

THE ABBEYFIELD TAUNTON
DEFENDAMUS SOCIETY LIMITED
UNAUDITED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2014

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Company Registration Number: 900502
Registered Charity Number: 253429

THE ABBEYFIELD TAUNTON DEFENDAMUS SOCIETY LIMITEDCOMPANY INFORMATIONEXECUTIVE COMMITTEE:

Col D N Lowe OBE DL
 T Davison
 R Stokes
 A Whyte
 J Haines
 K McCarthy

Chairman
 Treasurer
 Vice Chairman

(Resigned 6 December 2013)
 (Appointed 6 December 2013)

COMPANY SECRETARY

Mrs P Hood

REGISTERED OFFICE:

Stafford House
 Blackbrook Park Avenue
 Taunton
 Somerset
 TA1 2PX

INDEPENDENT EXAMINER:

Ian Pinder FCA CTA
 A C Mole & Sons
 Stafford House
 Blackbrook Park Avenue
 Taunton
 Somerset
 TA1 2PX

BANKERS:

Royal Bank of Scotland plc
 7 Fore Street
 Taunton
 Somerset
 TA1 1HT

CCLA Investment Management Ltd
 COIF Charity Funds
 80 Cheapside
 London
 EC2V 6DZ

THE ABBEYFIELD TAUNTON DEFENDAMUS SOCIETY LIMITEDREPORT OF THE EXECUTIVE COMMITTEE

The Members of the Executive Committee present their Report and the financial statements of the Society for the year ended 30 June 2014.

CHAIRMAN'S REPORT

The year has been dominated by the after effects of the need to close Middleway which was achieved last year. In the end only three residents moved to Northfield Court obviating the need to make structural alterations to the accommodation. The result was a high occupancy which has reflected positively on the finances.

Once Middleway was emptied, work was put in hand to separate the two houses as the advice from Greenslade Taylor Hunt was that this would produce a much higher return than selling the property as one entity. Luckily RBS accepted that this was for the benefit of both parties and agreed to additional loan facilities to cover the cost. The work was duly completed and the houses put on the market. No 14 was sold fairly quickly and this reduced the Society's indebtedness by over a half and the resultant saving in interest charges again reflected positively on the accounts. After three agreed offers for No 12 falling through, a fourth resulted in its sale at the asking price but after the year end.

The strong financial situation has enabled the Society to restructure its housekeeping staff arrangements, giving a higher degree of support to residents. It also enabled rents to be held at the same level for a further year and a moderate pay increase to be given to all staff. The Trustees are very appreciative of the hard work of the Administrator and all other staff during the past two years of upheaval resulting from the closure of Middleway.

The Society has benefited from the experience and advice of Mr Kevin McCarthy, former General Manager of the Castle Hotel, who has become a Trustee. It is hoped that further new Trustees can be recruited during the next year. Closer working arrangements with Abbeyfield Somerset Society will also be pursued.

GOVERNING DOCUMENT

The society is a charity constituted as a company limited by guarantee, incorporated on 10 March 1967 and registered as a charity on 16 August 1967. The Company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

RECRUITMENT AND APPOINTMENT OF NEW TRUSTEES

The directors of the Company are also charity trustees for the purpose of charity law and under the Company's Articles are known as members of the Executive Committee. The Chairman and other committee members have been actively seeking to attract new members to increase the size of the existing committee. New trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes and recent performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

ORGANISATIONAL STRUCTURE

The Society is affiliated to the Abbeyfield Society, and is controlled by an Executive Committee who meet regularly and are responsible for the strategic direction and policy of the charity. At present the Executive Committee has six members from a variety of professional backgrounds relevant to the work of the charity. All committee members are unpaid volunteers. Further valuable help is given by other volunteers who under the collective name of Friends of Abbeyfield provide support to residents.

