

THE ABBEYFIELD (BOROUGH OF CONWAY) SOCIETY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011



Company No. 866977

Registered Charity No 259027

THE ABBEYFIELD (BOROUGH OF CONWAY) SOCIETY LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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THE ABBEYFIELD (BOROUGH OF CONWAY) SOCIETY LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

DIRECTORY AND INFORMATION

Executive Committee Members

M J Hughes (Chair)
Mr I Trevette
Mrs M Trevette
Mr A Swinson
Mrs D Thomas (to October 2011)
Mr G Jones (from November 2011)
Mr P Adams (from November 2011)

Bankers:

HSBC Plc
Mostyn Street
Llandudno

Auditors

Pritchett & Co Ltd
16 Wynnstay Road
Colwyn Bay
Conwy
LL29 8NB

THE ABBEYFIELD (BOROUGH OF CONWAY) SOCIETY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The executive committee submits its annual report together with the accounts for the year ended 31 December 2011.

Principal activity

The principal activity of the society during the year, as determined by its memorandum of association, was the provision of accommodation, care and companionship for lonely or frail elderly people in accordance with the aims and the principles of The Abbeyfield Society Limited.

Status

The company is:

- A company limited by guarantee (number 866977), having no share capital and with solely charitable objectives.
- Registered as a charity (number 259027)
- A registered social landlord (housing number H098)

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 to 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

Review of business and results during the year

The financial results for the year are set out in the income and expenditure account on page 10 and the position at the end of the year is shown on the balance sheet on page 11

The reserves of the society have accumulated since the formation of the company in 1965

The society's income ceased prior to the year end and the management of the society was taken on by Abbeyfield Wales Limited after the year end with the view of transferring all assets and liabilities to them.

THE ABBEYFIELD (BOROUGH OF CONWAY) SOCIETY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

Chairman's Statement

As with any small charity we are dependent on the contribution of employees and volunteers working together to deliver the highest possible standards of service to all our residents.

Events surrounding one of our two employees have led the trustees to question whether the Borough of Conway Society Limited should merge with a larger society. By considering this action this will ensure the continuance of the service from Awel Mor.

The focus of the Trustees attention has been to seek out and discuss possible merging of assets with another Abbeyfield Society. By the end of the reporting period discussions were at an advanced stage and merger discussions were under way. In advance of the planned merger the house will from 1 January 2012 be managed under agreement by Abbeyfield Wales Limited

The uncertainty about the future has had an obvious impact on the confidence of residents. Indeed by the end of 2011 the house was without residents.

The Trustees for their part have continued to support the organisation throughout the year. This undoubtedly has contributed to keeping the losses to an absolute minimum

I would like to thank all our volunteers and staff for their contribution for what has been a very challenging year for the Society.

Melvyn Hughes

Trustee

THE ABBEYFIELD (BOROUGH OF CONWAY) SOCIETY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

Risk Management

The executive committee members have overall responsibility for ensuring that the society has appropriate systems of controls, financial and otherwise. The systems of 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, 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 executive committee will continue to monitor risks and set up policies to mitigate them.

Fixed assets

Details of the cost of fixed assets are set out in the balance sheet

The executive committee are of the opinion that there is no significant difference between the book cost and market value of the land and buildings

Executive committee

The members of the executive committee who served during the year are set out on page 1.

The executive committee are offering themselves for re-election at the Annual General Meeting.

THE ABBEYFIELD (BOROUGH OF CONWAY) SOCIETY LIMITED

DIRECTORS' REPORT

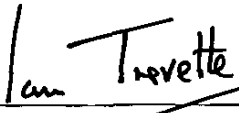
FOR THE YEAR ENDED 31 DECEMBER 2011

Statement of disclosure of information to Auditors

We confirm, so far as we are aware, that

- there is no relevant audit information of which the auditors are unaware; and
- we have taken all the steps that we ought to have taken as Board members in order to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006


Mr I Trevette

Registered Office

Awel Mor
Llanrwst Road
Glan Conwy

Date: 20/9/12

THE ABBEYFIELD (BOROUGH OF CONWAY) SOCIETY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors' responsibility statement

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements the directors are required to:-

- * select suitable accounting policies and apply them consistently,
- * make judgements and estimates that are reasonable and prudent,
- * prepare financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing Act 1996 and the Accounting Requirements for Social Landlords Registered in Wales General Determination 2006. They are also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF THE ABBEYFIELD (BOROUGH OF CONWAY) SOCIETY LIMITED

