements for the Year Ended 30 September 2013

12 Tangible fixed assets – Housing (as restated)

	Widgery	Moretons	Harlestone	Green lane	Wateridge	Pennant House	Romsey	New Milton	Milford On Sea	Lymington	Poole Road	Short Leasehold Property	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Cost</b>													
At 1 October 2012	251,102	415,068	511,289	648,889	179,693	1,119,190	1,006,390	159,154	116,088	102,763	2,853,064	15,354	7,378,044
Additions	-	-	9,286	-	-	-	-	-	-	-	-	-	9,286
Disposals	-	-	(6,000)	-	-	-	-	-	(116,088)	-	-	(15,354)	(137,442)
At 30 September 2013	251,102	415,068	514,575	648,889	179,693	1,119,190	1,006,390	159,154	-	102,763	2,853,064	-	7,249,888
<b>Depreciation</b>													
At 1 October 2012	236	820	-	191	-	-	-	-	-	-	-	4,309	5,556
Charge for the year	266	436	-	191	-	-	-	-	-	-	-	-	863
Eliminated on Disposals	-	-	-	-	-	-	-	-	-	-	-	(4,309)	(4,309)
At 30 September 2013	472	1,256	-	382	-	-	-	-	-	-	-	-	2,110
<b>Net book values</b>													
At 30 September 2013	250,630	413,812	514,575	648,507	179,693	1,119,190	1,006,390	159,154	-	102,763	2,853,064	-	7,247,778
At 30 September 2012	250,866	414,248	511,289	648,698	179,693	1,119,190	1,006,390	159,154	116,088	102,763	2,853,064	11,045	7,372,488
<b>Less SHG</b>													
At 30 September 2013	-	(58,975)	-	-	(135,843)	(60,000)	(510,342)	(30,000)	-	(66,870)	(1,170,713)	-	(2,032,743)
At 30 September 2012	250,630	354,837	514,575	648,507	43,850	1,059,190	496,048	129,154	-	35,893	1,682,351	-	5,215,035
At 30 September 2012	250,866	355,273	511,289	648,698	43,850	1,059,190	496,048	129,154	116,088	35,893	1,682,351	11,045	5,339,745

## Abbeyfield Wessex Society Limited

### Notes to the Financial Statements for the Year Ended 30 September 2013

*continued*

All housing additions during the year related to replacement of components

In the Executive Committee's opinion, the market value of the housing properties is approximately £9,200,000 (2012 £9,150,000) This exceeds the cost of the properties by approximately £1,950,000

#### 13 Tangible fixed assets

	Other Tangibles £	Total £
<b>Cost</b>		
At 1 October 2012	493,968	493,968
Additions	4,411	4,411
Disposals	-	-
At 30 September 2013	<u>498,379</u>	<u>498,379</u>
<b>Depreciation</b>		
At 1 October 2012	279,283	279,283
Eliminated on disposals	-	-
Charge for the year	70,970	70,970
At 30 September 2013	<u>350,253</u>	<u>350,253</u>
<b>Net book values</b>		
At 30 September 2013	<u>148,126</u>	<u>148,126</u>
At 30 September 2012	<u>214,685</u>	<u>214,685</u>

# Abbeyfield Wessex Society Limited

## Notes to the Financial Statements for the Year Ended 30 September 2013

*continued*

### 14 Investments held as fixed assets

	Listed investments £
<b>Market value</b>	
As at 1 October 2012	252,104
Revaluation	17,940
Additions	227,522
Disposals	(230,488)
As at 30 September 2013	<u>267,078</u>
<b>Net book value</b>	
As at 30 September 2013	<u>267,078</u>
As at 30 September 2012	<u>252,104</u>
<b>Historical Cost at 30 September 2013</b>	<u>246,432</u>

Investment assets can be further analysed as follows

	UK £	Overseas £
Listed investments	<u>199,944</u>	<u>67,134</u>
	<u>199,944</u>	<u>67,134</u>

#### Listed investments

Investments having a net book value of £267,078 (2012 - £252,104) are listed on a recognised stock exchange and had a market value of £267,078 at the end of the year (2012 - £252,104)

The following investments represented more than 5% by value of the portfolio at 30 September 2013

	£
10,000 United Kingdom (Government of) 1 875%	14,849
40,000 FIL Investment Services (UK) Limited Money Builder Income	13,452
8,000 Artemis Fund Managers Income I Inc	16,778
4,500 Invesco Fund Managers Perpetual High Income	17,680
7,000 Investec Fund Managers Cautious Managed Fund	16,949
20,000 Threadneedle Investments Funds UK Equity Inc	17,824
12,000 Absolute Insight Funds Equity Market Neutral	13,468
22,500 Artemis Fund Managers Global Income	15,059
11,500 BNY Mellon Fund Managers Limited Newton Global Higher Income	16,080
110 Veritas Funds PLC Veritas Global Equity Inc	<u>15,803</u>
	<u>157,942</u>