OBJECTIVES AND ACTIVITIES

The Society's objective and principal activity is to provide accommodation and housing for the elderly in accordance with the aims and principles of the Abbeyfield Society Limited. This objective was achieved by the provision and managing of two houses in Taunton known as Middleway House (until closure in December 2012) and Northfield Court.

It is the objective of the Trustees each year to maximise the public benefit provided by the Society in providing high quality support, having regard to the extent of the Society's income and reserves, the cost of facilities and the ability of residents to make payments from their own resources.

THE ABBEYFIELD TAUNTON DEFENDAMUS SOCIETY LIMITEDREPORT OF THE EXECUTIVE COMMITTEEOBJECTIVES AND ACTIVITIES (Continued)

Middleway House had accommodation for eight elderly people. Northfield Court was opened in March 2008 and provides five one bedroomed and five two bedroomed self-contained flats and can accommodate up to fifteen people.

Residents are encouraged to maintain their independence whilst being supported with meals, administration and social activities. A resident housekeeper is in attendance at both houses and much voluntary support is given by a wide cross section of the local community. Entry is open to all, subject to satisfactory health requirements, with charges set at affordable levels. Residents in receipt of housing or other state benefits are accepted. Charges are reviewed annually and kept as low as considered prudent.

When reviewing the Charity's aims and objectives and planning its activities the trustees have had due regard to the Charity Commission's public benefit guidance, including its guidance on fee charging.

ACHIEVEMENTS AND FINANCIAL REVIEW

Following the closure of Middleway House in December 2012, all the Society's residents have been accommodated at Northfield Court throughout the year. The concentration of resources in one place, without the distraction of a move, has enabled the Society to operate much more efficiently than in the previous year. Net rental income has increased (in spite of less accommodation being available) due to the achievement of high occupancy rates. At the same time, direct costs have reduced.

Middleway House needed to be returned to its original form of two separate houses before it could be sold. Building work for this was ongoing for part of the year, before one house was sold during the year and the other after the year end. Net sale proceeds exceeded book value and the bank loan has been fully repaid following the second sale.

There was a surplus for the year of £55,526 which includes the profit on disposal of 14 Middleway of £30,366, but was after charging running costs associated with Middleway House of £5,879 and bank interest of £18,308, both of which ceased on the disposal of the second Middleway property.

RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE

Company law requires the members of the Executive Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of the incoming resources and application of resources, including the net income or expenditure of the Society for the year. In preparing those financial statements, the members of the Executive Committee are required to:-

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

The members of the Executive Committee are responsible for keeping proper accounting records which 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. 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.

This Report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the Executive Committee



COL D N LOWE OBE DL

Chairman

27 November 2014

THE ABBEYFIELD TAUNTON DEFENDAMUS SOCIETY LIMITEDINDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES ON THE UNAUDITED ACCOUNTS
OF
THE ABBEYFIELD TAUNTON DEFENDAMUS SOCIETY LIMITED

I report on the accounts of the company for the year ended 30 June 2014, which are set out on pages 5 to 12.

Respective Responsibilities of Directors and Independent Examiner

The trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act), and that an Independent Examination is needed.

Having satisfied myself that the Charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for Independent Examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commissioners under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention

Basis of independent examiner's report

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

Independent examiner's statement

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

- which gives me reasonable cause to believe that, in any material respect, the requirements
 - (a) to keep accounting records in accordance with Section 386 of the Companies Act 2006 and
 - (b) to prepare accounts which accord with the accounting records and comply with the accounting requirements of Section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005)

have not been met; or

- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Ian Pinder FCA CTA
A C Mole & Sons
Chartered Accountants
Stafford House
Blackbrook Park Avenue
Taunton
TA1 2PX

