

Company Registration No. 00784499 (England and Wales)

THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

COMPANY INFORMATION

Directors	Mrs L M Guratsky Mr N J Farmer (Chairman) Mrs L Hitchcox Ms J Hyndman Ms S Leech Mr C Stringer Mr A Yarwood	(Appointed 11 August 2020)
Secretary	Mr P G Fletcher	(Resigned 22 June 2021)
Company number	00784499	
Charity number	233269	
Registered office	Seaford House 17 Darmonds Green West Kirby Wirral CH48 5DT	
Auditor	Lonsdale & Marsh 7th Floor Cotton House Old Hall Street Liverpool L3 9TX	
Bankers	Barclays Bank plc 22 Grange Road West Kirby Wirral CH48 4HE	
Solicitors	Oliver & Co Douglas House 117 Foregate Street Chester CH1 1LE	

THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

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THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

REPORT OF THE EXECUTIVE COMMITTEE

FOR THE YEAR ENDED 31 MARCH 2021

The Executive Committee, the members of which are also directors for the purposes of company law, submits its 57th annual report together with the audited financial statements for the year ended 31 March 2021.

Objectives and activities for public benefit

The principal activity of the Society, as determined by its memorandum of association, is to provide accommodation, care and companionship for lonely frail elderly people in accordance with the aims and principles of The Abbeyfield Society Limited. There has been no change in the activities of the Society during the year.

The Executive Committee refer to the Charity Commission's general guidance on public benefit when reviewing the Society's aims and objectives and in planning future activities. In particular the Committee consider how planned activities will contribute to the aims and objectives they have set and how these will benefit the recipients in accordance with the aims and principles of the Society.

Status

The Society is a company limited by guarantee (number 00784499), having no share capital, and with solely charitable objectives and is registered as a charity (number 233269).

It is registered with Homes England (formerly the Homes and Communities Agency) as a registered provider of social housing (number H2854).

The Society is governed by a Memorandum and Articles of Association and was incorporated on 13th December 1963.

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 executive committee shall consist of not less than three and not more than twenty six members. The executive 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. There are sub-committees relating to Operations and Finance and at least one member of the executive committee is a member of each sub-committee. Sub-committees report to the executive committee where decisions are made.

The Society is a member of The Abbeyfield Society to which it pays an annual affiliation fee.

Executive committee

The members who held office during the year and up to the date of signature of the financial statements were as follows:

Mrs L M Guratsky
Mr N J Farmer (Chairman)
Mrs L Hitchcox
Ms J Hyndman
Ms S Leech
Mr C Stringer
Mr A Yarwood

(Appointed 11 August 2020)

In accordance with the Society's Articles of Association Mr C Stringer and Mrs L Hitchcox retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

REPORT OF THE EXECUTIVE COMMITTEE (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Review of activities and achievements during the year

Like every other business, our Society has faced an unprecedented year of extreme pressure in maintaining the safety of our residents and staff whilst the Coronavirus spread rapidly through the world. The Trustees would like to put on record their admiration and thanks for the way in which all staff members adapted to the very challenging conditions throughout the year. As a result of their dedication and the very strict adherence to the safety measures put in place by our General Manager and Care Manager, we can report that except for one very sad death from Coronavirus, our residents were kept safe and free from the virus.

The Trustees would also like to thank the relatives of our residents who, whilst frustrated by the lack of contact with their loved ones, understood and wholeheartedly supported our efforts to keep everyone safe.

As noted in last year's report Hoyle Road was supposed to be auctioned in May 2020. Because of the virus this was not possible at the time, but a sale was completed in November 2020 and Hoyle Road was sold for £675,000, which was at the upper end of the market valuation put on the property. £400,000 has since been invested in our portfolio managed by Rathbones with the remainder being held as liquid funds whilst the pandemic progresses. The Society is now in the process of deregistering as a social landlord which should be completed later in 2021.

Unfortunately, the appointment of Ruth Daniels as Care Manager was not successful, and Ruth left the Society in June 2020. Sarah Cavanagh, who has been a senior carer with the Society for a number of years was appointed as Care Manager in the summer, conditional on the appointment being confirmed by CQC, which has now been received.

In August 2020 Andrew Yarwood was appointed as a Director and Trustee of the Society. Andrew has extensive marketing experience in senior roles which will be valuable as we start to come out of the current restrictions.

This period has obviously been challenging for everyone in the sector in maintaining occupancy levels but with a current occupancy level of around 90% we believe the Society is performing very well.

