

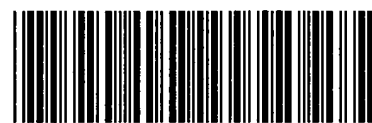
**THE ABBEYFIELD ILKLEY SOCIETY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

Company Registration No. 00937254 (England and Wales)

Registered Charity No. 257857

Housing and Communities Agency No. H2463

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**THE ABBEYFIELD ILKLEY SOCIETY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
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**THE ABBEYFIELD ILKLEY SOCIETY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Trustees</b>	D Smith (Chairman) Mrs F J Johnson D R Binns S R Davidson	(Appointed 22 April 2015) (Appointed 7 December 2015)
<b>Chief Executive Officer</b>	Mrs J Bradfield	
<b>Secretary</b>	S Barton	
<b>Registered office</b>	Grove House 12 Riddings Road Ilkley LS29 9BF	
<b>Auditor</b>	Naylor Wintersgill Carlton House Grammar School Street Bradford BD1 4NS	
<b>Bankers</b>	Yorkshire Bank plc 73 North Street Keighley BD21 3SD	

# THE ABBEYFIELD ILKLEY SOCIETY LIMITED (A COMPANY LIMITED BY GUARANTEE) TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 MARCH 2016**

The trustees present their report and financial statements of the Society for the period ended 31 March 2016.

## Status

The Society is a company limited by guarantee, as defined by the Companies Act 2006, and it is governed by its articles of association. The Society is a registered social landlord with solely charitable objectives. It has five wholly owned subsidiaries providing the property management and development functions of the Group. The Society is also sole trustee for an almshouse provider, Pawson Cottage Homes charity (number 226439).

## Results and dividends

The consolidated profit and loss account for the year is set out on .

## Trustees

The following trustees held office since 1 April 2015:

D Smith (Chairman)  
Mrs F J Johnson  
D R Binns (appointed 22 April 2015)  
S R Davidson (appointed 7 December 2015)  
J A V Wade LLB (resigned 22 April 2015)  
N Whitham (resigned 7 December 2015)  
Professor Canon Francis (resigned 7 December 2015)  
I R Hepworth (resigned 7 December 2015)  
A Gilboy (resigned 7 December 2015)  
J B Whitaker (resigned 31 December 2015)

A number of trustees resigned during the year to enable a new management structure to be implemented and avoid any conflicts of interest.

The Society has insurance policies indemnifying its trustees against any liability when acting on behalf of the Society.

## Auditors

Naylor Wintersgill were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

## Objectives of the Society

The Society's three objectives are:

- To offer a safe and happy environment for Abbeyfield residents and other users of the facilities.
- To maintain charges to residents at a level that can be afforded by all those wanting sheltered accommodation after allowing for Housing Benefits.
- To make a sufficient financial surplus to enable the housing stock to remain in good repair and to enable investment in new schemes to be funded.

## Activities of the Society

The table below details the numbers of customers and the services provided at each of the 4 properties owned and managed by the society:

Property	Independent Living (Rent)	Extra Care Residential Care	Day Care
Grove House, Ilkley		42	16
The Beeches, Menston		26	30
Holme Lea, Ilkley	8		
Wells House, Harrogate	9		
	<u>17</u>	<u>68</u>	<u>16</u>
			<u>30</u>

# **THE ABBEYFIELD ILKLEY SOCIETY LIMITED (A COMPANY LIMITED BY GUARANTEE) TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2016**

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Also on the same site as Grove house are Abbeyfield Court and Abbeyfield Lodge. These provide independent living accommodation across 18 flats on a leasehold tenure. The society provides a range of services to the residents at both sites for which a service charge is paid.

All society residents who live in or close to Ilkley (3 owned properties and 2 managed properties) have access to and are able to benefit from the range of facilities contained within Grove House itself.

## **Organisational and Decision-Making Structure**

The ultimate accountability for the society lies with the CEO and trustees. The Trustees are responsible for the oversight and stewardship of the Society in ensuring the decision making of the executive and governance is in the best interests of the residents it serves, meets the core principles of the society and meets current legislation and best practice.

The CEO is accountable for the overall strategy, and ensures that the executive carries out its day to day work in an efficient and effective way within the confines of agreed policy and procedure. The CEO and Executive is responsible for the upkeep of the properties and services offered to residents of the society.

From 1st April 2016, a new organisation structure is being introduced. The role of the Trustees remains unchanged, but the CEO and Executive transfer to a newly created Management Company (Abbeyfield The Dales) that will operate and manage the properties and services delivered to residents of the Ilkley Society, Bradford Society, and 4 properties of The Abbeyfield Society. The ultimate responsibility of the CEO and Executive remains unchanged, and they are answerable to the Boards of Trustees. Governance is further strengthened, and the interests of each Society is secured through 3 Trustees from each of the individual Society Boards sitting on the Board of Abbeyfield The Dales.

## **The Contribution of Volunteers**

The Ilkley Society remains committed to one of its founding principles of involving volunteers in support of the daily operation of the services delivered to residents. The volunteer ethos and structure remains strong within the society, and the breadth of volunteers have a significant and positive contribution to the welfare and companionship of residents, and also in the running of activities of the Society. The volunteer network remains strong in the Ilkley Society, and the Trustees wish to place on record their appreciation for all their efforts and dedication.

