

ABBNEYFIELD BRISTOL AND KEYNSHAM SOCIETY
(A COMPANY LIMITED BY GUARANTEE)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016



**ABBNEYFIELD BRISTOL AND KEYNSHAM SOCIETY
(A COMPANY LIMITED BY GUARANTEE)**

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**ABBNEYFIELD BRISTOL AND KEYNSHAM SOCIETY
(A COMPANY LIMITED BY GUARANTEE)**

INFORMATION

Vice presidents	M L Brooks M Dickman A Fixter J Grenfell R H Nash
Trustees	Mr M Innes (Chair) Mrs S Touzel (Vice Chair) Mrs G Oakhill Mrs J Pitt Mr J Kane Mr R F Spooner Mrs S Hopkins
Chief executive	Ms F Stretton
Company secretary	Mr S Palmer
Registered number	00872566
Registered office	29 Alma Vale Road Clifton Bristol BS8 2HL
Independent auditors	Bishop Fleming LLP Chartered Accountants & Statutory Auditors 16 Queen Square Bristol BS1 4NT
Solicitors	Cook & Co 77-81 Alma Road Clifton Bristol BS8 2DP

**ABBNEYFIELD BRISTOL AND KEYNSHAM SOCIETY
(A COMPANY LIMITED BY GUARANTEE)**

**BOARD REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

The Trustees present the Society's Annual Report for the year ended 30 September 2016 under the Companies Act 2006 and the Charities Act 2011, together with the audited Accounts for the year, and confirm the latter comply with the Companies Act 2006, the Statement of Recommended Practice for Social Housing Providers 2014, and the Company's Memorandum and Articles of Association.

REFERENCE AND ADMINISTRATION INFORMATION

Abbeyfield Bristol and Keynsham Society is a charitable company founded in 1966: Charity Registration Number 257532, HCA Number HO315 and Company Registration Number 872566. The liability of its members is limited to £1 each by guarantee. The registered office and principal address of the Company is at 29 Alma Vale Road, Clifton, Bristol BS8 2HL.

Trustee membership

This is listed on page 1.

Under the terms of the Memorandum and Articles of Association of the Society, for Companies Act purposes the Trustees constitute the Directors.

Key executives and professional advisers

Chief Executive:	Ms Frances Stretton
Company Secretary:	Stuart Palmer
Bankers:	Handelsbanken, Suite 113, 10 Victoria Street, Bristol BS1 6BN
Solicitors:	Cook & Co, 77-81 Alma Road, Clifton, Bristol BS8 2DP
Auditors:	Bishop Fleming LLP, 16 Queen Square, Bristol, BS1 4NT
Insurance Brokers:	Capita Specialist Insurance Solutions, Minton House, Woodlands Lane, Bradley Stoke Bristol BS32 4JT

**ABBNEYFIELD BRISTOL AND KEYNSHAM SOCIETY
(A COMPANY LIMITED BY GUARANTEE)**

**BOARD REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company is governed by its Memorandum and Articles of Association dated 1 March 1966.

Governing body

Under the Memorandum and Articles of Association, there are to be not less than 3 and not more than 18 Trustees.

Trustees (other than any ex officio members), deemed to have appropriate skills and abilities, are elected by existing Trustees of the Society and ratified by Members of the Company at the Annual General Meeting. They serve a term of 3 years, after which they may be re-elected.

Trustee training

In recent years, the Trustees have undertaken a full review of our Society's activities. This is continually reviewed and forms the basis of the development plan. Within the review, Trustees have looked at a number of issues including an audit of Trustee skill sets and a robust programme of recruitment of new Trustees. There is a defined procedure for the recruitment and induction of proposed Trustees, which follows the Charity Commission's guidelines, as outlined in 'The Essential Trustee: What You Need to Know'.

Organisational management

The Trustees meet regularly during the year to determine general policy and review its overall management and control, for which they are legally responsible. The Trustees set up sub-committees as necessary, with responsibility for specific areas. Sub-committees are not decision-making bodies, but report and make recommendations to the wider board of Trustees. Decisions relating to the everyday running of the Society are delegated to the Chief Executive.