27 November 2014

THE ABBEYFIELD TAUNTON DEFENDAMUS SOCIETY LIMITEDINCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 30 JUNE 2014

<u>INCOMING RESOURCES</u>	<u>Note</u>	<u>2014</u> £	<u>2013</u> £
Incoming resources from generated funds			
Voluntary income			
Donations & Legacies	4	120	500
Activities for generating funds			
Investment income		47	131
Incoming resources from charitable activities			
Residents' Lettings	2	193,887	190,607
Other incoming resources			
Sundry Income		30,668	4,917
<u>TOTAL INCOMING RESOURCES</u>		<u>224,722</u>	<u>196,155</u>
<u>RESOURCES EXPENDED</u>			
Charitable Activities	5	166,068	209,516
Governance costs	5	3,128	3,043
<u>TOTAL RESOURCES EXPENDED</u>		<u>169,196</u>	<u>212,559</u>
<u>NET INCOMING RESOURCES</u>	6	55,526	(16,404)
<u>RECONCILIATION OF FUNDS</u>			
Total Funds Brought Forward		1,598,916	1,615,320
Total Funds Carried Forward		1,654,442	1,598,916

All incoming resources and resources expended derive from continuing activities.
There were no recognised gains or losses other than those reported above.

The notes on pages 7 to 12 form part of these financial statements.

THE ABBEYFIELD TAUNTON DEFENDAMUS SOCIETY LIMITEDBALANCE SHEETAS AT 30 JUNE 2014


	<u>Notes</u>	<u>2014</u>	<u>2013</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible Assets	9	1,892,878	2,120,785
<u>CURRENT ASSETS</u>			
Debtors	10	1,661	3,206
Cash at bank and in hand		54,240	43,162
		<u>55,901</u>	<u>46,368</u>
<u>CREDITORS</u>			
Amounts falling due within one year	11	<u>294,337</u>	<u>568,237</u>
<u>NET CURRENT ASSETS/(LIABILITIES)</u>		(238,436)	(521,869)
<u>NET ASSETS</u>		<u>1,654,442</u>	<u>1,598,916</u>
<u>UNRESTRICTED FUNDS</u>			
General Fund	13	819,851	545,944
Revaluation Fund	13	194,159	412,540
Redevelopment Fund	13	640,432	640,432
		<u>1,654,442</u>	<u>1,598,916</u>


The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2014. The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2014 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008). These financial statements were approved by the Executive Committee on 27 November 2014 and signed on its behalf by:-


 T DAVISON
Treasurer


 COL D N LOWE OBE DL
Chairman

The notes on pages 7 to 12 form part of these financial statements.

THE ABBEYFIELD TAUNTON DEFENDAMUS SOCIETY LIMITEDNOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 30 JUNE 20141 ACCOUNTING POLICIES

The principal accounting policies, which have been adopted, are set out below.

Convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed assets, and in accordance with the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005).

Fund Accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable Company. Unrestricted funds include a revaluation reserve arising on the revaluation of the property at Middleway.

Designated funds are unrestricted funds earmarked by the Executive Committee for particular purposes.

Restricted funds are to be used for the purposes specified by the donor.

Incoming Resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of donations and legacies and is included in full in the Statement of Financial Activities when receivable.
- Donated assets are recognised as income at their market value, with an equivalent amount included as expenditure under the appropriate heading in the SOFA.
- The value of services provided by volunteers has not been included in these accounts.
- Investment income is included when receivable.
- Incoming resources from charitable trading activities are accounted for when earned. The Company is not registered for VAT.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examiner's fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis if applicable.

THE ABBEYFIELD TAUNTON DEFENDAMUS SOCIETY LIMITEDNOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 30 JUNE 20141 ACCOUNTING POLICIES (continued)Depreciation

No provision for depreciation of freehold properties is included in the financial statements because in the opinion of the Executive Committee the depreciation charge and any accumulated depreciation would be immaterial both for each property and in aggregate. In each case the residual value of the property at the end of its useful economic life to the Company is likely to be significantly above the present carrying value given the Company's policy and practice of regular maintenance and repair.

Expenditure on major items of equipment at Northfield Court has been capitalised and is being written off at 15% per annum on a straight line basis.