## **Code of Governance**

The Trustees and CEO manage the affairs of the Society in accordance with the guidelines of the Charity Commission, and also adhere to all legislation and best practice as stipulated from all regulators, namely HCA, CQC and the HSE.

## **Wider Network and Related Parties**

The Charity is affiliated to The Abbeyfield Society Limited and acts in accordance with the aims and principles of that Society.

## **Statement of Trustees Responsibilities**

The Trustees are responsible for preparing the Strategic Report, Trustees Report and the financial statements in accordance with the applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) and have adhered to valuation of its fixed assets and treatment of Social Housing Grant as specified in FRS102 and the Housing SORP 2014. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and the apply them consistently;

**THE ABBEYFIELD ILKLEY SOCIETY LIMITED  
(A COMPANY LIMITED BY GUARANTEE)  
TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2016**

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- Make judgements and accounting 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure the financial statements comply with Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and irregularities.

**Statement of the Society's System of Internal Financial Control**

The Trustees are responsible for the Society's system of internal financial control. It recognises that such a system can provide reasonable but not absolute assurance against material misstatement or loss.

The main features of the internal control system are:

- Written standing orders and financial regulations which delineate responsibilities and levels of authorities;
- Annual budgets that are set in the context of a longer term plan with clear accountability for control of each part of the budget;
- Annual review of risk management;
- Formal recruitment and on-boarding policies;
- Regular management and key performance indicator reporting to the Executive and Trustees;
- Formal budgetary control arrangements with a monthly reporting cycle; and
- Trustees approval of the parameters under which new investments in properties are entered into.

The Trustees regularly review the effectiveness of the system of internal controls and ensure the Executive update practices to strengthen financial and operational control.

**Statement of disclosure to auditor**

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

On behalf of the board



D Smith (Chairman)  
**Director**

11 November 2016

# **THE ABBEYFIELD ILKLEY SOCIETY LIMITED**

## **(A COMPANY LIMITED BY GUARANTEE)**

### **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 MARCH 2016**

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The directors present the strategic report for the year ended 31 March 2016.

#### **Review of the business**

The Trustees and Executive continue to operate in an open and transparent manner, and are steering the business through some challenging events to ensure the long term stability and viability of the Society.

There have been a number of significant adjustments that have affected the reported performance of the Society in the current financial year. These have contributed to a reported loss for the year ended 31 March 2016 of £950,724 (2015: profit £146,976). The reported loss for the year in no way calls into question the current and future viability of the society, which remains strong, and indeed all properties operate on a going-concern basis and are performing well.

To enable a full understanding of the financial statements and prior year comparators, the Trustees wish to highlight the following areas that have affected the financial statements in the current year:

#### **1. Financial year**

The financial year to 31 March 2016 is a 12-month reporting period, and the comparator period to 31 March 2015 covered a 15-month reporting period. This affects the quick comparison of the improvement or deterioration in both income generation or cost control.

#### **2. Impairment**

On 3 October 2012 all the properties of the Society were valued and these valuations were incorporated into the accounts. On 7 April 2016 a valuation was requested by the Yorkshire Bank on Grove House to support a new loan facility application to transfer the Development Loan for The Beeches currently with Barclays Bank, and provide additional funds to be used at the discretion of the Trustees. The valuation prepared showed a much lower value than the previous valuation. Whilst this valuation is considered to be excessively low (even being below original cost), and without another valuation being performed, there is no other evidence to determine the correct value. Therefore, to be prudent, the Trustees and Executive took the decision to reduce the value of this property to the latest valuation, a reduction of £3,916,055 of which £3,470,700 is a reversal of the increase made as a consequence of the October 2012 valuation. It should be stated that the financial viability and financial return from Grove House remain stable and continue to improve year on year. (The Yorkshire Bank Ltd has just approved the loan and Barclay's Bank loan has now been repaid).

#### **3. Grants**

Under the Statement of Recommended Practice - Accounting by Registered Social Housing Providers Updated 2010 (SORP 2010), where developments had been financed wholly or partly by Social Housing Grants the net book value of those developments were reduced by the amount of grant receivable.

Under the Statement of Recommended Practice - Accounting by Registered Social Housing Providers Updated 2014(SORP 2014), where developments have been financed wholly or partly by Social Housing Grants and these developments are included at valuation or deemed cost the grants are required to be accounted for using the 'performance model' the grants must be recognised as income when the grant proceeds are received or receivable.

All the grants towards developments had been received at the date of transition and therefore have now been recognised as income at that date by transferring the grants from tangible assets to retained earnings.

#### **4. Deemed cost**

At the date of transition, the valuation of the housing properties provided by Colliers International, an external and independent Chartered Surveyor, on 3 October 2012 has been used as deemed cost as permitted by paragraph 35.10(d) of FRS102.

Adjustments to depreciation have been made to re-align the carrying value of the properties at the date of transition with the valuation at 3 October 2012 (deemed cost).

# **THE ABBEYFIELD ILKLEY SOCIETY LIMITED**

## **(A COMPANY LIMITED BY GUARANTEE)**

### **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2016**

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#### **5. Prior period adjustment**

Postings in 2012 made to reflect increases and decreases in the valuation of the housing properties were incorrectly made. A transfer between retained earnings and the revaluation reserve has been made to correct these errors.