Group structure and relationship

Abbeyfield Bristol and Keynsham Society's core aim is to provide the highest standards of accommodation and support for our elderly residents, at a price which is affordable and inclusive. We hold the National Society's Abbeyfield Gold Star which is recognised by the Department of Communities and Local Government, and the Local Authorities in whose areas it works (ie. Bristol, South Gloucestershire and Bath & North East Somerset).

Risk management

The Trustees identify and continually monitor risks faced by the Society, and record these in the Risk Register. These are reviewed at least annually and systems are in place to mitigate their impact.

**ABBNEYFIELD BRISTOL AND KEYNSHAM SOCIETY
(A COMPANY LIMITED BY GUARANTEE)**

**BOARD REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Trustees maintain the objects established when the Society was founded in 1966, which are contained in the Memorandum and Articles of Association.

To ensure this, the Trustees meet regularly to assess occupancy levels, income and expenditure and to regularly review operations. The Chief Executive presents a detailed report at each meeting, and interim reports as required.

The Trustees have considered the Charity Commission's guidance on public benefit and are satisfied that our Society's aims and the activities carried out to deliver those aims are for the public benefit.

Strategic aim and intended effects

Our purpose is to provide affordable Supported Sheltered Housing for older people who require an element of extra support, to enable them to live independent lives, irrespective of their financial resources.

Objectives for the year

To maintain the highest standards of accommodation for our residents and to review regularly our existing housing stock, and continue with the capital project at Keynsham.

Principal activity

The provision of Supported Sheltered Housing for older people in the Bristol, South Gloucestershire and Bath & North East Somerset areas.

Grant making

As a Society, it is our policy that we would not turn anyone away on the grounds of inability to afford the fees. Eight residents were subsidised by the Society during the year.

Investment performance

The sum of £5,448 was received in interest, which is a decrease of £2,613 on the previous year.

Volunteers

We gratefully acknowledge the breadth of commitment of our volunteers on the house committees and on the Board of Trustees, from day-to-day help to specific tasks, and for invaluable professional advice & assistance.

**ABBNEYFIELD BRISTOL AND KEYNSHAM SOCIETY
(A COMPANY LIMITED BY GUARANTEE)**

**BOARD REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

During this financial year, Abbeyfield Bristol and Keynsham Society posted an operating deficit of £51,694 and a deficit after net interest costs of £52,651. Turnover fell by £77,264.

The high level of voids at Redland Road was the major reason for the Society's loss this year. We experienced an unprecedented loss of residents within a very short space of time through health issues beyond our control, this being consistent with the resident age profile. The Chief Executive is confident that occupancy levels will return to a satisfactory level.

During the year, the Society undertook a major refurbishment of the Keynsham building, increasing the number of residential units from 9 to 14. During the process, we re-located Keynsham residents to Hanham and the Society continued to provide subsidies to those former Keynsham residents whilst the development of that site progressed throughout the year.

Operating costs rose by £82,871, which was 2% over the budget set for the year, and included some long term sick pay costs and some necessary unplanned maintenance.

Donations received in the year totalled £3,842 and an amount of £21,294 was received from Barclays Bank as compensation for malpractice.

The capital expenditure for the Keynsham project was in excess of £1m. The Society was successful in its application for a Grant of £406,000 from the Homes and Communities Agency for this development, of which £304,500 (75%) was received in this financial year. At the time of writing, the balance of £101,500 has now been received.

The new FRS102 standard means that all grants that have been received by the Society are now shown in long-term creditors. They were previously netted against the fixed asset cost. The movements in fixed assets are shown in Note 11 to the Accounts.

The Trustees are of the opinion that the market value of the land and buildings owned by the Society is in excess of book value.

The Society generated £273,702 from its operating activities and at the end of the financial year, held cash resources of £492,105. Surplus funds are invested in interest-bearing deposits with a number of providers.

A financial plan has been agreed for the next year and the areas of main focus will be continued tight cost control, and maintaining satisfactory occupancy levels across all houses.

