

Company registration number: 00754594

Charity registration number: 230902

Homes and Communities Agency registration number: H2136

Abbeyfield Wessex Society Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 30 September 2016

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

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Abbeyfield Wessex Society Limited

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Abbeyfield Wessex Society Limited

Board Report Including Strategic Report

The Trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 30 September 2016.

Objectives and activities

Objects and aims

The Society's principal objective during the year continued to be that of providing supported sheltered accommodation for older people.

In achieving its objectives, the Society aims to create a surplus of income over expenditure which is sufficient to maintain properties and services to a high standard. The Society's ongoing aim is to ensure that these standards are maintained and improved wherever possible and that the Society adheres to all current legislation governing the services it offers.

Objectives, strategies and activities

Provision of supported sheltered accommodation for older people

The Society's principal objective is to continue to provide comfortable housing in a safe environment complemented by good nutrition and companionship for lonely older people. Social activities and the meeting together for lunch and evening meals are facilitated by staff and volunteers at the individual houses.

At 30 September 2016, the Society had 93 units in seven houses as well as one house that is let on a commercial basis as it is now not suitable as an Abbeyfield House.

Public benefit

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 Society continues to invest financial resources as appropriate to modernise and upgrade the Society's housing stock to ensure a high standard of accommodation for residents at an affordable price. The Society maintains a Residents' Hardship Fund to assist existing residents of the Society who are finding difficulty in meeting their monthly accommodation charges. Disbursements from the fund are at the sole discretion of the Board.

The Trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Social investment policies

Our investment managers (Charles Stanley & Co. Limited) are instructed to invest to maximise the total return within the constraints of a medium to low risk investment portfolio. The investment brief is broadly defined but the ethical criteria prohibit investment in companies that manufacture armaments, alcohol or tobacco.

Abbeyfield Wessex Society Limited

Board Report Including Strategic Report

Financial review

Results for the year 2015/16 show some progress and underpin the Society's financial viability. The annual accounts reflect an operating deficit for the year, after depreciation, of £119,859 compared to a deficit, after depreciation, of £84,756 in the prior year and total comprehensive income for the year of -£62,217 (2015: -£55,770). The results do reflect the impact of poor occupancy levels at several houses throughout the year and significantly increased maintenance expenditure on improving the accommodation.

The Society continues with its programme of expenditure over several years to upgrade the accommodation and facilities at the Society's houses. Capital projects were delivered at both Widgery and Romsey houses this year. At Widgery, two smaller rooms were converted to provide a bigger flat on the ground floor, accommodation that better suits the needs of current and future residents. At the Romsey house, the programme of upgrading bathrooms continued with a further two rooms receiving new facilities. This higher level of spending on the fabric and fittings of the houses is more closely planned and delivery of these plans will continue over the next few years.

The Board has taken opinion on the value of its housing stock on transition to FRS 102 and fair values (based on market values) are reflected in the accounts. The effect has been a large credit to the revaluation reserve of £8,364,392 on the transition date of 1 October 2014.

Policy on reserves

The Board is satisfied that the level of reserves, the unrestricted funds from past operating results, is satisfactory in view of the Society's obligations to residents and staff.

Principal funding sources

The principal funding sources of the Society are the residential charges it receives. The Society is not Government funded.

Investment policy and objectives

Surplus funds earmarked for future expenditure are held on deposit with CCLA Investment Management Limited. Longer term investments are managed by Charles Stanley stockbrokers and in the year to 30 September 2016 provided a yield of 3.2%.

Plans for future periods

Aims and key objectives for future periods

The Board are committed to retaining all the existing operational houses for the immediate future and improving the standard of all the current accommodation to meet residents' expectations.

Activities planned to achieve aims

At 30 September 2016, 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. To maximise the property value, it is being sold with the benefit of planning permission and in November 2016, following the year end, the property was sold. Proceeds have been invested for one year whilst plans for redevelopment of another Society property are finalised, but then the proceeds will be reinvested into this or another redevelopment project.