# Abbeyfield Wessex Society Limited

## Notes to the Financial Statements for the Year Ended 30 September 2013

*continued*

### 15 Stocks and work in progress

	2013 £	2012 £
Stocks	<u>450</u>	<u>300</u>

### 16 Debtors

	2013 £	2012 £
Other debtors	12,964	2,248
Prepayments and accrued income	<u>17,269</u>	<u>15,299</u>
	<u>30,233</u>	<u>17,547</u>

### 17 Creditors: Amounts falling due within one year

	2013 £	2012 £
Bank loans and overdrafts	21,752	42,000
Taxation and social security	11,603	12,183
Other creditors	285,918	271,448
Accruals and deferred income	<u>24,980</u>	<u>73,503</u>
	<u>344,253</u>	<u>399,134</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the charity

	2013 £	2012 £
Bank loan	<u>21,752</u>	<u>42,000</u>

The above bank loan totalling £21,752 is secured on two properties. The rate of interest payable on the loan is 2.35%.

# Abbeyfield Wessex Society Limited

## Notes to the Financial Statements for the Year Ended 30 September 2013

*continued*

### 18 Creditors: Amounts falling due after more than one year

	2013 £	2012 £
Bank loans and overdrafts	-	21,945

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the charity

	2013 £	2012 £
Bank loan	-	21,945

### 19 Provisions for liabilities

	Other provision £
Onerous lease provision	(25,000)
As at 30 September 2013	(25,000)

This provision is the discounted expected future net cash flows under the remaining lease term on an unused property

### 20 Members' liability

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

# Abbeyfield Wessex Society Limited

## Notes to the Financial Statements for the Year Ended 30 September 2013

*continued*

### 21 Operating lease commitments

As at 30 September 2013 the charity had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	Land and Buildings		Other	
	2013 £	2012 £	2013 £	2012 £
Within one year	-	1,256	3,429	3,429
Within two and five years	7,910	-	-	-
Over five years	18,500	18,500	-	-
	<u>26,410</u>	<u>19,756</u>	<u>3,429</u>	<u>3,429</u>

### 22 Analysis of cash flows

	2013 £	2012 £
<b>Returns on investment and servicing of finance</b>		
Other interest paid	(1,007)	(1,951)
Interest received	2,618	4,124
Dividends received	3,070	11,691
	<u>4,681</u>	<u>13,864</u>

### 23 Reconciliation of net movements in funds to operating cash flows

	2013 £	2012 £
Net incoming/(outgoing) resources	6,171	(51,476)
Investment income	(5,688)	(15,815)
Depreciation, amortisation and impairment charges	71,833	71,967
Profit on disposal of fixed assets	(275,241)	-
Increase in stocks	(150)	-
Increase in debtors	(12,686)	(2,314)
(Decrease)/increase in creditors	(33,626)	25,830
Increase in provisions	25,000	-
<b>Net cash (outflow)/inflow from operating activities</b>	<u>(224,387)</u>	<u>28,192</u>

## Abbeyfield Wessex Society Limited

### Notes to the Financial Statements for the Year Ended 30 September 2013

*continued*

#### 24 Related parties

##### Controlling entity

The society is controlled by the executive committee who are all directors of the company

##### Related party transactions

The company is a trustee of Jane Andrews Ladies' Home At the year end the company owed £265,536 (2012 £265,536) to Jane Andrews Ladies' Home

#### 25 Analysis of funds

	At 1 October 2012	Incoming resources	Resources expended	Other recognised gains/losses	At 30 September 2013
	£	£	£	£	£
<b>Designated Funds</b>					
Designated fund	20,012	5,251	-	-	25,263
<b>General Funds</b>					
General fund	5,726,232	1,670,406	(1,669,486)	-	5,727,152
Investment revaluation reserve	53,896	-	-	17,940	71,836
	<u>5,780,128</u>	<u>1,670,406</u>	<u>(1,669,486)</u>	<u>17,940</u>	<u>5,798,988</u>
	<u>5,800,140</u>	<u>1,675,657</u>	<u>(1,669,486)</u>	<u>17,940</u>	<u>5,824,251</u>

The general fund is an ongoing fund used for the day to day running of the Society

The purpose of the designated fund is to assist existing residents of the Abbeyfield Wessex Society who are having difficulty in meeting their Abbeyfield Wessex charges

# Abbeyfield Wessex Society Limited

## Notes to the Financial Statements for the Year Ended 30 September 2013

*continued*

### 26 Net assets by fund

	Unrestricted Funds	Total Funds 2013	Total Funds 2012
	£	£	£
Tangible assets - Housing	5,215,035	5,215,035	5,339,745
Tangible assets - Other	148,126	148,126	214,685
Investments	267,078	267,078	252,104
Current assets	563,265	563,265	414,685
Creditors Amounts falling due within one year	(344,253)	(344,253)	(399,134)
Creditors Amounts falling due after more than one year	-	-	(21,945)
Provisions for liabilities	(25,000)	(25,000)	-
Net assets	<u>5,824,251</u>	<u>5,824,251</u>	<u>5,800,140</u>