Reserves policy

Our policy is to retain such reserves as in our judgement are adequate to cover:

- day-to-day operational expenditure, for which the policy is to hold cash to cover 3 months' expenditure;
- funding for identified development projects and repairs to the housing property portfolio;
- a small reserve for unexpected items. However, the gearing of the Society would permit appropriate borrowing to cover the majority of eventualities.

Our reserves at the year end, net of tangible fixed assets less deferred grant income, amounted to £112,019. These reserves are also net of borrowings of £241,620. At the year end, the Society held £492,105 in cash sufficient to meet its reserves policy.

**ABBNEYFIELD BRISTOL AND KEYNSHAM SOCIETY
(A COMPANY LIMITED BY GUARANTEE)**

**BOARD REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

Value for money

The Society is charged with the responsibility for providing and demonstrating that it does provide value for money. The Society views value for money achievement as being the optimal balance between financial performance and the provision of a quality service that results in a high level of resident satisfaction. The Society has an ongoing programme of property disposal, refurbishment and development. At every stage the Society seeks, through competitive tender and ongoing cost budgeting and scrutiny, the highest return on its investment thereby maximising the quality for its current and future residents. The Society monitors financial and operational performance monthly using a range of KPI's and benchmarks itself both within the National Abbeyfield Society but also externally.

Governance and financial viability

The Society complies with the principal recommendations of the 2015 National Housing Federation Code of Practice and also the Governance and Financial Viability Standard published by the Homes and Communities Agency insofar as it applies to organisations of the size of this one.

Investment policy and objectives

Our reserves are represented by buildings, equipment and current assets. Our cash reserves are maintained on short and longer term objectives. It is our policy to place funds to maximum advantage.

FUTURE PLANS

The Society continues to provide and maintain the highest standards of accommodation for its residents. We have highly-committed staff whom we value, who support our objectives.

This coming year will be a period of consolidation for the Society. We are entirely satisfied that our accommodation is more than fit for purpose. The only building plans we are considering are improvements to the residents' lounge, and the car parking and front exteriors area of Redland Road.

We continually look at our Trustees' skills sets. At the time of the merger with Abbeyfield Keynsham and Saltford Society, we benefited from the additional experience of two new Trustees. We are in the process of looking at our existing membership, with a view to expanding our skills sets with new members of the Board. Succession planning is vital in any organisation.

Volunteers are a significant part of the heart of Abbeyfield, and we are always looking to recruit new members.

Another of our key objectives in the coming year is raising the profile of the Society locally. To this end, we have engaged the services of an experienced marketing executive as a consultant. By the time of our AGM at the end of February, our new website will be online.

The finances of the Society are robust. We continue to review our three-year business plan, along with all financial information.

We continue to look for opportunities to serve our ageing population from the sound base on which we find ourselves.

**ABBNEYFIELD BRISTOL AND KEYNSHAM SOCIETY
(A COMPANY LIMITED BY GUARANTEE)**

**BOARD REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

Statement of trustees' responsibilities

The Trustees are responsible for preparing the Board Report and Accounts in accordance with applicable law and regulations.

Company law and registered social housing legislation require the Trustees to prepare Accounts for each financial year. Under that legislation the Trustees have elected to prepare the Accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustees must not approve the Accounts unless they are satisfied that they give a true and fair view of the state of affairs of our Society and of our income and expenditure for that period. In preparing these Accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the Accounts on a going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Trustees are also responsible for keeping adequate accounting records, which disclose with reasonable accuracy at any time the financial position of our Society and enable us to ensure that the Accounts comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and The Accounting Direction for Private Registered Providers of Social Housing in England 2015. They are also responsible for safeguarding the assets of our Society and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as the Trustees are aware:

- there is no relevant audit information of which our auditors are unaware; and
- the Trustees have taken all necessary steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The auditors, Bishop Fleming LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Small company provisions

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

This report was approved by the Board on 3 February 2017 and signed on their behalf by:



Mr M Innes, Chairman of Trustees

**ABBNEYFIELD BRISTOL AND KEYNSHAM SOCIETY
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBNEYFIELD BRISTOL AND KEYNSHAM SOCIETY

We have audited the financial statements of Abbeyfield Bristol and Keynsham Society for the year ended 30 September 2016, set out on pages 10 to 27. The relevant 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and 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 Trustees and Auditor

As explained more fully in the Statement of Trustees' Responsibilities Statement on page 7, the Trustees (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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees 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 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 income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2015.