Other expenditure on furniture and equipment within the Society's homes is written off in the year in which the cost is incurred as it is subject to considerable wear and tear and is being continually replaced and renewed.

Taxation

As a registered charity, the Company is exempt from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity for the year ended 30 June 2014.

2 RESIDENTS' LETTINGS

This represents the amounts receivable by the Company from residents for accommodation in the homes maintained by the Company.

	<u>2014</u>	<u>2013</u>
	£	£
Gross Residents' Lettings	206,962	236,150
Less: Vacancies	(12,310)	(45,309)
Refunds	(765)	(234)
	<hr/>	<hr/>
	193,887	190,607
	<hr/>	<hr/>

3 UNITS/BEDSPACES

	<u>2014</u>	<u>2013</u>
Under Management at the end of the year	17	17
	<hr/>	<hr/>

4 DONATIONS AND LEGACIES

	<u>2014</u>	<u>2013</u>
	£	£
Donations	120	500
	<hr/>	<hr/>

THE ABBEYFIELD TAUNTON DEFENDAMUS SOCIETY LIMITEDNOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 30 JUNE 20145 TOTAL RESOURCES EXPENDED

	<u>Basis of Allocation</u>	<u>Charitable activities</u> (unrestricted) £	<u>Governance costs</u> £	<u>2014 Total</u> £	<u>2013 Total</u> £
<u>Costs directly allocated to activities</u>					
Provisions	Direct	17,268	-	17,268	20,054
Staff Costs	Direct	72,269	-	72,269	95,945
Repairs and Renewals	Direct	14,634	-	14,634	13,268
Council Tax	Direct	9,580	-	9,580	10,094
Water	Direct	4,063	-	4,063	4,589
Insurance	Direct	3,804	-	3,804	5,809
Electricity & Gas	Direct	14,648	-	14,648	19,605
Gardening	Direct	107	-	107	283
Abbeyfield Society Membership Fee	Direct	4,657	-	4,657	5,834
Independent Examination & Accountancy	Direct	-	1,560	1,560	1,501
Postage & Office Costs	Direct	-	928	928	703
Advertising	Direct	-	-	-	230
Depreciation	Direct	1,972	-	1,972	1,908
<u>Support costs allocated to activities</u>					
Sundry Expenses	Staff Time	1,080	-	1,080	2,461
Telephone	Staff Time	1,911	640	2,551	3,351
Bank Charges	Transactions	1,767	-	1,767	2,103
Loan Interest	Transactions	18,308	-	18,308	24,821
		166,068	3,128	169,196	212,559

6 NET INCOMING RESOURCES FOR THE YEAR

Net income for the year is after charging:	<u>2014</u> £	<u>2013</u> £
Independent Examiner's Fee	1,560	1,501
Depreciation of equipment, fixtures and fittings	1,972	1,908

THE ABBEYFIELD TAUNTON DEFENDAMUS SOCIETY LIMITEDNOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 30 JUNE 20147 STAFF COSTS AND NUMBERS

Staff costs were as follows:-

	<u>2014</u>	<u>2013</u>
	£	£
Wages and Salaries	68,447	91,439
Social Security Costs	3,822	4,506
	<u>72,269</u>	<u>95,945</u>

The average number of employees during the year was as follows:-

	<u>2014</u>	<u>2013</u>
	Number	Number
Staff	<u>6</u>	<u>7</u>

No employee had emoluments above £60000.

8 TRUSTEE REMUNERATION AND RELATED PARTY TRANSACTIONS

No members of the Executive Committee received any remuneration during the year.

Sundry expenses amounting to £100, (2013 - £86) were reimbursed to 1 (2013 - 1) members of the Executive Committee.

No Trustee or other person related to the Charity had any personal interest in any contract or transaction entered into by the Charity during the current or the previous year.