#### **6. Treatment of asset disposal**

In the 2015 reporting period, land being developed in Bingley for a new multi service site was transferred to The Abbeyfield Society at cost. This was reported in turnover and cost alike and inflated both as a consequence by £695,170.

During the current financial year, the Trustees took the decision to abort the development of land in Cookridge due to lack of capacity within the Executive Team and financial resource to complete the development. The carry stock value of work (£336,793) associated with the Cookridge site has been fully written off as an operating cost in the current financial year.

The Society has no other sites under development at this stage.

#### **7. Liabilities repayable within one year**

The Trustees of Abbeyfield Ilkley Society obtained a loan in the sum of £500,000 from the Trustees of Abbeyfield Bradford Society. The loan is not covered by a formal contract or agreement, and is not serviceable by interest charges, and is repayable on demand within 6 months of a formal request from the Bradford Society Trustees. It is very unlikely the Trustees of the Bradford Society who are one of three equal partners in Abbeyfield The Dales Ltd will initiate such a request, however, it is the intention of the Trustees of the Ilkley Society to be in a position to repay the loan in full or in part using the facility obtained from the Yorkshire Bank (as described in note 2 above) or from their share of the income that accrues from Abbeyfield The Dales Ltd.

The Board of Trustees are confident that the underlying business remains strong and will return to the targeted operating surplus of 10% of turnover as defined by the Homes and Communities Agency guidelines. There has been a significant uplift in positive void performance immediately prior and since the year end meaning financial performance remains healthy and on track to attain or exceed the 10% surplus guide in the current year.

#### **Achievement and performance**

The current socioeconomic climate is causing continued concern to the Trustees in the ability of the Society to sustain strong returns from its operations but the Society does have the advantage of operating in an area of substantial economic strength. The performance so far has remained buoyant in the face for austerity measures already introduced, but will react swiftly as other cuts and legislative measures are introduced.

The Society has continued to generate a surplus despite the introduction of limits to adult social care funding, rent capping, an increase in the minimum wage and cuts in funding of local services such as day care provision. The aim of the Trustees and Executive is to build strong relationships directly with its customers whilst retaining a positive and mutually beneficial relationship with its key Local Authority partners. Services will continue to be under review so that surpluses aren't eroded to unsustainable levels.

There remains a strong demand for the services delivered through its four properties, and whilst there was a temporary drop in occupancy during the year, self-imposed whilst quality improvements were made, occupancy has bounced back and remains at a consistently high level.

Of the 2 projects reported in last year's financial accounts, the development of the site at Cookridge has been aborted, however, the site at Bingley is at an advanced stage of completion and is on track to admit its first customer in the Spring of 2017. There is a lot of interest already in this site and the facilities it has to offer with its unique blend of services available for customers. The development of 49 independent living with care flats, a 30 bedded care facility for residents who live with dementia, and day care provision will complement the existing services already provided and meet the strong demand for high quality service in first class facilities provided by Abbeyfield Ilkley Society.



**THE ABBEYFIELD ILKLEY SOCIETY LIMITED  
(A COMPANY LIMITED BY GUARANTEE)  
STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2016**

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**Plans for the future**

The Trustees report highlighted the new executive operating structure that has been introduced from 1st April 2016. This structure enables a focus by the Executives and Officers of Abbeyfield The Dales management company on strong governance, operational excellence and quality, and financial optimisation.

Steps have already been taken through identifying areas that will further strengthen quality, financial performance and control of all the properties under the management of Abbeyfield The Dales. The Executive team of Abbeyfield the Dales are committed to the Abbeyfield ethos and objectives and are making a positive impact to the lives of our residents, aligning the service offer from the three Abbeyfield companies using best practice, and strengthening financial returns.

The Trustees of The Ilkley Society are confident this new structure will enable the services to flourish and prosper and remain vigilant through its regular meetings with the Executive Team and also through membership of the Abbeyfield The Dales Board.

**Going concern**

The accounts have been prepared on a going concern basis, and the Abbeyfield Ilkley Society Board is confident in the future prospects of the company and its ability to continue to operate. The new membership and strong leadership of the Ilkley Society Board are steering the company through a number of significant challenges as identified in the review of the business; and are confident of building on the improvements already made to governance and financial stewardship.

**Risk assessment**

The Executive work closely with the Trustees in identifying major risks facing the charity that would have an impact on its ability to continue to provide services and remain financially viable, and strategies are put in place to mitigate those identified where appropriate.

On behalf of the board



D Smith (Chairman)  
**Director**

11 November 2016

# **THE ABBEYFIELD ILKLEY SOCIETY LIMITED (A COMPANY LIMITED BY GUARANTEE) INDEPENDENT AUDITOR'S REPORT**

## **TO THE MEMBERS OF THE ABBEYFIELD ILKLEY SOCIETY LIMITED**

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We have audited the financial statements of The Abbeyfield Ilkley Society Limited for the year ended 31 March 2016 set out on pages 10 to 34. The 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company'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 set out on pages 2 - 4, 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'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 group's and the parent company'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 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 group's and the parent company's affairs as at 31 March 2016 and of its loss 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

**THE ABBEYFIELD ILKLEY SOCIETY LIMITED  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF THE ABBEYFIELD ILKLEY SOCIETY LIMITED**

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**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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 the information and explanations we require for our audit.