Throughout the various lockdowns the Trustees were able to maintain a close overview of the Society's activities and regular meetings of both the Executive Committee and the Finance Committee were carried out via Zoom. A strategy sub-committee is now looking at possible structural developments to Lear House to increase its number of rooms. This Committee will report back to the Executive later in the year.

Financial results

The results for the year ended 31st March 2021 show a surplus for the year of £124,673 which includes an increase in the valuation of investments of £65,764, a profit on the disposal of Hoyle Road and investments of £10,715 and £1,245 respectively.

THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

REPORT OF THE EXECUTIVE COMMITTEE (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Reserves and investment policies

The Society has always used its surplus free reserves - being funds not comprised of fixed assets or other designated reserves - to help fund the cost of improvements to the services and support provided to residents including helping to fund, in the past, the implementation and completion of housing property projects.

The aim of the Society is to have day to day running costs which will be funded by amounts received in respect of residents' charges.

The Executive Committee continues to review its reserves policy and has concluded that a level of free reserves of £370,000 (2020 - £402,000) is appropriate. This amount equates to approximately four months of normal expenditure requirements. The Committee considers that the level of free reserves is satisfactory.

Internal financial control

The Executive Committee acknowledges that it is responsible for the Society's system of internal financial control, which can only provide reasonable and not absolute assurance against material misstatement or loss.

All expenditure is controlled by the General Manager with the exception of specialist health care supplies which are authorised by the Care Manager. The General Manager, with the help of the bookkeeper, consolidates all the expenditure into monthly reports to produce internal management information. The management information and underlying data are reviewed regularly by the Executive Committee at their meetings and compared to budgets prepared at the beginning of each financial year.

Before the end of each year the management information is utilised to provide updated projected figures for the year and also to provide projected figures for the following year. These projections are prepared by management and reviewed by the Executive Committee. The Executive Committee monitors the actual expenditure and compares this to the budgeted expenditure. All major items of expenditure, whether or not anticipated by the Society's budgets, are approved by the Executive Committee and dealt with by the Society's Head Office. The Executive Committee meets at least quarterly to manage the running of the Society and to ensure that we pursue developments in our services which will continue to meet the needs of older people, both now and in the future. The Executive Committee reviews its procedures on an annual basis.

Risk management

The Executive Committee has overall responsibility for ensuring that the Society has appropriate systems of controls, financial and otherwise. The systems of financial controls are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include an annual budget, approved by the Executive Committee, monthly reviews of actual results and variances from budget, and delegation of authority and segregation of duties as far as possible given staffing levels.

The Executive Committee has assessed the major risks to which the Society is exposed, in particular those related to the operations, finances and strategies of the Society, and is satisfied that systems are in place to mitigate exposure to the major risks.

THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

REPORT OF THE EXECUTIVE COMMITTEE (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Statement of Executive Committee responsibilities

The Executive Committee are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Executive Committee to prepare financial statements for each financial year. Under that law the Executive Committee have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Executive Committee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Society and of the surplus or deficit 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;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Executive Committee are responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and 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 and the Housing and Regeneration Act 2008. 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.

Auditor

In accordance with the Society's articles, a resolution proposing that Lonsdale & Marsh be reappointed as auditor of the Society will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a Trustee at the date of approving this report is aware, there is no relevant audit information of which the Society's auditor is unaware. Additionally, the Trustees individually have taken all the necessary steps that they ought to have taken as Trustees in order to make themselves aware of all relevant audit information and to establish that the Society's auditor is aware of that information.

Value for money metrics

In April 2018 the Regulator of Social Housing introduced a new Value for Money Standard. The Standard introduced a requirement for providers to publish a series of common metrics with which to measure economy, efficiency and effectiveness performance.

The Society only had one property which provided social housing. The property was closed during the financial year until November 2020, when it was sold. Therefore the metrics are not applicable to the Society.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Mr N J Farmer (Chairman)

Director

1 September 2021

THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

Opinion

We have audited the financial statements of The Abbeyfield Hoyalakes & West Kirby Society Limited (the 'company') for the year ended 31 March 2021 which comprise the statement of income and retained earnings, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its surplus 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The Executive Committee are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE ABBEYFIELD HOYLAK & WEST KIRBY SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE ABBEYFIELD HOYLAK & WEST KIRBY SOCIETY LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Executive Committee's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Executive Committee's report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Executive Committee's report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Executive Committee were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Executive Committee's report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Executive Committee's responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