Opinion on other matter prescribed by the Companies Act 2006

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

**ABBNEYFIELD BRISTOL AND KEYNSHAM SOCIETY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBNEYFIELD BRISTOL AND KEYNSHAM
SOCIETY (CONTINUED)**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or 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 Trustees' 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 Board Report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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.

Bishop Fleming LLP

David Butler FCA DChA (Senior Statutory Auditor)
for and on behalf of

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square

Bristol
BS1 4NT

Date: *28 February 2017*

**ABBNEYFIELD BRISTOL AND KEYNSHAM SOCIETY
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF COMPREHENSIVE INCOME (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Note	2016 £	2015 £
Turnover	4	1,267,198	1,344,462
Operating costs	4	(1,344,193)	(1,261,322)
Gross (deficit)/surplus	4	(76,995)	83,140
Other operating income		25,301	501
Operating (deficit)/surplus	8	(51,694)	83,641
Interest receivable and similar income	6	5,448	8,061
Interest payable and expenses	7	(6,405)	(8,046)
(Deficit)/surplus for the year before and after tax		(52,651)	83,656
(Deficit)/surplus for the year		(52,651)	83,656

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income (including income and expenditure account).

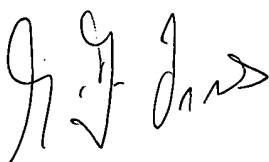
There was no other comprehensive income for 2016 (2015: £NIL).

The notes on pages 15 to 27 form part of these financial statements.

The financial statements were approved by the Trustees and signed on their behalf on 3 February 2017.

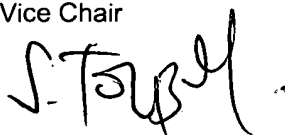
Mr M Innes

Chairman



Mrs S Touzel

Vice Chair



ABBNEYFIELD BRISTOL AND KEYNSHAM SOCIETY
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:00872566

BALANCE SHEET
AS AT 30 SEPTEMBER 2016

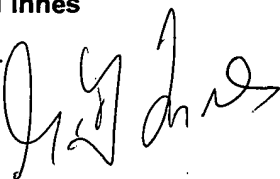
	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	11		8,786,773		7,685,723
			<u>8,786,773</u>		<u>7,685,723</u>
Current assets					
Debtors: amounts falling due within one year	12	28,672		40,969	
Cash at bank and in hand		492,105		1,512,317	
		<u>520,777</u>		<u>1,553,286</u>	
Creditors: amounts falling due within one year	13	(190,793)		(291,758)	
Net current assets			<u>329,984</u>		<u>1,261,528</u>
Total assets less current liabilities			<u>9,116,757</u>		<u>8,947,251</u>
Creditors: amounts falling due after more than one year	14		(3,505,461)		(3,283,304)
Net assets			<u><u>5,611,296</u></u>		<u><u>5,663,947</u></u>
Reserves					
Income and expenditure reserve	18		5,611,296		5,663,947
			<u><u>5,611,296</u></u>		<u><u>5,663,947</u></u>

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

The financial statements were approved and authorised for issue by the Board on 3 February 2017 and signed on their behalf by:

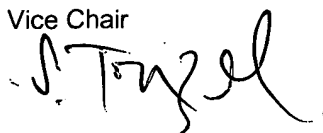
Mr M Innes

Chair



Mrs S Touzel

Vice Chair



The notes on pages 15 to 27 form part of these financial statements.

