

Registration number: 00780423

The Abbeyfield Fareham Society Ltd

Committee (Directors) Report and Unaudited Financial Statements

for the Year Ended 30 September 2017

Palmer Riley & Co Chartered Accountants
1st Floor Unit E
Fareham Heights
Standard Way
Fareham
Hants
PO16 8XT



The Abbeyfield Fareham Society Ltd

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The Abbeyfield Fareham Society Ltd

Company Information

Chairman Mr W R Taylor

Directors Mr W R Taylor
Mrs G Cairns - Vice Chair
Mr P Hall - Treasurer
Mrs M A Taylor
Mr D Cockshoot
Mrs J Cox
Mrs F Ryan

Company secretary Mrs J Cox

Registered office 24 East Street
Fareham
Hants
PO16 0BY

Accountants Palmer Riley & Co Chartered Accountants
1st Floor Unit E
Fareham Heights
Standard Way
Fareham
Hants
PO16 8XT

The Abbeyfield Fareham Society Ltd

Directors' Report for the Year Ended 30 September 2017

The directors present their report and the financial statements for the year ended 30 September 2017.

Directors of the company

The following people were directors/trustees of the charity either on the date of approval of the report or served during the financial period reported. In accordance with the Registered Rules of the Society Mrs M. Taylor and Mrs F. Ryan will retire and offer themselves for election at the forthcoming Annual General Meeting to be held on 28th February 2018.

Mr W R Taylor - Chairman

Mrs G Cairns - Vice Chair

Mr P Hall - Treasurer

Mrs M A Taylor

Mr D Cockshoot

Mrs J Cox

Mrs F Ryan

The following directors were appointed after the year end:

Mr P. Daneshvar (appointed 28 February 2018)

Mrs A. Danshavar (appointed 28 February 2018)

Principal activity

The principal activity of the company is the provision of accommodation, care and companionship for lonely or frail elderly people in accordance with the aims and principles of The Abbeyfield Society Limited, as determined by its Memorandum of Association. This activity falls wholly within sheltered housing activities as defined in the Housing Act 1974. There has been no change in the activities of the society during the year.

Status

The Society is:

- A company limited by guarantee (Number 0780423), having no share capital, and with solely Charitable objectives.
- Registered as a charity (Number 232531)
- Registered with the Housing Corporation as a Registered Social Landlord (Number H0301)

Objects and Organisation

The Articles of Association govern the appointment of the Executive Committee, which is charged with the management of the society in furtherance of its principal activity, fund management and financial affairs generally.

The committee shall consist of no less than 3 and no more than 18 Committee members. The committee has the power to appoint Executive Committee members to fill a casual vacancy.

One third of the Executive Committee members must retire by rotation each year but are eligible for re-election.

The society is a member of the Abbeyfield Society by payment of an annual subscription.

Risk Management

The committee (Directors) have overall responsibility for ensuring that the society has appropriate systems of control, financial and otherwise. The systems of internal and financial controls are designed to provide reasonable, but not absolute, assurance against material misstatement of loss. They include an annual budget, approved by the committee (Directors), regular review of actual results and variances from budget, and delegation of authority and segregation of duties as far as possible given staffing levels.

The committee (Directors) will continue to monitor risks and set up policies to mitigate them.

The Abbeyfield Fareham Society Ltd

Directors' Report for the Year Ended 30 September 2017

Review of Business Results during the year

The society has continued to carry out its objectives of providing homes for active elderly people, who wish to share companionship in a homely environment.

The financial results for the year are set out in the income and expenditure account on page 6. The position at the end of the year is shown in the balance sheet on page 7.

The start of the year 2016 to 2017 we had vacancies because residents had moved on for various reasons. Our policy is to keep advertising and, hopefully this will bring in more residents to the houses.

There have been periods when resident have moved on, however the interviewing panel have managed to find someone in a short space of time. We have done very well with people coming in for short stays. We are, however, finding that the average resident is coming in at an ever increasing age.

Our reserve policy remains, as in previous years, i.e. generally to hold sufficient reserves to support unexpected maintenance costs and to provide cover in the event of vacancies causing income to run below expenditure.

Future Plans

The Executive committee has had a very busy year keeping everything up to date.

We will continue to investigate other ways of improving the facilities in both 24 and 26 East Street.

We have this year carried out a number of improvement works:--

- 1 Replaced washing machines and tumble driers in both houses.
- 2 Carried out improvements to the garden and patio.
- 3 The boiler in Number 24 has been replaced this year with a condensating boiler in the wing.
- 4 The residents rooms will, as normal, be decorated as they become vacant and new carpets fitted as necessary.
- 5 General maintenance will continue to be carried out as usual.
- 6 The parking areas to 24 and 26 have been improved and we continue to monitor this for more spaces for residents and visitors.
- 7 We will be replacing windows to the lounge of 26.
- 8 Prices are being obtained for replacing the lift in 24.

The Executive committee have regular strategy meetings to consider what other facilities and improvements can be made for the residents of Abbeyfield Fareham society.