A further smaller property which the Society closed in January 2016 as it was no longer fit for purpose is being prepared for sale and, following the year end, is now being marketed. Again, proceeds will be reinvested into a future redevelopment project. The redevelopment must consider the future needs and requirements of our residents and the Board are considering carefully all options available.

Abbeyfield Wessex Society Limited

Board Report Including Strategic Report

Structure, governance and management

Nature of governing document

The Society is registered under the Companies Act as a company limited by guarantee (Company number 00754594) and is registered with the Charities Commission (Registered Charity number 230902). The Society was incorporated on 25 March 1963 and registered as a charity on 29 October 1963. The Society 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 Society is registered with the Homes and Communities Agency (Registered number H2136) and is a member of the national Abbeyfield Society. The national Society confers affiliation benefits to member societies. These include providing relevant information on national developments within the charitable housing sector and professional services in support of the affiliated member societies. The Society pays an annual fee to the national Society.

The Board is in the process of reviewing the current Model Memorandum and Articles of Association produced by the national Abbeyfield Society with the objective of adapting them to meet the requirements of the Abbeyfield Wessex Society. The Board intend to adopt them as a replacement to the current Memorandum and Articles of Association which date back to 1963.

Recruitment and appointment of Trustees

The directors of the charitable company, who are also its Trustees and members, are its Board members for the purpose of charity law and throughout this report are collectively referred to as Board members. The Board members who served during the year are shown on page 5 of these financial statements.

Each member of the Board is recruited for his/her relevant experience and skills and receives appropriate induction training when appointed. Several Trustees assume responsibility for executive functions in support of management. The Board meets monthly to review performance and ensure that the Society is being managed in accordance with established policies. The Board approves any changes in operating policy when deemed necessary and is responsible for approving and monitoring all major expenditure. A Standing Committee comprised of Board members meets as necessary to consider and complete tasks delegated from the Board.

Organisational structure

The Chief Operations Officer (COO) manages the operational aspects of the Society and works closely with the Board on strategic issues, reporting formally at the Board meetings. From 1 October 2016, the COO has been appointed as Chief Executive Officer to continue to build upon progress achieved since the COO was appointed in 2014. The central operating team has been reinforced with the appointment of a Deputy Chief Executive Officer and two Operations Managers and this central team will continue to manage and develop the work of the Society. The current Company Secretary is retiring at the 2017 AGM and these responsibilities will be taken over by the Deputy CEO.

The Society relies heavily on its willing house staff who manage the day to day operation of each of its houses and ensure the wellbeing of the residents. Volunteers, working under the direction of the house staff, provide pastoral care and practical help to residents. Family members or other designated sponsors are encouraged to have an active role in ensuring the welfare of residents is maintained.

The Board delegates decisions, within clearly defined limits, whilst maintaining overall responsibility for strategic direction and policies of the Society. The Society values its staff and is committed to paying the living wage.

Abbeyfield Wessex Society Limited

Board Report Including Strategic Report

Major risks and management of those risks

Financial viability

The offer of accommodation must suit the demand from older people and some of the accommodation types may no longer be deemed to meet needs. Additionally, the downward pressure on social housing grants and the local pressure on housing benefit packages may affect financial viability. Financial viability depends on ensuring that income covers expenditure and that levels of occupancy are maintained at a high enough level to cover costs and augment reserves.

Safety of residents

Provision of high quality services, with a focus on safeguarding residents, delivering value for money and maintaining the Society's reputation.

Quality of accommodation

Maintenance or replacement of housing stock and well managed houses that properly reflect the Society's ethos.

These risks are mitigated by good management and sound governance which depend on recruiting experienced Trustees and management, backed by structured planning and adequate resources. Operating expenditure is carefully monitored and controlled. All budget planning and capital expenditure is subject to approval by the Board. The Society strives towards full occupancy, raising local awareness as to the benefits which the Society has to offer those in need.