ABBNEYFIELD BRISTOL AND KEYNSHAM SOCIETY
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Income and expenditure reserve £	Total £
At 1 October 2015	5,663,947	5,663,947
Comprehensive income for the year		
Deficit for the year	(52,651)	(52,651)
Total comprehensive income for the year	(52,651)	(52,651)
At 30 September 2016	5,611,296	5,611,296

ABBNEYFIELD BRISTOL AND KEYNSHAM SOCIETY
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Income and expenditure reserve £	Total £
At 1 October 2014	5,580,291	5,580,291
Comprehensive income for the year		
Surplus for the year	83,656	83,656
Total comprehensive income for the year	83,656	83,656
At 30 September 2015	5,663,947	5,663,947

The notes on pages 15 to 27 form part of these financial statements.

**ABBNEYFIELD BRISTOL AND KEYNSHAM SOCIETY
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	2016 £	2015 £
Cash flows from operating activities		
(Deficit)/surplus for the financial year	(52,651)	83,656
Adjustments for:		
Depreciation of tangible assets	168,250	167,385
Interest paid	6,405	8,046
Interest received	(5,448)	(8,061)
Decrease/(increase) in debtors	12,297	(2,104)
Increase in creditors	144,849	69,386
Net cash generated from operating activities	273,702	318,308
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,269,299)	(372,688)
Interest received	5,448	8,061
Net cash from investing activities	(1,263,851)	(364,627)
Cash flows from financing activities		
Repayment of loans	(23,595)	(23,596)
Repayment of other loans	(63)	(58)
Interest paid	(6,405)	(8,046)
Net cash used in financing activities	(30,063)	(31,700)
Net (decrease) in cash and cash equivalents	(1,020,212)	(78,019)
Cash and cash equivalents at beginning of year	1,512,317	1,590,336
Cash and cash equivalents at the end of year	492,105	1,512,317
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	492,105	1,512,317
	492,105	1,512,317

The notes on pages 15 to 27 form part of these financial statements.

ABBNEYFIELD BRISTOL AND KEYNSHAM SOCIETY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

1. General information

Abbeyfield Bristol and Keynsham Society is a company limited by guarantee, having no share capital, and with solely charitable objectives. It is registered as a company in England & Wales (No. 872566).

The Society is also registered as a Charity (No. 257532) and registered with the Homes & Communities Agency as a provider of social housing (No. H0135) as defined by the Housing and Regeneration Act 2008.

The Society is wholly engaged in the provision of care and housing for the elderly.

The Society constitutes a public benefit entity as defined by FRS 102.

2. Accounting policies

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, the Companies Act 2006 and the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2014, "Accounting by Registered Social Housing Providers" 2014. The Accounts comply with the Housing and Regeneration Act 2008 and with The Accounting Direction for Private Registered Providers of Social Housing in England 2015.

Information on the impact of first-time adoption of FRS 102 is given in note 25.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 TANGIBLE FIXED ASSETS

Tangible fixed assets (including social housing properties) are stated at cost or value when gifted less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, development costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

2. Accounting policies (continued)

2.2 TANGIBLE FIXED ASSETS (CONTINUED)

Land is not depreciated.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Motor vehicles	-	25% reducing balance basis
Fixtures and fittings	-	20% reducing balance basis
Roofing	-	2% per annum
Windows/doors, kitchens, bathrooms	-	5% per annum
Lifts	-	7% per annum
Main fabric	-	1% per annum

Housing properties under construction are not depreciated until they are in use.

Major components of housing properties, such as roofing, windows/doors, kitchens, bathrooms and lifts have been accounted for and depreciated separately from the connected housing property, over their expected useful economic lives and are included in social housing property / vacant property.

The useful economic lives of all tangible fixed assets are reviewed annually.

2.3 DEBTORS AND CREDITORS RECEIVABLE / PAYABLE WITHIN ONE YEAR

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other administrative expenses.

2.4 PROVISIONS

Provisions are recognised when the Registered Provider (RP) has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Provisions for cyclical maintenance or major works to existing stock are not made unless they represent commitments or obligations at the Balance Sheet date where there is no discretion to avoid or delay the expenditure.