**Alan Wintersgill (Senior Statutory Auditor)**  
for and on behalf of Naylor Wintersgill

11 November 2016

**Chartered Accountants  
Statutory Auditor**

**THE ABBEYFIELD ILKLEY SOCIETY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**GROUP INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 MARCH 2016**

		<b>Year ended 31 March 2016</b>	<b>15 Months ended 31 March 2015 as restated</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>3</b>	2,731,718	3,838,379
Operating costs		(3,708,628)	(3,743,733)
Other operating income		48,774	44,037
<b>Gross (deficit)/surplus</b>	<b>4</b>	(928,136)	138,683
Interest receivable and similar income	<b>8</b>	-	5,496
Interest payable and similar charges	<b>9</b>	(22,588)	(29,826)
<b>(Deficit)/surplus before taxation</b>		(950,724)	114,353
Taxation	<b>10</b>	-	-
<b>(Deficit)/surplus for the financial year</b>		(950,724)	114,353

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

**THE ABBEYFIELD ILKLEY SOCIETY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**GROUP STATEMENT OF COMPREHENSIVE INCOME**

***FOR THE YEAR ENDED 31 MARCH 2016***

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	Year ended 31 March 2016 £	15 Months ended 31 March 2015 £
<b>(Deficit)/surplus for the year</b>	(950,724)	114,353
<b>Other comprehensive income</b>		
Revaluation of tangible fixed assets	(3,470,700)	-
<b>Total comprehensive income for the year</b>	<u>(4,421,424)</u>	<u>114,353</u>

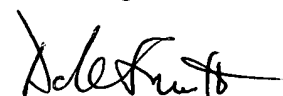
Total comprehensive income for the year is all attributable to the parent company.

**THE ABBEYFIELD ILKLEY SOCIETY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**GROUP BALANCE SHEET**

**AS AT 31 MARCH 2016**

GROUP	Notes	2016		2015 as restated	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		12,728,784		16,665,940
<b>Current assets</b>					
Stocks	16	-		311,842	
Debtors	17	512,510		352,762	
Cash at bank and in hand		120,049		36,687	
		632,559		701,291	
<b>Creditors: amounts falling due within one year</b>	18	(748,622)		(333,086)	
<b>Net current (liabilities)/assets</b>			(116,063)		368,205
<b>Total assets less current liabilities</b>			12,612,721		17,034,145
<b>Creditors: amounts falling due after more than one year</b>	19		(992,136)		(992,136)
<b>Net assets</b>			11,620,585		16,042,009
<b>Capital and reserves</b>					
Revaluation reserve			868,765		4,350,094
Profit and loss reserves			10,751,820		11,691,915
<b>Total equity</b>			11,620,585		16,042,009

The financial statements were approved by the board of directors and authorised for issue on 11 November 2016 and are signed on its behalf by:



D Smith (Chairman)  
**Director**

**THE ABBEYFIELD ILKLEY SOCIETY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**COMPANY BALANCE SHEET**

**AS AT 31 MARCH 2016**

COMPANY	Notes	2016		2015 as restated	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		12,721,164		16,663,447
Investments	13		8		8
			<u>12,721,172</u>		<u>16,663,455</u>
<b>Current assets</b>					
Debtors	17	524,283		668,089	
Cash at bank and in hand		83,161		3,820	
		<u>607,444</u>		<u>671,909</u>	
<b>Creditors: amounts falling due within one year</b>	18	(778,115)		(362,235)	
<b>Net current (liabilities)/assets</b>			<u>(170,671)</u>		<u>309,674</u>
<b>Total assets less current liabilities</b>			12,550,501		16,973,129
<b>Creditors: amounts falling due after more than one year</b>	19		(992,136)		(992,136)
<b>Net assets</b>			<u>11,558,365</u>		<u>15,980,993</u>
<b>Capital and reserves</b>					
Revaluation reserve			868,765		4,350,094
Profit and loss reserves			10,689,600		11,630,899
<b>Total equity</b>			<u>11,558,365</u>		<u>15,980,993</u>

The financial statements were approved by the board of directors and authorised for issue on 11 November 2016 and are signed on its behalf by:



D Smith (Chairman)  
**Director**

**Company Registration No. 00937254**

**THE ABBEYFIELD ILKLEY SOCIETY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**GROUP STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 MARCH 2016**

**GROUP**

	Notes	Revaluation reserve £	Profit and loss reserves £	Total £
<b>As restated for the period ended 31 March 2015:</b>				
<b>Balance at 1 January 2014</b>		5,180,946	6,148,436	11,329,382
Effect of transition to FRS 102		-	4,598,274	4,598,274
Correction of revaluation postings		(764,831)	764,831	-
<b>As restated</b>		<u>4,416,115</u>	<u>11,511,541</u>	<u>15,927,656</u>
<b>Period ended 31 March 2015:</b>				
Profit and total comprehensive income for the period		-	114,353	114,353
Transfers		(66,021)	66,021	-
<b>Balance at 31 March 2015</b>		<u>4,350,094</u>	<u>11,691,915</u>	<u>16,042,009</u>
<b>Period ended 31 March 2016:</b>				
Loss for the period		-	(950,724)	(950,724)
Other comprehensive income:				
Revaluation of tangible fixed assets		(3,470,700)	-	(3,470,700)
Total comprehensive income for the period		(3,470,700)	(950,724)	(4,421,424)
Transfers		(10,629)	10,629	-
<b>Balance at 31 March 2016</b>		<u>868,765</u>	<u>10,751,820</u>	<u>11,620,585</u>