Abbeyfield Wessex Society Limited

Board Report Including Strategic Report

Reference and Administrative Details

Status	Company limited by guarantee
Members of the board and Trustees	<p>Mrs B J Biddle, Chairman</p> <p>Mr S Arundel</p> <p>Mr R A Bowell (resigned 30 June 2016)</p> <p>Mr K H Millman</p> <p>Mr I D Pascall (resigned 23 March 2016)</p> <p>Mrs A H Turner</p> <p>Dr C Williams</p>
Hon Secretary	Mr I D Pascall
Chief Operations Officer	Mrs V Booker-Card
Principal Office	<p>Westbourne House</p> <p>22 Poole Road</p> <p>Bournemouth</p> <p>Dorset</p> <p>BH4 9DS</p>
Registered Office	<p>Same as principal office address</p> <p>The Charity is incorporated in England.</p>
Company Registration Number	00754594
Charity Registration Number	230902
Homes and Communities Agency Number	H2136
Bankers	<p>Lloyds Bank PLC</p> <p>84 Victoria Road</p> <p>Ferndown</p> <p>Dorset</p> <p>BH22 9JB</p>
Auditor	<p>Westlake Clark</p> <p>Chartered Accountants</p> <p>7 Lynwood Court</p> <p>Priestlands Place</p> <p>Lymington</p> <p>Hampshire</p> <p>SO41 9GA</p>

Abbeyfield Wessex Society Limited

Board Report Including Strategic Report

Financial instruments

Objectives and policies

The Society's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Society's policies approved by the board of Trustees, which provide written principles on the use of financial derivatives to manage these risks. The Society does not use derivative financial instruments for speculative purposes.

Cash flow risk

The Society's activities expose it primarily to the financial risks of changes in interest rates. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The Society's principal financial assets are bank balances and cash and investments.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Society has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk


In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Society uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Disclosure of information to auditor

Each Trustee has taken steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Society's auditor is aware of that information. The Trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the Trustees of the Society on 24.13.17 and signed on its behalf by:


.....
Mrs B J Biddle
Trustee

Abbeyfield Wessex Society Limited

Statement of Board's Responsibilities

The Board who are also Trustees of Abbeyfield Wessex Society Limited are responsible for preparing the report and financial statements in accordance with applicable law and regulations.


The Co-operative and Community Benefit Societies Act 2014 and registered housing legislation require the Board 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 its income and expenditure, for that period.

In preparing these financial statements, the Board are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charitable company will continue in business.

The Board are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Society and enable it to ensure that the financial statements comply with Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2015. It has general responsibility for taking reasonable steps to safeguard the assets of the Society and to prevent and detect fraud and other irregularities.

Approved by the Trustees of the Society on 24/3/17 and signed on its behalf by:


.....
Mrs B J Biddle
Trustee

Abbeyfield Wessex Society Limited

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 2016, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Reserves, the Statement of Cash Flows and the related notes. 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 and Regeneration Act 2008. Our audit 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 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 Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the board and auditor

As explained more fully in the Board's Responsibilities Statement (set out on page 7), the Board members (who are also the directors of the Society 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 charitable company'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 Board Report (including the Strategic Report) to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 2016 and of its results 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 2015.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Board Report (including Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Abbeyfield Wessex Society Limited

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

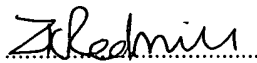
Matters on which we are required to report by exception

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

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) FCA CTA (Senior Statutory Auditor)
For and on behalf of Westlake Clark, Statutory Auditor