Recycled Capital Grants Fund

Capital grants can be recycled under certain conditions, if a property is sold, or if another relevant event takes place. Recycled grants can be used for projects approved by the Homes and Communities Agency (HCA) and they are credited to the Recycled Capital Grant Fund within liabilities.

In certain circumstances, such as the sale of housing properties, capital grants may be repayable, and, in that event, is subordinated to the repayment of other loans by agreement with the Homes and Communities Agency (HCA). It is accounted for as soon as the liability arises within creditors: amounts falling due within one year.

2.5 LEASES

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

2. Accounting policies (continued)

2.6 TURNOVER

Turnover is measured at the fair value of the consideration received or receivable. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Homes and Communities Agency.

2.7 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates under the accruals model. The deferred element of grants is included in long-term creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.8 EMPLOYEE BENEFITS

The RP operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

2.9 RESTRICTED RESERVES

Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Restricted reserves include funds raised in response to a specific appeal. Revenue and expenditure cannot be directly set against restricted reserves but is taken through the statement of comprehensive income and then a transfer to restricted reserves is made as appropriate.

2.10 FINANCIAL INSTRUMENTS

The Society only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

2. Accounting policies (continued)

2.10 FINANCIAL INSTRUMENTS (CONTINUED)

asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Society would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

3. Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. Social housing turnover and costs

	2016	2015
	£	£
Gross social housing rent	1,473,671	1,437,407
Voids	(246,621)	(126,279)
Resident subsidies	(23,720)	(32,802)
Other income from residents	5,183	7,451
Net rent receivable	1,208,513	1,285,777
Capital grant income (through accruals model)	58,685	58,685
Turnover	1,267,198	1,344,462
Social housing activity expenditure	(1,344,193)	(1,261,322)
Net (deficit) / surplus from social housing activities	(76,995)	83,140

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5. Accommodation units

The Society owned the following bed spaces available for occupation and in development:

	2016	2015
	No	No
Social Housing Lettings		
Supported sheltered	75	75
In refurbishment/development	14	14
	89	89

6. Interest receivable

	2016	2015
	£	£
Bank interest receivable	5,448	8,061
	5,448	8,061

7. Interest payable and similar charges

	2016	2015
	£	£
Bank interest payable	4,873	5,333
Other loan interest payable	1,532	1,538
Recycled capital grant fund interest payable	-	1,175
	6,405	8,046

8. (Deficit)/surplus on ordinary activities

The (deficit)/surplus on ordinary activities is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	168,250	167,385
Other operating lease rentals	16,500	16,500

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NOTES TO THE FINANCIAL STATEMENTS
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9. Auditors' remuneration

	2016 £	2015 £
Fees payable to the Society's auditor for the audit of the Society's annual financial statements	<u>3,300</u>	<u>2,750</u>
Fees payable to the Society's auditor and its associates in respect of:		
All other services	<u>2,220</u>	<u>1,700</u>
	<u>2,220</u>	<u>1,700</u>

10. Staff costs, and board and key management personnel remuneration

The average number of employees, including members of the executive team, calculated on a full time equivalent basis was 30 employees (2015 - 25).

There are no employees who received more than £60,000 remuneration.

The Chief Executive is an ordinary member of the Society's defined contribution pension scheme.

The total remuneration for key management personnel amounted to £114,057 (2015 - £119,134).

The highest paid director received £43,730 (2015 - £42,032) remuneration (excluding pension contributions). No other directors received remuneration during the year.

During the year, no remuneration was paid to non-executive Trustees.

Expenses paid to Trustees who were not employees of the Society amounted to £83 (2015 - £22).

The number of Trustees receiving payments for expenses incurred during the year was 2 (2015 - 1). All expenses paid to Trustees were for travel and subsistence costs.

No Trustees, nor their connected persons, received any remuneration from the Society.