THE ABBEYFIELD HOYLAK & WEST KIRBY SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE ABBEYFIELD HOYLAK & WEST KIRBY SOCIETY LIMITED

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Society and determined that the most significant are those that relate to the Care Quality Commission requirements and those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, included the following:

- the engagement partner ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- discussions with senior management;
- identified laws and regulations were communicated within the audit team who remained alert to instances of non-compliance throughout the audit.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including override of controls) and addressed the risk through:

- making enquires of those charged with governance as to their knowledge of actual, suspected and alleged instances of fraud;
- considering the internal controls in place to mitigate the risks of fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed our audit procedures which included, but was not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing the minutes of meetings of those charged with governance;
- reviewing correspondence with professional advisors;
- reviewing for any transactions undertaken with related parties such as those charged with governance and/or directors;
- checking expenses are bona fide transactions of the Society.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulations. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

Use of our report

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. 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.

Elaine Frances McElroy (Senior Statutory Auditor)
For and on behalf of Lonsdale & Marsh

1 September 2021

Chartered Accountants
Statutory Auditor

7th Floor
Cotton House
Old Hall Street
Liverpool
L3 9TX

THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 MARCH 2021

		2021	2020
	Notes	£	£
Income	3	881,239	1,132,279
House operating costs		(786,772)	(1,006,442)
Administrative expenses		(234,938)	(201,028)
Other operating income		173,926	11,516
Operating surplus/(deficit)	4	33,455	(63,675)
Interest receivable and similar income		13,494	8,858
Increase/(decrease) in fair value of investments		77,724	(55,222)
Surplus/(deficit) before taxation		124,673	(110,039)
Tax on surplus/(deficit)		-	-
Surplus/(deficit) for the financial year		124,673	(110,039)
Retained earnings brought forward		3,184,766	3,294,805
Retained earnings carried forward		3,309,439	3,184,766

THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	6	2,017,708		2,662,852	
Investments	7	570,797		449,651	
		<u>2,588,505</u>		<u>3,112,503</u>	
Current assets					
Debtors	8	38,813		33,714	
Cash at bank and in hand		894,133		261,220	
		<u>932,946</u>		<u>294,934</u>	
Creditors: amounts falling due within one year	9	<u>(66,993)</u>		<u>(72,962)</u>	
Net current assets			865,953		221,972
Total assets less current liabilities			<u>3,454,458</u>		<u>3,334,475</u>
Creditors: amounts falling due after more than one year	10		(145,019)		(149,709)
Net assets			<u><u>3,309,439</u></u>		<u><u>3,184,766</u></u>
Reserves					
Income and expenditure account			<u><u>3,309,439</u></u>		<u><u>3,184,766</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Executive Committee and authorised for issue on 1 September 2021 and are signed on its behalf by:

Mrs L M Guratsky
Director

Ms S Leech
Director

Company Registration No. 00784499

THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

The Abbeyfield Hoyalake & West Kirby Society Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Seaford House, 17 Darmonds Green, West Kirby, Wirral, CH48 5DT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

The Society's turnover principally comprises residents' charges receivable from houses, donations received from third parties and investment income.

1.3 Income and expenditure

Income and expenses are included in the financial statements as they become receivable or due.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	100 years but see below
Land and buildings Leasehold	all land - nil
Fixtures, fittings & equipment	20% and 30% reducing balance

Freehold land is not depreciated on account of its indefinite useful life.

Financial Reporting Standard 102 states that all assets must be depreciated. The depreciable amount of an asset is calculated as cost less residual value. Under FRS 102 residual values are based on the price which an entity would currently obtain if it were to dispose of the asset less the estimated costs of disposal. The Committee have reviewed the policy on depreciation and consider that the current residual value of the properties is in excess of the costs and as such a provision for depreciation is not required.

THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Housing properties acquired (including land) on the open market are stated at cost less depreciation and impairment where applicable.

The cost of housing freehold land and property represents their purchase price and any directly attributable costs of acquisition. All invoices and architect's certificates relating to capital expenditure are included in the financial statements at the gross value provided that the expenditure incurred on the architect's certificates was completed by the end of the accounting year.

Directly attributable costs of construction includes capitalised interest calculated, on a proportional basis, using finance costs on borrowing which has been drawn in order to finance the relevant construction or acquisition.

Expenditure on major refurbishment to properties is capitalised where the works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the net rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property.

All other repair and replacement expenditure is charged to the Statement of Income.