**THE ABBEYFIELD ILKLEY SOCIETY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**COMPANY STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 MARCH 2016**

**COMPANY**

	Notes	Revaluation reserve £	Profit and loss reserves £	Total £
<b>As restated for the period ended 31 March 2015:</b>				
<b>Balance at 1 January 2014</b>		5,180,946	6,089,574	11,270,520
Effect of transition to FRS 102		-	4,598,274	4,598,274
Correction of revaluation postings		(764,831)	764,831	-
<b>As restated</b>		<u>4,416,115</u>	<u>11,452,679</u>	<u>15,868,794</u>
<b>Period ended 31 March 2015:</b>				
Profit and total comprehensive income for the period		-	112,199	112,199
Transfers		(66,021)	66,021	-
<b>Balance at 31 March 2015</b>		<u>4,350,094</u>	<u>11,630,899</u>	<u>15,980,993</u>
<b>Period ended 31 March 2016:</b>				
Loss for the period		-	(951,928)	(951,928)
Other comprehensive income:				
Revaluation of tangible fixed assets		(3,470,700)	-	(3,470,700)
Total comprehensive income for the period		(3,470,700)	(951,928)	(4,422,628)
Transfers		(10,629)	10,629	-
<b>Balance at 31 March 2016</b>		<u>868,765</u>	<u>10,689,600</u>	<u>11,558,365</u>

**THE ABBEYFIELD ILKLEY SOCIETY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**GROUP STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 MARCH 2016**

GROUP	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	22		(146,199)	1,241,274	
Interest paid			(22,588)	(29,826)	
<b>Net cash (outflow)/inflow from operating activities</b>			(168,787)	1,211,448	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(110,256)		(362,276)	
Proceeds on disposal of tangible fixed assets		6,383		-	
Interest received		-		5,496	
<b>Net cash used in investing activities</b>			(103,873)	(356,780)	
<b>Financing activities</b>					
Repayment of borrowings		479,440		(575,821)	
Repayment of bank loans		(91,471)		(114,339)	
<b>Net cash generated from/(used in) financing activities</b>			387,969	(690,160)	
<b>Net increase in cash and cash equivalents</b>			115,309	164,508	
Cash and cash equivalents at beginning of year			4,740	(159,768)	
<b>Cash and cash equivalents at end of year</b>			120,049	4,740	
<b>Relating to:</b>					
Cash at bank and in hand			120,049	36,687	
Bank overdrafts included in creditors payable within one year			-	(31,947)	

**THE ABBEYFIELD ILKLEY SOCIETY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**COMPANY STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 MARCH 2016**

COMPANY		2016	2015
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	23	179,333	798,308
Interest paid		(22,588)	(29,826)
<b>Net cash inflow from operating activities</b>		156,745	768,482
<b>Investing activities</b>			
Proceeds of disposal of business		(336,793)	-
Purchase of tangible fixed assets		(103,016)	(358,952)
Proceeds on disposal of tangible fixed assets		6,383	-
Interest received		-	5,496
<b>Net cash used in investing activities</b>		(433,426)	(353,456)
<b>Financing activities</b>			
Repayment of borrowings		479,440	(136,156)
Repayment of bank loans		(91,471)	(114,339)
<b>Net cash generated from/(used in) financing activities</b>		387,969	(250,495)
<b>Net increase in cash and cash equivalents</b>		111,288	164,531
Cash and cash equivalents at beginning of year		(28,127)	(192,658)
<b>Cash and cash equivalents at end of year</b>		83,161	(28,127)
<b>Relating to:</b>			
Cash at bank and in hand		83,161	3,820
Bank overdrafts included in creditors payable within one year		-	(31,947)

# **THE ABBEYFIELD ILKLEY SOCIETY LIMITED**

## **(A COMPANY LIMITED BY GUARANTEE)**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**

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#### **1 Accounting policies**

##### **Company information**

The Abbeyfield Ilkley Society Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is Grove House, 12 Riddings Road, Ilkley, LS29 9BF.

The group consists of The Abbeyfield Ilkley Society Limited and all of its subsidiaries.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006. The accounts comply with the Housing Act 1996, the Accounting Direction for Private Registered Providers of Social Housing 2015 and the Housing SORP 2014 Statement of Recommended Practice for Social Housing Providers published by the National Housing Federation.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These group and company financial statements for the year ended 31 March 2016 are the first financial statements of The Abbeyfield Ilkley Society Limited and the group prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements for the preceding period were prepared in accordance with previous UK GAAP. The date of transition to FRS 102 was 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 24.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £951,928 (2015 - £112,199 profit).