ABBNEYFIELD BRISTOL AND KEYNSHAM SOCIETY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

11. Tangible fixed assets

	Social housing property £	Vacant property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 October 2015	7,747,511	939,112	13,219	277,699	8,977,541
Additions	40,954	1,198,380	-	29,965	1,269,299
At 30 September 2016	<u>7,788,465</u>	<u>2,137,492</u>	<u>13,219</u>	<u>307,664</u>	<u>10,246,840</u>
Depreciation					
At 1 October 2015	1,107,936	-	10,474	173,407	1,291,817
Charge for period on owned assets	145,356	-	686	22,208	168,250
At 30 September 2016	<u>1,253,292</u>	<u>-</u>	<u>11,160</u>	<u>195,615</u>	<u>1,460,067</u>
Net book value					
At 30 September 2016	<u>6,535,173</u>	<u>2,137,492</u>	<u>2,059</u>	<u>112,049</u>	<u>8,786,773</u>
At 30 September 2015	<u>6,639,575</u>	<u>939,112</u>	<u>2,744</u>	<u>104,292</u>	<u>7,685,723</u>

The net book value of properties used to secure the loans detailed in note 15 was £2,180,317 (2015: £2,201,257).

The net book value of land and buildings may be further analysed as follows:

	2016 £	2015 £
Social housing	6,535,173	6,639,575
Under construction	2,137,492	939,112
	<u>8,672,665</u>	<u>7,578,687</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

12. Debtors

	2016 £	2015 £
Trade debtors (gross social housing rent arrears)	1,817	12,759
Other debtors	1,653	1,449
Prepayments and accrued income	25,202	26,761
	<u>28,672</u>	<u>40,969</u>

13. Creditors: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Bank loans	23,595	23,595
Mortgage loan	60	60
Trade creditors	60,520	59,562
Other tax and social security	10,793	11,005
Other creditors	4,294	6,397
Accruals	25,162	24,972
Accruals - Property development and refurbishment	66,369	166,167
	<u>190,793</u>	<u>291,758</u>

14. Creditors: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016 £	2015 £
Bank loans and overdrafts	200,561	224,156
Mortgage loan	17,404	17,467
Deferred grant income	3,287,496	3,041,681
	<u>3,505,461</u>	<u>3,283,304</u>
	2016 £	2015 £
Deferred grant income		
Balance at 1 October 2015	3,041,681	3,038,892
Grants received	304,500	61,474
Amortisation	(58,685)	(58,685)
Balance at 30 September 2016	<u>3,287,496</u>	<u>3,041,681</u>

ABBNEYFIELD BRISTOL AND KEYNSHAM SOCIETY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

15. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year		
Bank loans	23,595	23,595
Other loans	60	60
	<u>23,655</u>	<u>23,655</u>
Amounts falling due 1-2 years		
Bank loans	23,595	23,595
Other loans	60	60
	<u>23,655</u>	<u>23,655</u>
Amounts falling due 2-5 years		
Bank loans	70,785	70,398
Other loans	180	194
	<u>70,965</u>	<u>70,592</u>
Amounts falling due after more than 5 years		
Bank loans	106,181	130,163
Other loans	17,164	17,213
	<u>123,345</u>	<u>147,376</u>
	<u><u>241,620</u></u>	<u><u>265,278</u></u>

Secured loans

The Mortgage Loan and the Bank Loan are secured by charges on certain of the Society's freehold land and buildings.

The Mortgage Loan is repayable in instalments up to 31 August 2053, with interest at 8.75% per annum. The amount outstanding at 30 September 2016 was £17,464 (2015: £17,527). The lender has charges over the property at 43 Westbury Road and land at Home Farm Way, Bristol.

A Treasury Loan was granted by Barclays Bank for a 25 year term from February 2002, with interest charged at 1.5% above LIBOR. The amount outstanding at 30 September 2016 was £224,156 (2015: £247,751). Barclays Bank has charges over properties 43, 45, 47 and 49 Westbury Road, Bristol.