7 Lynwood Court
Priestlands Place
Lymington
Hampshire
SO41 9GA


Date: 24/3/17

Abbeyfield Wessex Society Limited


**Statement of Comprehensive Income for the Year Ended 30 September 2016
(Including Income and Expenditure Account)**

	Note	Year ended 30 September 2016 £	Year ended 30 September 2015 £
Turnover	2	1,290,849	1,428,382
Cost of sales	2	<u>(1,195,226)</u>	<u>(1,355,258)</u>
Gross surplus/(deficit)		95,623	73,124
Administrative expenditure	2	(218,438)	(169,256)
Other income	2	<u>2,956</u>	<u>11,376</u>
Operating surplus/(deficit)		(119,859)	(84,756)
Investment income	4	33,226	32,802
Donations and legacies	3	<u>800</u>	<u>270</u>
Surplus on ordinary activities for the year		(85,833)	(51,684)
Gains/(losses) on fixed asset investments		<u>23,616</u>	<u>(4,086)</u>
Total comprehensive income for the year		<u>(62,217)</u>	<u>(55,770)</u>

The financial statements were approved by the Board on 24/3/17 and signed on its behalf by:



 Mrs B J Biddle
 Trustee



 Mrs A H Turner
 Trustee

All of the Charity's activities derive from continuing operations during the above two periods and relate to unrestricted funds.

Abbeyfield Wessex Society Limited (Registration number: 00754594)


Balance Sheet as at 30 September 2016

	Note	2016		2015	
		£	£	£	£
Fixed assets					
Tangible fixed assets - Housing	11	13,431,053		13,519,867	
Tangible fixed assets – Other	12	<u>11,863</u>		<u>9,418</u>	
			13,442,916		13,529,285
Investments	13		<u>282,293</u>		<u>259,280</u>
			13,725,209		13,788,565
Current assets					
Debtors	14	32,123		22,212	
Cash at bank and in hand		<u>679,871</u>		<u>711,117</u>	
		711,994		733,329	
Creditors: Amounts falling due within one year	16	<u>(322,122)</u>		<u>(336,821)</u>	
Net current assets			<u>389,872</u>		<u>396,508</u>
Total assets less current liabilities			14,115,081		14,185,073
Provision for liabilities	18		<u>(13,500)</u>		<u>(21,275)</u>
Net assets			<u>14,101,581</u>		<u>14,163,798</u>
Capital and reserves					
Revaluation reserve			8,460,590		8,436,974
Income and expenditure reserve			<u>5,640,991</u>		<u>5,726,824</u>
			<u>14,101,581</u>		<u>14,163,798</u>

All of the reserves relate to unrestricted funds of the charity.

Approved by the Board on 24 March 2017 and signed on its behalf by:


 Mrs A H Turner
 Trustee


 Mrs B J Biddle
 Trustee

The notes on pages 14 to 30 form an integral part of these financial statements.

Abbeyfield Wessex Society Limited

Statement of Changes in Reserves

Year Ended 30 September 2016

	Income and expenditure reserve £	Investment revaluation reserve £	Housing revaluation reserve £	Total £
Balance at 1 October 2014	5,778,508	76,668	8,364,392	14,219,568
Surplus/(deficit) for the year	<u>(51,684)</u>	<u>(4,086)</u>	<u>-</u>	<u>(55,770)</u>
Balance at 30 September 2015	5,726,824	72,582	8,364,392	14,163,798
Surplus/(deficit) for the year	<u>(85,833)</u>	<u>23,616</u>	<u>-</u>	<u>(62,217)</u>
Balance at 30 September 2016	<u>5,640,991</u>	<u>96,198</u>	<u>8,364,392</u>	<u>14,101,581</u>