The consolidated financial statements incorporate those of The Abbeyfield Ilkley Society Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2016. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

##### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

**THE ABBEYFIELD ILKLEY SOCIETY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2016**

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**1 Accounting policies**

**1.4 Tangible fixed assets**

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

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

Building structure	1% on cost
Roofs	2% on cost
Windows and doors	3.3% on cost
Kitchens and bathrooms	3.3% on cost
Lifts	6.6% on cost
Fixtures, fittings and equipment	20% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

**1.5 Fixed asset investments**

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

**THE ABBEYFIELD ILKLEY SOCIETY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2016**

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**1 Accounting policies**

**1.6 Impairment of fixed assets**

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

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

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

**1.7 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

**1.8 Cash and cash equivalents**

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

**THE ABBEYFIELD ILKLEY SOCIETY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2016**

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**1 Accounting policies**

**1.9 Financial instruments**

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

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

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

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

**THE ABBEYFIELD ILKLEY SOCIETY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2016**

---

**1 Accounting policies**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

**1.10 Equity instruments**

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

**1.11 Employee benefits**

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

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

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

**1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.13 Government grants**

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

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.



**THE ABBEYFIELD ILKLEY SOCIETY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2016**

**1 Accounting policies**

**1.14 Reserves**

**Revenue reserve**

The revenue reserve is an accumulation of all surplus and deficits arising from the society's ordinary operations including any donations and legacies received free of any restrictions. These funds are freely available for use by the Society.

**Revaluation reserves**

The revaluation reserves have risen from the Society's revaluation of its Housing Letting Freehold Properties.

**Designated reserves**

The Society designates those reserves which have been set aside for specific uses which prevent them, in the judgement of the Board, from being regarded as part of the free reserves of the Society.

**2 Judgements and key sources of estimation uncertainty**

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

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

**3 Turnover and other revenue**

An analysis of the group's turnover is as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>		
Social housing rentals	1,565,798	2,075,933
Care home fees	542,195	675,399
less Voids	-	(194,654)
Property sales	-	439,665
Domicillary care income	454,869	515,973
Day centre charges	104,910	245,201
Ground rents and maintenance	3,025	41,308
Lettings	23,623	21,443
Other activities and sundry income	37,298	18,111
	<u>2,731,718</u>	<u>3,838,379</u>

**THE ABBEYFIELD ILKLEY SOCIETY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2016**

**3 Turnover and other revenue**

**Other significant revenue**

Interest income	-	5,496
Commissions received	42,500	22,488
Grants received	1,774	21,549
Overage	4,500	-
	<u>          </u>	<u>          </u>

**Turnover analysed by geographical market**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
United Kingdom	<u>2,731,718</u>	<u>3,838,379</u>

The Society held 119 supported housing units for older people as at 31 March 2016 (2015 - 117 units). Service charges and operating surplus from social housing are not disclosed separately in these accounts as accurate detail is not readily identifiable.

**4 Operating (deficit)/surplus**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Operating (deficit)/surplus for the period is stated after charging/(crediting):		
Government grants	(1,774)	(21,549)
Depreciation of owned tangible fixed assets	124,974	313,647
Food and house keeping costs	209,465	244,018
Costs of development of land	<u>336,793</u>	<u>439,668</u>

The costs relating to the development of land in 2015 related to a site in Bingley which was transferred to the Abbeyfield Society at cost. The costs of development for the current year relate to a site in Cookridge and have been written off. There are no further developments in progress.

**5 Auditor's remuneration**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	12,600	2,190
Audit of the company's subsidiaries	<u>2,500</u>	<u>2,300</u>
	<u>15,100</u>	<u>4,490</u>

**THE ABBEYFIELD ILKLEY SOCIETY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2016**

**6 Employees**

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

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
Management	8	8
Housekeeping staff	99	95
	<u>107</u>	<u>103</u>

Their aggregate remuneration comprised:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,499,374	1,749,209
Social security costs	117,959	122,539
Pension costs	69,489	51,489
	<u>1,686,822</u>	<u>1,923,237</u>

**7 Payments to members and officers**

No members of the Committee received any form of remuneration or reimbursement of expenses during this year or the previous period.

Trustee indemnity insurance is in place with liability of up to £1,000,000 to protect the Society from loss arising from neglect or default of its trustees and to indemnify the trustees against the consequences of neglect or default on their part.

**8 Interest receivable and similar income**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Interest income		
Other interest income	-	5,496
	<u>-</u>	<u>5,496</u>

**9 Interest payable and similar charges**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	22,588	29,826
	<u>22,588</u>	<u>29,826</u>

**THE ABBEYFIELD ILKLEY SOCIETY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2016**

**10 Taxation**

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
(Loss)/profit before taxation	(950,724)	114,353
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	(190,145)	22,871
Permanent capital allowances in excess of depreciation	(1,448)	-
Tax losses utilised	-	19
Income exempt from tax	191,593	(29,864)
Transition adjustments	-	6,974
Tax expense for the period	-	-

The Abbeyfield Ilkley Society Limited has charitable status and therefore the company is exempt from tax on income falling within part II of the Corporation Tax Act 2010 and on gains falling within s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives. No tax charges have arisen in the charity.

**THE ABBEYFIELD ILKLEY SOCIETY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2016**

**11 Impairments**

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Recognised in:		
Administrative expenses	445,355	-

In addition, £3470700 (2015 - £0) has been recognised in other comprehensive income in respect of impairment losses on previously revalued assets.