ABBNEYFIELD BRISTOL AND KEYNSHAM SOCIETY
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NOTES TO THE FINANCIAL STATEMENTS
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16. Recycled capital grant fund

	2016	2015
	£	£
Balance at 1 October 2015	-	58,758
Interest accrued	-	1,175
Recycled grants: works to existing stock	-	(59,933)
	<u>-</u>	<u>-</u>
Balance at 30 September 2016	<u>-</u>	<u>-</u>

17. Financial instruments

	2016	2015
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	492,105	1,512,317
Financial assets that are debt instruments measured at amortised cost	3,470	14,208
	<u>495,575</u>	<u>1,526,525</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(393,671)	(515,979)
	<u>(393,671)</u>	<u>(515,979)</u>

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and loans.

18. Reserves

Income and expenditure reserve

This reserve includes all current and prior period retained surpluses and deficits.

19. Company status

The Society is a company limited by guarantee. The liability of each of the members is limited to £1. At the year end there were 7 members (2015: 7 members).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

20. Contingent asset

During the year ended 30 September 2015 the Society received a transfer of the benefit of a loan of £60,000 made to another Abbeyfield society. As the loan is only repayable in the unlikely event of that society selling its property and not reinvesting the funds, no income has been recognised and no debtor is carried on the Balance Sheet.

21. Capital commitments

During the year ended 30 September 2015 the Society began the redevelopment of one of its properties. At the year end the Society was committed to further works amounting to £58,000 including VAT.

22. Pensions and other post-retirement benefits

The Society operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £14,785 (2015: £14,083). Outstanding contributions at the year end comprised £Nil (2015: £2,047).

23. Operating leases - lessee

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

	2016 £	2015 £
Property		
Not later than one year	16,500	16,500
Later than one year and not later than five years	12,375	28,875
	<u>28,875</u>	<u>45,375</u>
	2016 £	2015 £
Other		
Not later than one year	2,635	2,635
Later than one year and not later than five years	10,541	4,612
	<u>13,176</u>	<u>7,247</u>

**ABBNEYFIELD BRISTOL AND KEYNSHAM SOCIETY
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**NOTES TO THE FINANCIAL STATEMENTS
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24. Related party transactions

Clifton Rentals Limited and Complete Property Solutions Bristol Ltd (CPSBL) are companies wholly owned by Mrs K J Still and Mr C G Still, who are the daughter and son-in-law of Mr M Innes, a Trustee and Chair of the Society.

Clifton Rentals Limited leases part of the Society's premises and was charged rent of £4,800 (2015: £4,765) by the Society during the year.

During the year CPSBL charged the Society £5,400 for management of maintenance of its properties (2015: £6,350). At the year end the Society owed CPSBL £1,350 (2015: £1,350).

The Trustees consider the transactions to be competitive and the position is market tested on a regular basis.

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25. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 October 2014. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 October 2014

	Note	£
Equity at 1 October 2014 under previous UK GAAP		5,580,291
Grants received recognised as deferred income net of amortisation		(3,038,892)
Increase in fixed assets less increased depreciation		3,038,892
Equity shareholders funds at 1 October 2014 under FRS 102		5,580,291

Reconciliation of equity at 30 September 2015

	Note	£
Equity at 30 September 2015 under previous UK GAAP		5,663,947
Grants received recognised as deferred income net of amortisation		(3,041,861)
Increase in fixed assets less increased depreciation		3,041,861
Equity shareholders funds at 30 September 2015 under FRS 102		5,663,947

Reconciliation of profit and loss account for the year ended 30 September 2015

	£
Surplus for the year under previous UK GAAP	83,656
Amortisation of grant for the year	58,685
Increase in depreciation	(58,685)
Profit for the year ended 30 September 2015 under FRS 102	83,656

The following were changes in accounting policies arising from the transition to FRS 102:

- 1 Government grants for housing properties received were previously netted off against the related cost of fixed assets. In accordance with the new SORP they are now held within creditors as deferred grant income and amortised over the life of the structure of the properties, including its individual components excluding land. This has the effect of increasing the carrying value of fixed assets and long term creditors. The impact of the income released by amortising the grants is matched by the increased depreciation on the properties and so the net assets recognised at 1 October 2014 and 30 September 2015, and the surplus recognised for the year ended 30 September 2015 are unchanged.