Abbeyfield Wessex Society Limited

Statement of Cash Flows for the Year Ended 30 September 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash expenditure		(62,217)	(55,770)
Adjustments			
Depreciation	11, 12	112,586	177,041
Interest receivable shown in investing activities	4	(2,247)	(2,256)
Other investment income shown in investing activities	4	(21,906)	(22,855)
Income from dividends shown in investing activities	4	(9,073)	(7,691)
(Gains)/losses on investments	13	<u>(23,616)</u>	<u>4,086</u>
		(6,473)	92,555
Working capital adjustments			
Increase in debtors	14	(9,911)	(6,448)
(Decrease)/increase in creditors	16	(14,699)	11,760
Decrease in provisions	18	<u>(7,775)</u>	<u>(3,725)</u>
Net cash flows from operating activities		<u>(38,858)</u>	<u>94,142</u>
Cash flows from investing activities			
Interest receivable and similar income	4-	2,247	2,256
Purchase of tangible fixed assets	11, 12	(26,217)	(24,831)
Purchase of investments	13	(73,661)	(84,171)
Sale of investments	13	74,264	86,491
Other investment income	4	21,906	22,855
Income from dividends	4	<u>9,073</u>	<u>7,691</u>
Net cash flows from investing activities		<u>7,612</u>	<u>10,291</u>
Net (decrease)/increase in cash and cash equivalents		(31,246)	104,433
Cash and cash equivalents at 1 October		<u>711,117</u>	<u>606,684</u>
Cash and cash equivalents at 30 September		<u><u>679,871</u></u>	<u><u>711,117</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Abbeyfield Wessex Society Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2014, and with the Accounting Direction for private registered providers of social housing in England 2015. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006.

General information and basis of preparation

Abbeyfield Wessex Society Limited is a company limited by guarantee, incorporated in England and Wales, having no share capital and with solely charitable objectives. The society is registered with the Homes and Communities Agency and the Charities Commission.

The society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in sterling, which is the functional currency of the society, and rounded to the nearest £0.

Going concern

The Board consider that there are no material uncertainties about the society's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the society.

Transition to FRS 102

In preparing the accounts, the Board have considered whether in applying the accounting policies required by FRS 102 a restatement of comparative items was required. All remeasurements are shown in note 21.

Income and endowments

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.

Abbeyfield Wessex Society Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

Donations and legacies

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that these conditions will be fulfilled in the reporting period.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Governance costs

These include the costs attributable to the Charity's compliance with constitutional and statutory requirements, including audit, strategic management and Trustee's meetings and reimbursed expenses.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Abbeyfield Wessex Society Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

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 deemed cost, less residual value, which is taken to be the proportion of the net book value attributable to land.

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:

Land	Not depreciated
Structure	1%
Roof	2%
Windows/doors	3.33%
Kitchens	3.33%
Bathrooms	3.33%

Depreciation of other tangible fixed assets

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

Asset class	Depreciation method and rate
Fixtures, fittings and equipment	5 - 8 years straight line

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Abbeyfield Wessex Society Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the Charity has an obligation at the reporting date as a result of a past event, it is probable that the Charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the Charity.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Abbeyfield Wessex Society Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Abbeyfield Wessex Society Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

2 Turnover, cost of sales, administrative expenditure and operating surplus/(deficit)

	Total 2016 £	Total 2015 £
Turnover		
Residential charges receivable	1,815,223	1,861,168
Voids	(524,374)	(432,786)
	<u>1,290,849</u>	<u>1,428,382</u>
Cost of sales		
Staff costs	538,480	641,126
Property costs	333,300	313,370
Food costs	103,948	123,533
Telephone and television costs	12,500	11,438
Careline	9,679	9,994
Legal and professional	72,238	65,613
Travel costs	6,305	4,117
Sundry expenses	6,190	9,026
Depreciation	112,586	177,041
	<u>1,195,226</u>	<u>1,355,258</u>
Gross surplus/(deficit)	95,623	73,124
Administrative expenditure		
Staff costs	139,636	108,735
Head office property costs	24,914	20,852
Postage, stationery and advertising	13,761	13,640
Governance costs	7,518	6,335
Telephone costs	3,901	2,763
Legal and professional	22,121	9,978
Finance costs	1,115	1,394
Sundry	5,472	5,559
	<u>218,438</u>	<u>169,256</u>
Other income		
Sundry income	2,956	11,376
Operating surplus/(deficit)	<u>(119,859)</u>	<u>(84,756)</u>