1.5 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, less any impairment.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.9 Taxation

The company is exempt from corporation tax, it being a company not carrying on a business for the purposes of making a profit.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

If material the cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

The Society operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable. The assets of the scheme are held separately from those of the Society in an independently administered fund.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.14 Monetary donations

Income from donations and legacies is accounted for on a receivable basis when it is more likely than not that the economic benefits will flow to the Society and the amount of the income can be measured reliably.

1.15 Cash flows

The Society has taken advantage of the disclosure exemption in FRS 102 not to prepare a cash flow statement.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from residential charges

	2021	2020
Potential residential income	1,261,956	1,456,912
Losses arising from vacancies etc.	(380,718)	(324,633)
	<u>881,239</u>	<u>1,132,279</u>

4 Operating surplus/(deficit)

	2021	2020
Operating surplus/(deficit) for the year is stated after charging/(crediting):	£	£
Government grants	(61,624)	(2,345)
Fees payable to the company's auditor for the audit of the company's financial statements	6,000	6,000
Depreciation of owned tangible fixed assets	4,586	3,899
Loss on disposal of tangible fixed assets	653	4,269
Operating lease charges	21,662	18,957

THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Housing, support and care	36	39
Administration	5	4
	<u>41</u>	<u>43</u>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	655,270	702,947
Social security costs	48,412	51,129
Pension costs	12,093	11,482
	<u>715,775</u>	<u>765,558</u>
Redundancy payments made or committed	-	8,854

6 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2020	2,644,988	123,118	2,768,106
Additions	-	10,235	10,235
Disposals	(650,000)	(6,782)	(656,782)
At 31 March 2021	<u>1,994,988</u>	<u>126,571</u>	<u>2,121,559</u>
Depreciation and impairment			
At 1 April 2020	-	105,254	105,254
Depreciation charged in the year	-	4,586	4,586
Eliminated in respect of disposals	-	(5,989)	(5,989)
At 31 March 2021	<u>-</u>	<u>103,851</u>	<u>103,851</u>
Carrying amount			
At 31 March 2021	<u>1,994,988</u>	<u>22,720</u>	<u>2,017,708</u>
At 31 March 2020	<u>2,644,988</u>	<u>17,864</u>	<u>2,662,852</u>

THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Fixed asset investments

	2021	2020
	£	£
Investments	570,797	449,651

Fixed asset investments revalued

The listed investments are included in the financial statements at market value. The investment portfolio is managed by Rathbones Investment Management. The portfolio has been constructed in accordance with the Trustees' instructions regarding investment objectives and risk level. At the year end the cost of the investments was £546,331 (2020 £492,968).

Movements in fixed asset investments

	Investments other than loans
	£
Cost or valuation	
At 1 April 2020	449,651
Additions	39,011
Valuation changes	65,764
Disposals	(8,817)
Income and capital accounts	25,188
At 31 March 2021	570,797
Carrying amount	
At 31 March 2021	570,797
At 31 March 2020	449,651

8 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Rents outstanding	6,006	1,914
Other debtors	32,807	31,800
	38,813	33,714

THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	40,982	38,490
Taxation and social security	9,864	9,549
Other creditors	16,147	24,923
	<u>66,993</u>	<u>72,962</u>

10 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other creditors	145,019	149,709
	<u>145,019</u>	<u>149,709</u>

In accordance with the requirements of FRS 102 grants received from Homes England (previously the Homes and Communities Agency) are held within creditors as deferred grants and amortised over the useful life of the properties.

11 Housing stock

	2021	2020
Housing accommodation - number of bed spaces		
Units under development	-	-
	<u>-</u>	<u>-</u>
Units in management	33	43
	<u>33</u>	<u>43</u>

12 Members' liability

The Society is a company limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

The members of the Society are the Executive Committee, the sub-committees and the house committees. The total number of members at 31 March 2021 was 7 (2020 - 9)

THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Payments to members, committee members, officers etc

During the year Mr C Stringer, a Trustee, received no monies (2020 - £2,645) for the provision of services in his capacity as a chartered surveyor.

	2021 £	2020 £
Fees, remuneration or expenses payable to:		
Members of the Society who were neither members of the Executive Committee nor employees of the Society	-	-
Members of the Executive Committee of the Society who were neither officers nor employees of the Society	-	-
Officers of the Society who were not employees	-	-

14 Capital commitments

There were no financial commitments at the year end (2020 nil).

15 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2021 £	2020 £
115,850	159,754

16 Non-audit services provided by auditor

In common with many businesses of our size and nature we use our auditor to assist with the preparation of the financial statements.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.