9 TANGIBLE ASSETS

	<u>Freehold Land & Buildings</u>		<u>Furniture</u>	
	<u>Middleway</u>	<u>Northfield</u>	<u>Fixtures &</u>	
	<u>House</u>	<u>Court</u>	<u>Fittings</u>	<u>Total</u>
<u>Cost or Valuation</u>	£	£	£	£
At 30 June 2013	514,553	1,601,959	12,718	2,129,230
Additions	61,821	-	431	62,252
Disposals	(288,187)	-	-	(288,187)
At 30 June 2014	<u>288,187</u>	<u>1,601,959</u>	<u>13,149</u>	<u>1,903,295</u>
<u>Depreciation</u>				
At 30 June 2013	-	-	8,445	8,445
Charge for Year	-	-	1,972	1,972
At 30 June 2014	<u>-</u>	<u>-</u>	<u>10,417</u>	<u>10,417</u>
<u>Net Book Value</u>				
At 30 June 2014	<u>288,187</u>	<u>1,601,959</u>	<u>2,732</u>	<u>1,892,878</u>
At 29 June 2013	<u>514,553</u>	<u>1,601,959</u>	<u>4,273</u>	<u>2,120,785</u>

Middleway House was revalued as at 30 June 2012 on the basis of advice given by Greenslade Taylor Hunt, Chartered Surveyors as to the likely selling price, after allowing for the cost of alterations.

The historic cost of the freehold properties at the Balance Sheet date amounted to £1,695,987 (2013 - £1,727,613).

THE ABBEYFIELD TAUNTON DEFENDAMUS SOCIETY LIMITEDNOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 30 JUNE 201410 DEBTORS

	<u>2014</u>	<u>2013</u>
	£	£
Trade Debtors	-	1,692
Prepayments	1,661	1,514
	<hr/>	<hr/>
	1,661	3,206
	<hr/>	<hr/>

11 CREDITORS - Amounts Falling Due Within One Year

	<u>2014</u>	<u>2013</u>
	£	£
Tax and Social Security	871	-
Other Creditors	4,593	5,054
Bank Loan	288,873	563,183
	<hr/>	<hr/>
	294,337	568,237
	<hr/>	<hr/>

The bank loan is secured in the first instance by a charge over Middleway House and a second legal charge over Northfield Court and is repayable within one year. The bank loan was repaid after the balance sheet date from the sale proceeds of the remaining part of Middleway House.

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<u>General</u>	<u>Revaluation</u>	<u>Redevelopment</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
	£	£	£	£
Tangible Fixed Assets	1,058,287	194,159	640,432	1,892,878
Current Assets	55,901	-	-	55,901
Current Liabilities	(294,337)	-	-	(294,337)
	<hr/>	<hr/>	<hr/>	<hr/>
	819,851	194,159	640,432	1,654,442
	<hr/>	<hr/>	<hr/>	<hr/>

THE ABBEYFIELD TAUNTON DEFENDAMUS SOCIETY LIMITEDNOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 30 JUNE 201413 MOVEMENT IN FUNDS

	At 1 July <u>2013</u> £	Incoming <u>Resources</u> £	Outgoing <u>Resources</u> £	<u>Transfers</u> £	At 30 June <u>2014</u> £
<u>Unrestricted Funds</u>					
General Fund	545,944	224,722	169,196	218,381	819,851
Revaluation Fund	412,540	-	-	(218,381)	194,159
Redevelopment Fund	640,432	-	-		640,432
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,598,916	196,155	212,559	-	1,654,442
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

PURPOSE OF FUNDSRevaluation Reserve Fund:

The Revaluation Fund represents the unrealised surplus arising on the revaluation of freehold property from time to time. The transfer between the Revaluation Fund and the General Fund represents the realised gain on the disposal of a property in the year.

Redevelopment Reserve Fund:

This fund is a designated fund of the Society and has arisen from bequests made to the Charity. When Woodstock House was sold the funds generated by the sale were transferred to this reserve.