**12 Tangible fixed assets**

<b>Group</b>	<b>Building structure £</b>	<b>Lifts £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2015	16,825,693	458,776	17,284,469
Additions	71,003	39,253	110,256
Disposals	-	(10,941)	(10,941)
Revaluation	(4,070,000)	-	(4,070,000)
At 31 March 2016	12,826,696	487,088	13,313,784
<b>Depreciation and impairment</b>			
At 1 April 2015	257,955	360,574	618,529
Depreciation charged in the year	83,918	41,056	124,974
Eliminated in respect of disposals	-	(4,558)	(4,558)
Revaluation	(153,945)	-	(153,945)
At 31 March 2016	187,928	397,072	585,000
<b>Carrying amount</b>			
At 31 March 2016	12,638,768	90,016	12,728,784
At 31 March 2015	16,567,737	98,203	16,665,940

**THE ABBEYFIELD ILKLEY SOCIETY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2016**

**12 Tangible fixed assets**

<b>Company</b>	<b>Building structure £</b>	<b>Lifts £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2015	16,825,693	455,452	17,281,145
Additions	71,003	32,013	103,016
Disposals	-	(10,941)	(10,941)
Revaluation	(4,070,000)	-	(4,070,000)
At 31 March 2016	12,826,696	476,524	13,303,220
<b>Depreciation and impairment</b>			
At 1 April 2015	257,955	359,743	617,698
Depreciation charged in the year	83,918	38,943	122,861
Eliminated in respect of disposals	-	(4,558)	(4,558)
Revaluation	(153,945)	-	(153,945)
At 31 March 2016	187,928	394,128	582,056
<b>Carrying amount</b>			
At 31 March 2016	12,638,768	82,396	12,721,164
At 31 March 2015	16,567,737	95,710	16,663,447

**13 Fixed asset investments**

	<b>Notes</b>	<b>Group 2016 £</b>	<b>2015 £</b>	<b>Company 2016 £</b>	<b>2015 £</b>
Investments in subsidiaries	14	-	-	8	8

**14 Subsidiaries**

Details of the company's subsidiaries at 31 March 2016 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held Direct
Abbeyfield Lodge(Ilkley) Limited	England	Property management	Ordinary	100.00
Abbeyfield Ilkley Developments Limited	England	Property development	Ordinary	100.00
Abbeyfield Bingley Limited	England	Dormant	Ordinary	100.00
Abbeyfield Court Limited	England	Property management	Ordinary	100.00

**THE ABBEYFIELD ILKLEY SOCIETY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2016**

**15 Financial instruments**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	438,890	299,885	465,337	633,414
Equity instruments measured at cost less impairment	-	-	8	8
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	1,695,763	1,299,681	1,725,256	1,328,830

**16 Stocks**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Work in progress	-	311,842	-	-

**17 Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>				
Trade debtors	201,964	68,735	200,963	68,425
Amounts due from subsidiary undertakings	-	-	27,448	333,839
Other debtors	247,336	247,048	236,926	231,150
Prepayments and accrued income	63,210	36,979	58,946	34,675
	512,510	352,762	524,283	668,089

**18 Creditors: amounts falling due within one year**

		<b>Group</b>		<b>Company</b>	
		<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	20	-	123,418	-	123,418
Other borrowings	20	479,440	-	479,440	-
Trade creditors		137,251	126,883	137,040	126,782
Amounts due to group undertakings		-	-	33,100	33,945
Other taxation and social security		44,995	25,541	44,995	25,541
Other creditors		7,330	17,861	7,330	17,861
Accruals and deferred income		79,606	39,383	76,210	34,688
		748,622	333,086	778,115	362,235

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2016**

**19 Creditors: amounts falling due after more than one year**

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans and overdrafts	20	<u>992,136</u>	<u>992,136</u>	<u>992,136</u>	<u>992,136</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>534,781</u>	<u>626,252</u>	<u>534,781</u>	<u>626,252</u>
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**20 Loans and overdrafts**

	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans	992,136	1,083,607	992,136	1,083,607
Bank overdrafts	-	31,947	-	31,947
Other loans	<u>479,440</u>	<u>-</u>	<u>479,440</u>	<u>-</u>
	<u>1,471,576</u>	<u>1,115,554</u>	<u>1,471,576</u>	<u>1,115,554</u>
Payable within one year	479,440	123,418	479,440	123,418
Payable after one year	<u>992,136</u>	<u>992,136</u>	<u>992,136</u>	<u>992,136</u>

Amounts included above which fall due after five years:

Payable by instalments	<u>534,781</u>	<u>626,252</u>	<u>534,781</u>	<u>626,252</u>
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A combined £1.62 million treasury loan facility was set up in 2009. This is a 23 year reducing loan, secured with a first legal charge and debenture over the freehold land at Grove House and Holme Lea. The interest rate is based on a floating rate linked to LIBOR. A new loan has been obtained after the year end and the treasury loan facility was repaid. The new loan from the Yorkshire Bank Ltd is repayable within 15 years and has a fixed and floating interest rate.



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2016**

**21 Retirement benefit schemes**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	69,489	51,489

The Society operates a defined contribution pension scheme on behalf of certain employees. The assets of the scheme are held separately from those of the group in an independently administered fund. At the balance sheet date there were no outstanding or prepaid contributions (2015 - £nil).