We have audited the financial statements of the Abbeyfield (Borough of Conway) Society Limited for the year ended 31 December 2011 on pages 10 to 15. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standards for Smaller Entities (effective 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Schedule 1 to the Housing Act 1996. 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 directors and auditor

As explained more fully in the Directors' Responsibilities Statement (as set out on page 6), the directors 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 (APB's) Ethical Standard for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF THE ABBEYFIELD (BOROUGH OF CONWAY) SOCIETY LIMITED
(CONTINUED)

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Society's affairs at 31 December 2011 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to Smaller Entities); and
- have been prepared in accordance with the Companies Act 2006, Schedule 1 to the Housing Act 1996 and The Accounting Requirements for Social Landlords Registered in Wales General Determination 2006;

Emphasis of Matter – Going Concern

In forming our opinion, we have considered the adequacy of the disclosures made in the Directors' Report and Note 2 of the financial statements concerning the future position of the Society. In view of the significance of this, we consider that it should be brought to your attention, but our opinion is not qualified in this respect.

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all of the information and explanations we require for our audit; or

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF THE ABBEYFIELD (BOROUGH OF CONWAY) SOCIETY LIMITED
(CONTINUED)

- the directors 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 directors' report

16 Wynnstay Road
Colwyn Bay

Date 25/9/2012



David Pritchett
Senior Statutory Auditor
For and behalf of
Pritchett & Co Limited
Registered Auditors
Chartered Accountants

THE ABBEYFIELD (BOROUGH OF CONWAY) SOCIETY LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	<u>Note</u>	<u>2011</u>	<u>2010</u>
		£	£
<u>INCOME</u>			
Residential charges receivable		115,150	111,800
Less vacancies		<u>(86,284)</u>	<u>(33,927)</u>
		28,866	77,873
Donations		530	514
Bank interest received		<u>18</u>	<u>17</u>
Total Income		29,414	78,404
<u>EXPENDITURE</u>			
Management expenses			
Insurance		1,661	1,637
Audit and professional fees		1,234	787
Stationery, postage and adverts		1,271	2,086
Travel expenses		1,350	1,921
Membership/affiliation fees		1,270	1,248
Repairs and maintenance -			
Lift and careline		1,981	887
General and cleaning		2,303	3,785
Service costs:-			
Care and catering			
Employee costs	10	19,894	24,669
Food		3,725	8,896
Rates		986	2,497
Heat and light		4,194	4,702
Telephone		1,729	1,491
Website costs		90	646
Sundry expenses		337	479
Loan interest		334	418
Depreciation		<u>2,895</u>	<u>3,406</u>
Total Expenditure		<u>(45,254)</u>	<u>(59,555)</u>
(Deficit)/surplus for the year	9	£ <u>(15,840)</u>	£ <u>18,849</u>

RECOGNISED GAINS AND LOSSES


There are no recognised gains or losses other than the surplus disclosed above.

THE ABBEYFIELD (BOROUGH OF CONWAY) SOCIETY LIMITED
BALANCE SHEET AT 31 DECEMBER 2011

	<u>Note</u>	<u>2011</u>	<u>2010</u>
	£	£	£
<u>TANGIBLE FIXED ASSETS</u>			
Housing land and building:			
Cost	4	442,157	442,157
Housing Association Grant		(273,396)	(273,396)
Fixtures, fittings and equipment	5	<u>16,407</u>	<u>19,302</u>
		185,168	188,063
<u>CURRENT ASSETS</u>			
Cash at bank and in hand		2,559	4,559
Bank deposits		<u>10,017</u>	<u>33,099</u>
		12,576	37,658
<u>CURRENT LIABILITIES</u>			
Amounts falling due within one year:-			
Creditors and accruals	6	(10,840)	(13,911)
		1,736	23,747
<u>CREDITORS</u>			
Amounts falling due after one year	7	(26,728)	(35,794)
GRANTS		(12,644)	(12,644)
<u>NET ASSETS</u>		<u>£147,532</u>	<u>£163,372</u>
<u>FINANCED BY:</u>			
Accumulated Surplus	9	<u>£147,532</u>	<u>£163,372</u>

The accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Signed on behalf of the board


 Mr I Trevette

Date 20/9/12.

Company Registration Number 866977

THE ABBEYFIELD (BOROUGH OF CONWAY) SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2011

1. GENERAL

The Society is a company limited by guarantee, having no share capital, and with solely charitable objectives. Registered as a company in England & Wales No. 866977; Registered as a charity No. 259027. The society is wholly engaged in hostel activities as defined in the Housing Act.

2. ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with applicable United Kingdom financial reporting standards, the Statement of Recommended Practice: Accounting by Registered Social Landlords 2008 and with the Accounting Requirements for Social Landlords Registered in Wales General Determination 2006.

The focus of the Trustees attention has been to seek and discuss the possible merging of assets with another Abbeyfield Society. By the end of the reporting period discussions were at an advanced stage and merger discussions were under way. In advance of the planned merger the house will from 1 January 2012 be managed under agreement by Abbeyfield Wales Limited.

Freehold Housing, Land and Buildings

Freehold housing, land and buildings are stated in the Balance Sheet at cost less housing association grants received. No depreciation is charged on the housing land and buildings because they are maintained in a state of repair such that the residual value at the balance sheet date is not less than the market value. The annual charge for depreciation would therefore be immaterial.

Social Housing Grant

Where developments have been financed wholly, or partly, by Social Housing Grant (SHG) the net book value of those developments has been reduced by the amount of the grant receivable which is shown separately in the balance sheet. Provision is made for repayment of SHG where the property is expected to be sold in the foreseeable future.

Fixtures, fittings and equipment

Fixtures, fittings and equipment are stated in the Balance Sheet at cost less depreciation.

Depreciation

Depreciation is charged at 15% per annum on the reducing balance method.

THE ABBEYFIELD (BOROUGH OF CONWAY) SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2011

2. ACCOUNTING POLICIES – cont'd

Monetary donations

Monetary donations to the Society are credited in the accounts on a receipts basis.

Repairs

The cost of repairs is charged to the accounts as incurred. The Executive Committee keep under review the need to make provision for cyclical repairs. At present no such provision is considered necessary.

3. INCOME

Income is attributable to the company's continuing activity of the provision of accommodation to elderly people, and is wholly derived within the United Kingdom.

4. FREEHOLD HOUSING, LAND AND BUILDINGS

SHG Assisted Schemes - Freehold	<u>2011</u> £	<u>2010</u> £
Cost brought forward and carried forward	<u>£442,157</u>	<u>£442,157</u>

5. FIXTURES, FITTINGS AND EQUIPMENT

	<u>2011</u> £	<u>2010</u> £
<u>COST</u>		
Brought forward	56,891	55,539
Additions, net of grants received	-	1,352
	<u> </u>	<u> </u>
Carried forward	<u>£56,891</u>	<u>£56,891</u>
<u>DEPRECIATION</u>		
Brought forward	37,589	34,183
Charged in the year	<u>2,895</u>	<u>3,406</u>
Carried forward	<u>£40,484</u>	<u>£37,589</u>
<u>NET BOOK VALUE</u>		
At 31 December	<u>£16,407</u>	<u>£19,302</u>

THE ABBEYFIELD (BOROUGH OF CONWAY) SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2011

6. CREDITORS AND ACCRUALS

	<u>2011</u>	<u>2010</u>
	£	£
Accruals	840	3,311
The Abbeyfield Society loan	8,000	8,600
North Wales Abbeyfield Development Trust loans	<u>2,000</u>	<u>2,000</u>
	<u>£10,840</u>	<u>£13,911</u>

7. LOANS

	<u>2011</u>	<u>2010</u>
	£	£
The Abbeyfield Society loan	20,872	27,938
North Wales Abbeyfield Development Trust loans	<u>5,856</u>	<u>7,856</u>
	<u>£26,728</u>	<u>£35,794</u>

8. MEMBERS

There is no authorised share capital and the number of members, each of whose liability is limited to £1, at the year end was.

	<u>2011</u>	<u>2010</u>
Number of members	<u>7</u>	<u>7</u>

9. ACCUMULATED SURPLUS

	<u>2011</u>	<u>2010</u>
	£	£
At 1 January	163,372	144,523
(Deficit)/surplus for the year	<u>(15,840)</u>	<u>18,849</u>
At 31 December	<u>£147,532</u>	<u>£163,372</u>

THE ABBEYFIELD (BOROUGH OF CONWAY) SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2011

10. EMPLOYEES

The average number of housekeepers, assistants and cleaners during the year was 3
(2010 3)

Staff costs (for the above staff):

	<u>2011</u>	<u>2010</u>
	£	£
Wages and salaries	18,938	23,484
Social security costs	<u>956</u>	<u>1,185</u>
Total	<u>£19,894</u>	<u>£24,669</u>

11. HOUSING STOCK

The society has the following bed spaces available for occupation

	<u>2011</u>	<u>2010</u>
Sheltered	<u>10</u>	<u>10</u>