Abbeyfield Wessex Society Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

3 Income from donations and legacies

	Unrestricted funds		
	General	Total	Total
	£	2016	2015
		£	£
Donations and legacies;			
Appeals and donations	800	800	270
	<u>800</u>	<u>800</u>	<u>270</u>

4 Investment income

	Unrestricted funds		
	General	Total	Total
	£	2016	2015
		£	£
Income from dividends;			
Dividends receivable from other listed investments	9,073	9,073	7,691
Interest receivable and similar income;			
Interest receivable on bank deposits	2,247	2,247	2,256
Income from rents	21,906	21,906	22,855
	<u>33,226</u>	<u>33,226</u>	<u>32,802</u>

5 Analysis of governance and support costs

Governance costs

	Unrestricted funds		
	General	Total	Total
	£	2016	2015
		£	£
Audit fees			
Audit of the financial statements	4,800	4,800	4,000
Other fees paid to auditors	600	600	500
Other governance costs	2,118	2,118	1,835
	<u>7,518</u>	<u>7,518</u>	<u>6,335</u>

Abbeyfield Wessex Society Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

6 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2016	2015
	£	£
Depreciation of fixed assets	<u>112,586</u>	<u>177,041</u>

7 Trustees remuneration and expenses

During the year the Charity made the following transactions with trustees:

Mr S Arundel

£656 (2015: £447) of expenses were reimbursed to Mr S Arundel during the year.

At the balance sheet date the amount due to Mr S Arundel was £Nil (2015: £118).

Mrs B J Biddle

£709 (2015: £654) of expenses were reimbursed to Mrs B J Biddle during the year.

At the balance sheet date the amount due to Mrs B J Biddle was £291 (2015: £42).

Mrs A H Turner

£505 (2015: £590) of expenses were reimbursed to Mrs A H Turner during the year.

At the balance sheet date the amount due Mrs A H Turner was £Nil (2015: £Nil).

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any other benefits from the charity during the year.

Abbeyfield Wessex Society Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

8 Staff costs

The aggregate payroll costs were as follows:

	2016	2015
	£	£
Wages and salaries	618,326	674,478
Social security costs	38,941	38,819
Pension costs	3,646	992
	<u>660,913</u>	<u>714,289</u>

The monthly average number of persons (including senior management team) employed by the Charity during the year expressed as full time equivalents was as follows:

	2016 No	2015 No
Services and accommodation	22	34
Management and administration	<u>4</u>	<u>3</u>
	<u>26</u>	<u>37</u>

No employee received emoluments of more than £60,000 during the year.

9 Auditors' remuneration

	2016	2015
	£	£
The audit of the charity's annual accounts	4,800	4,000
Other services	<u>600</u>	<u>500</u>
	<u>5,400</u>	<u>4,500</u>

10 Taxation

The Charity is a registered charity and is therefore exempt from taxation.

Abbeyfield Wessex Society Limited
Notes to the Financial Statements for the Year Ended 30 September 2016

11. Tangible fixed assets – Housing

	Widgery	Moretons	Harleston	Green lane	Wateridge	Pennant House	Romsey	New Milton	Lymington	Poole Road	Total
	£	£	£	£	£	£	£	£	£	£	£
Deemed cost											
At 1 October 2015	450,000	353,768	1,580,000	648,889	1,629,000	2,140,000	1,344,492	159,154	995,000	4,325,000	13,625,303
Additions	5,035	-	1,535	-	-	-	10,575	-	-	-	17,145
Disposals	-	-	-	-	-	-	-	-	-	-	-
At 30 September 2016	455,035	353,768	1,581,535	648,889	1,629,000	2,140,000	1,355,067	159,154	995,000	4,325,000	13,642,448
Depreciation											
At 1 October 2015	3,540	2,791	13,039	5,105	12,815	16,215	10,618	-	7,827	33,486	105,436
Charge for the year	3,659	2,791	13,090	5,105	12,815	16,215	10,971	-	7,827	33,486	105,959
Eliminated on Disposals	-	-	-	-	-	-	-	-	-	-	-
At 30 September 2016	7,199	5,582	26,129	10,210	25,630	32,430	21,589	-	15,654	66,972	211,395
Net book values											
At 30 September 2016	447,836	348,186	1,555,406	638,679	1,603,370	2,107,570	1,333,478	159,154	979,346	4,258,028	13,431,053
At 30 September 2015	446,460	350,977	1,566,961	643,784	1,616,185	2,123,785	1,333,874	159,154	987,173	4,291,514	13,519,867