The Abbeyfield Fareham Society Ltd

Directors' Report for the Year Ended 30 September 2017

Independent Examiner

The committee (Directors) intend to ask the existing accountants to undertake the independent examination in the following year, and will be proposed at the forthcoming Annual General Meeting.

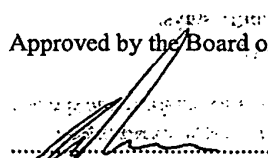
Fixed Assets

Land and buildings were last valued on 30th September 2016 for £1,775,000. The valuation was carried out by Ecclesiastical Insurance Group plc.

Small companies provision statement

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

Approved by the Board on ~~15.1.2018~~ and signed on its behalf by:


Mr W R Taylor
Chairman

**Independent Examiner's Report to the Board of Directors on the Preparation of the
Unaudited Statutory Accounts of
The Abbeyfield Fareham Society Ltd
for the Year Ended 30 September 2017**

I report on the financial statements for the Society for the year ended 30th September 2017 which are set out on pages 6 to 13 and which have been prepared under the historical cost convention and the accounting policies set out on pages 10 and 11.

Respective responsibilities of the trustees and examiner

The charity's trustees are responsible for the preparation of the financial statements. The charity's trustees consider that an audit is not required for this period under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the financial statements under section 145 of the Charities Act,
- to follow the procedures laid down by the general Directions given by the Charity Commissioners (under section 145(5)(b) of the Charities Act); and
- to state whether particular matters have come to my attention.


Basis of independent examiner's statement

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements and seeking an explanation from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respects the requirements:
 - i. to keep accounting records in accordance with section 130 of the Charities Act; and
 - ii. to prepare financial statements which accord with the accounting records and to comply with the accounting requirements of the Charities Act have not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.


.....
J Methereil FCA
Palmer Riley & Co Chartered Accountants
1st Floor Unit E
Fareham Heights
Standard Way
Fareham
Hants
PO16 8XT
Date: 17.5.18

The Abbeyfield Fareham Society Ltd

Consolidated Statement of Comprehensive Income for the Year Ended 30 September 2017

	Note	2017 £	(As restated) 2016 £
Turnover		182,468	188,154
Operating expenditure		(181,174)	(168,560)
Gross surplus		1,294	19,594
Other operating income		130	1,083
Operating surplus		1,424	20,677
Other interest-receivable and similar income		231	274
Interest payable and similar charges		(7,370)	(7,791)
		(7,139)	(7,517)
(Deficit)/surplus before tax		(5,715)	13,160
(Deficit)/surplus for the financial year		(5,715)	13,160

The Society's only activity is the provision of sheltered housing.

No operations have been discontinued or acquired during the year, and the amounts above relate entirely to continuing operations.

There is no material difference between the retained surplus for the year on ordinary activities stated above and its historical cost equivalent.

The Abbeyfield Fareham Society Ltd

(Registration number: 00780423)

Statement of Financial Position as at 30 September 2017

	Note	2017 £	(As restated) 2016 £
Fixed assets			
Tangible assets	5	534,032	529,537
Current assets			
Debtors	6	2,252	2,111
Cash and cash equivalents		84,311	85,350
		86,563	87,461
Creditors: Amounts falling due within one year	7	(27,727)	(13,375)
Net current assets		58,836	74,086
Total assets less current liabilities		592,868	603,623
Creditors: Amounts falling due after more than one year	7	(116,621)	(121,660)
Net assets		476,247	481,963
Capital and reserves			
Income and expenditure reserve		476,247	481,963
Total reserves		476,247	481,963

For the financial year ending 30 September 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

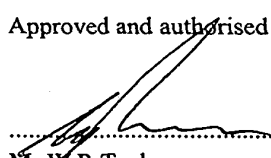
These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Consolidated Statement of Comprehensive Income has been taken.


The Abbeyfield Fareham Society Ltd


(Registration number: 00780423)

Statement of Financial Position as at 30 September 2017

Approved and authorised by the Board on 18.11.18 and signed on its behalf by:


Mr W R Taylor
Chairman


Mrs G Cairns - Vice Chair
Director


Mr R Hall - Treasurer
Director

The Abbeyfield Fareham Society Ltd

Statement of Changes in Reserves for the Year Ended 30 September 2017

	Profit and loss account £	Total £
At 1 October 2016	481,962	481,962
Deficit for the year	(5,715)	(5,715)
Total comprehensive income	(5,715)	(5,715)
At 30 September 2017	476,247	476,247
Profit and loss account £		
At 1 October 2015	468,803	468,803
Surplus for the year	13,160	13,160
Total comprehensive income	13,160	13,160
At 30 September 2016	481,963	481,963

The Abbeyfield Fareham Society Ltd

Notes to the Financial Statements for the Year Ended 30 September 2017

1 General information

The company is a company limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £Nil towards the assets of the company in the event of liquidation.

The address of its registered office is:

24 East Street
Fareham
Hants
PO16 0BY

2 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

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales, returns, rebates and discounts and after eliminating sales within the company.