**22 Cash generated from group operations**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
(Loss)/profit for the year after tax	(950,724)	114,353
Adjustments for:		
Finance costs	22,588	29,826
Investment income	-	(5,496)
Depreciation and impairment of tangible fixed assets	570,329	313,647
Movements in working capital:		
Decrease in stocks	311,842	412,273
(Increase)/decrease in debtors	(159,748)	21,888
Increase in creditors	59,514	354,783
<b>Cash (absorbed by)/generated from operations</b>	<b>(146,199)</b>	<b>1,241,274</b>

**Cash generated from operations - company**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
(Loss)/profit for the year after tax	(951,928)	112,199
Adjustments for:		
Finance costs	22,588	29,826
Investment income	-	(5,496)
Loss on disposal of business	336,793	-
Depreciation and impairment of tangible fixed assets	568,216	312,816
Movements in working capital:		
Decrease in debtors	143,806	430,291
Increase/(decrease) in creditors	59,858	(81,328)
<b>Cash generated from operations</b>	<b>179,333</b>	<b>798,308</b>

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**FOR THE YEAR ENDED 31 MARCH 2016**

**24 Reconciliations on adoption of FRS 102**

**Reconciliation of equity - group**

	<b>Notes</b>	<b>1 April 2014 £</b>	<b>31 March 2015 £</b>
Equity as reported under previous UK GAAP		11,329,382	11,478,605
Adjustments arising from transition to FRS 102:			
Grants transferred to reserves	<b>1</b>	4,422,363	4,387,493
Adoption of deemed cost	<b>2</b>	175,911	175,911
Equity reported under FRS 102		<u>15,927,656</u>	<u>16,042,009</u>

**Reconciliation of group profit for the financial period**

	<b>Notes</b>	<b>2015 £</b>
Profit as reported under previous UK GAAP		149,223
Adjustments arising from transition to FRS 102:		
Grants transferred to reserves	<b>1</b>	-
Adoption of deemed cost	<b>2</b>	(34,870)
Profit reported under FRS 102		<u>114,353</u>

**Reconciliation of equity - company**

	<b>Notes</b>	<b>1 April 2014 £</b>	<b>31 March 2015 £</b>
Equity as reported under previous UK GAAP		11,270,520	11,417,589
Adjustments arising from transition to FRS 102:			
Grants transferred to reserves	<b>1</b>	4,422,363	4,387,493
Adoption of deemed cost	<b>2</b>	175,911	175,911
Equity reported under FRS 102		<u>15,868,794</u>	<u>15,980,993</u>

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**FOR THE YEAR ENDED 31 MARCH 2016**

**24 Reconciliations on adoption of FRS 102**

**Reconciliation of company profit for the financial period**

	Notes	2015 £
Profit as reported under previous UK GAAP		147,069
Adjustments arising from transition to FRS 102:		
Grants transferred to reserves	1	-
Adoption of deemed cost	2	(34,870)
Profit reported under FRS 102		<u>112,199</u>

**Notes to reconciliations on adoption of FRS 102 - group & company**

**1 - Grants**

Under the Statement of Recommended Practice - Accounting by Registered Social Housing Providers Updated 2010 (SORP 2010), where developments had been financed wholly or partly by Social Housing Grants the net book value of those developments were reduced by the amount of grant receivable.

Under the Statement of Recommended Practice - Accounting by Registered Social Housing Providers Updated 2014(SORP 2014), where developments have been financed wholly or partly by Social Housing Grants and these developments are included at valuation or deemed cost the grants are required to be accounted for using the 'performance model' the grants must be recognised as income when the grant proceeds are received or receivable.

All the grants towards developments had been received at the date of transition and therefore have now been recognised as income at that date and consequently transferred from tangible assets to retained earnings.

**2 - Deemed cost**

At the date of transition the valuation of the housing properties provided by Colliers International, an external and independent Chartered Surveyor, on 3 October 2012 has been used as deemed cost as permitted by paragraph 35.10(d) of FRS102.

An adjustment to depreciation has been made to re-align the carrying value of the properties at the date of transition with valuation at 3 October 2012 (deemed cost).

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**FOR THE YEAR ENDED 31 MARCH 2016**

**25 Prior period adjustment**

Postings in 2012 made to reflect increases and decreases in the valuation of the housing properties were incorrectly made. A transfer between retained earnings and the revaluation reserve has been made to correct these errors.

**Changes to the balance sheet - group**

Balances as restated before FRS 102 transition adjustments:	At 31 March 2015			As restated £
	As previously reported £	Adjustment at 1 Apr 2014 £	Adjustment at 31 Mar 2015 £	
<b>Capital and reserves</b>				
Revaluation reserve	5,167,742	(764,831)	(52,817)	4,350,094
Profit and loss	6,310,863	764,831	52,817	7,128,511
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total equity	11,478,605	-	-	11,478,605
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

**Changes to the profit and loss account - group**

Balances as restated before FRS 102 transition adjustments:	Period ended 31 March 2015		
	As previously reported £	Adjustment £	As restated £
Profit for the financial period	149,223	-	149,223
	<u>                    </u>	<u>                    </u>	<u>                    </u>