Abbeyfield Wessex Society Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

.....continued

All housing additions during the year related to replacement of components.

The Wateridge property was being actively marketed for sale at the year end and was subsequently sold in November 2016. The proceeds are to be reinvested in the re-development of another Abbeyfield Wessex House.

The housing properties were revalued at fair value and treated as deemed cost on transition to FRS 102 at 1 October 2014. Fair value was calculated by the trustees based on what they deemed to be open market value for the properties. The New Milton property has been valued on the basis of its land value only, as plans are for this property to be completely redeveloped.

12 Tangible fixed assets - Other

	Fixtures, fittings and equipment £	Total £
Cost		
At 1 October 2015	502,412	502,412
Additions	9,072	9,072
At 30 September 2016	511,484	511,484
Depreciation		
At 1 October 2015	492,994	492,994
Charge for the year	6,627	6,627
At 30 September 2016	499,621	499,621
Net book value		
At 30 September 2016	11,863	11,863
At 30 September 2015	9,418	9,418

Abbeyfield Wessex Society Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

13 Fixed asset investments

	2016 £	2015 £
Other investments	<u>282,293</u>	<u>259,280</u>

Other investments

	Listed investments £	Total £
Market value		
At 1 October 2015	259,280	259,280
Revaluation	23,616	23,616
Additions	73,661	73,661
Disposals	<u>(74,264)</u>	<u>(74,264)</u>
At 30 September 2016	<u>282,293</u>	<u>282,293</u>
Net book value		
At 30 September 2016	<u>282,293</u>	<u>282,293</u>
At 30 September 2015	<u>259,280</u>	<u>259,280</u>

Abbeyfield Wessex Society Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

14 Debtors

	2016 £	2015 £
Prepayments	29,913	21,635
Other debtors	2,210	577
	<u>32,123</u>	<u>22,212</u>

15 Accommodation owned

Supported housing and housing for older people:

	End of 2016	End of 2015
Houses	7	9
Bed spaces	<u>93</u>	<u>113</u>

A total of 10 houses are owned (2015: 10).

At the year end 7 were available for bedspaces (2015: 9).

One of the unavailable houses was being marketed for sale at the year end.

16 Creditors: amounts falling due within one year

	2016 £	2015 £
Other creditors	307,893	291,952
Accruals	14,229	44,869
	<u>322,122</u>	<u>336,821</u>

17 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2016 £	2015 £
Land and buildings		
Within one year	-	7,910
After five years	18,500	18,500
	<u>18,500</u>	<u>26,410</u>
Other		
Within one year	2,868	2,868
	<u>2,868</u>	<u>2,868</u>

Abbeyfield Wessex Society Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

18 Provisions

	Other provision
	£
As at 1 October 2015	(21,275)
Other provision movement	7,775
As at 30 September 2016	<u>(13,500)</u>

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

19 Charity status

The Charity is a company limited by guarantee and consequently does not have share capital. Each of the trustees 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 2016

20 Related party transactions

During the year the Charity made the following related party transactions:

Jane Andrews Ladies' Home

(The charity is a trustee of Jane Andrews Ladies' Home)

At the balance sheet date the amount due to Jane Andrews Ladies' Home was £265,536 (2015 - £265,536).