The Company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the Company's activities.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures & fittings	10% straight line
Computer equipment	33.33% straight line
Buildings	2.5% straight line

The Abbeyfield Fareham Society Ltd

Notes to the Financial Statements for the Year Ended 30 September 2017

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.

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 company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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 Consolidated Statement of Comprehensive Income 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 company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 12 (2016 - 13).

4 Loss/profit before tax

Arrived at after charging

The Abbeyfield Fareham Society Ltd

Notes to the Financial Statements for the Year Ended 30 September 2017

	2017 £	2016 £
Depreciation expense	5,701	5,389

5 Tangible assets

	Land and buildings	Furniture, fittings and equipment	Total
Cost	£	£	£
At 1 October 2016	527,125	38,414	565,539
Additions	6,933	3,263	10,196
At 30 September 2017	534,058	41,677	575,735
Depreciation			
At 1 October 2016	9,419	26,583	36,002
Charge for the year	3,328	2,373	5,701
At 30 September 2017	12,747	28,956	41,703
Carrying amount			
At 30 September 2017	521,311	12,721	534,032
At 30 September 2016	517,706	11,831	529,537

Included within the net book value of land and buildings above is £400,952 (2016 - £400,952) in respect of freehold land which has not been depreciated.

6 Debtors

	2017 £	2016 £
Prepayments	2,252	2,111
	2,252	2,111

The Abbeyfield Fareham Society Ltd

Notes to the Financial Statements for the Year Ended 30 September 2017

7 Creditors

Creditors: amounts falling due within one year

(As restated)

	Note	2017 £	2016 £
Due within one year			
Bank loans and overdrafts	8	7,775	7,603
Taxation and social security		1,523	431
Accruals and deferred income		2,190	2,263
Other creditors		16,239	3,078
		<u>27,727</u>	<u>13,375</u>

Creditors: amounts falling due after more than one year

	Note	2017 £	2016 £
Due after one year			
Loans and borrowings	8	<u>116,621</u>	<u>121,660</u>

8 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Bank borrowings	<u>116,621</u>	<u>121,660</u>
Current loans and borrowings		
Bank borrowings	<u>7,775</u>	<u>7,603</u>

The Abbeyfield Fareham Society Ltd

Notes to the Financial Statements for the Year Ended 30 September 2017

9 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of contingencies not included in the balance sheet is £14,304 (2016 - £Nil).

The company has over several years engaged staff to care for residents on the basis of the carer sleeping on the company's premises overnight. The terms of the sleep in arrangements generally for care homes have now been shown by the courts to be in breach of the wage regulations for National Minimum Wage payments.

In accordance with decided cases the company has a liability for the last two years amounting to £11,033 and this is provided for in these accounts.

However, there are further issues before the courts in the cases of Focus Care Agency v Roberts, Frudd v the Partington Group, and Royal Mencap Society v Tomlinson-Blake. Should the decisions go against the employer this would involve the company in liability under Minimum Wage Payments for a further four years amounting to £14,304. No provision has been made for this amount.

10 Transition to FRS 102

Statement of Financial Position at 1 October 2015

	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Tangible assets	534,707	-	-	534,707
Current assets				
Debtors	4,286	-	-	4,286
Cash at bank and in hand	68,692	-	-	68,692
	<u>72,978</u>	<u>-</u>	<u>-</u>	<u>72,978</u>
Creditors: Amounts falling due within one year	<u>(12,060)</u>	<u>-</u>	<u>(541)</u>	<u>(12,601)</u>
Net current assets/(liabilities)	<u>60,918</u>	<u>-</u>	<u>(541)</u>	<u>60,377</u>
Total assets less current liabilities	595,625	-	(541)	595,084
Creditors: Amounts falling due after more than one year	<u>(126,281)</u>	<u>-</u>	<u>-</u>	<u>(126,281)</u>
Net assets/(liabilities)	<u>469,344</u>	<u>-</u>	<u>(541)</u>	<u>468,803</u>
Capital and reserves				
Profit and loss account	<u>(469,344)</u>	<u>-</u>	<u>541</u>	<u>(468,803)</u>
Total equity	<u>469,344</u>	<u>-</u>	<u>541</u>	<u>468,803</u>

The Abbeyfield Fareham Society Ltd

Notes to the Financial Statements for the Year Ended 30 September 2017

Statement of Financial Position at 30 September 2016

	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Tangible assets	529,537	-	-	529,537
Current assets				
Debtors	2,111	-	-	2,111
Cash at bank and in hand	85,350	-	-	85,350
	87,461	-	-	87,461
Creditors: Amounts falling due within one year	(12,368)	-	(1,007)	(13,375)
Net current assets/(liabilities)	75,093	-	(1,007)	74,086
Total assets less current liabilities	604,630	-	(1,007)	603,623
Creditors: Amounts falling due after more than one year	(121,660)	-	-	(121,660)
Net assets/(liabilities)	482,970	-	(1,007)	481,963
Capital and reserves				
Profit and loss account	(482,970)	-	1,007	(481,963)
Total equity	(482,970)	-	1,007	(481,963)