21 Transition to FRS 102

On transition to FRS 102 at 1 October 2014 the properties previously included within fixed assets and recognised at net book value were revalued up to fair value and treated as deemed cost. The revaluation reserve was credited with £8,364,392. Depreciation charged to the statement of comprehensive income in the year ended 30 September 2015 was also recalculated and adjusted accordingly.

Balance Sheet at 1 October 2014

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Tangible assets	5,317,103	-	8,364,392	13,681,495
Investments	265,686	-	-	265,686
	<u>5,582,789</u>	<u>-</u>	<u>8,364,392</u>	<u>13,947,181</u>
Current assets				
Debtors	15,764	-	-	15,764
Cash at bank and in hand	606,684	-	-	606,684
	<u>622,448</u>	<u>-</u>	<u>-</u>	<u>622,448</u>
Creditors: Amounts falling due within one year	(325,061)	-	-	(325,061)
Net current assets	<u>297,387</u>	<u>-</u>	<u>-</u>	<u>297,387</u>
Total assets less current liabilities	5,880,176	-	8,364,392	14,244,568
Provisions for liabilities	(25,000)	-	-	(25,000)
Net assets	<u>5,855,176</u>	<u>-</u>	<u>8,364,392</u>	<u>14,219,568</u>
Funds of the Charity				
Revaluation reserve	(76,668)	-	(8,364,392)	(8,441,060)
Unrestricted income funds	(5,778,508)	-	-	(5,778,508)
Total funds	<u>(5,855,176)</u>	<u>-</u>	<u>(8,364,392)</u>	<u>(14,219,568)</u>

Abbeyfield Wessex Society Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

Balance Sheet at 30 September 2015

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Tangible assets	5,268,025	-	8,261,260	13,529,285
Investments	259,280	-	-	259,280
	<u>5,527,305</u>	<u>-</u>	<u>8,261,260</u>	<u>13,788,565</u>
Current assets				
Debtors	22,212	-	-	22,212
Cash at bank and in hand	711,117	-	-	711,117
	<u>733,329</u>	<u>-</u>	<u>-</u>	<u>733,329</u>
Creditors: Amounts falling due within one year	<u>(336,821)</u>	<u>-</u>	<u>-</u>	<u>(336,821)</u>
Net current assets	<u>396,508</u>	<u>-</u>	<u>-</u>	<u>396,508</u>
Total assets less current liabilities	5,923,813	-	8,261,260	14,185,073
Provisions for liabilities	<u>(21,275)</u>	<u>-</u>	<u>-</u>	<u>(21,275)</u>
Net assets	<u>5,902,538</u>	<u>-</u>	<u>8,261,260</u>	<u>14,163,798</u>
Funds of the Charity				
Revaluation reserve	(72,582)	-	(8,364,392)	(8,436,974)
Unrestricted income funds	<u>(5,829,956)</u>	<u>-</u>	<u>103,132</u>	<u>(5,726,824)</u>
Total funds	<u>(5,902,538)</u>	<u>-</u>	<u>(8,261,260)</u>	<u>(14,163,798)</u>

Abbeyfield Wessex Society Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

Statement of Financial Activities for the year ended 30 September 2015

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Income from:				
Turnover	1,428,382	-	-	1,428,382
Donations and legacies	270	-	-	270
Investment income	32,802	-	-	32,802
Other income	11,376	-	-	11,376
Total income	1,472,830	-	-	1,472,830
Expenditure on:				
Cost of sales	(1,252,126)	-	(103,132)	(1,355,258)
Administrative expenditure	(169,256)	-	-	(169,256)
Total expenditure	(1,421,382)	-	(103,132)	(1,524,514)
Surplus on ordinary activities for the year	51,448	-	(103,132)	(51,684)
Other recognised gains and losses				
Gains/(losses) on fixed asset investments	(4,086)	-	-	(4,086)
Total comprehensive income for the year	47,362	-	(103,132)	(55,770)