

Company Registration Number 00945603
Charity Registration Number 257782
Housing Corporation Registration Number H0340



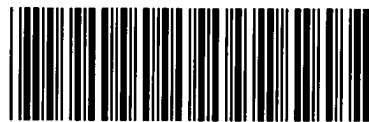
**ABBNEYFIELD BRAINTREE, BOCKING
AND FELSTED SOCIETY LIMITED**

(Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 MARCH 2017

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COMPANIES HOUSE

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
SOCIETY LIMITED**
(Company Limited by Guarantee)

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**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
SOCIETY LIMITED**
(Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS DIRECTORS
AND ADVISERS**

| | | |
|-----------------------------------|------------------|----------------------------|
| Board (Directors/Trustees) | Mr R Hackett | (Chairman) |
| | Mr A Cramphorn | (Treasurer) |
| | Mr I Norgett | |
| | Mr D Summersgill | |
| | Mrs B Guest | |
| | Mr M Quaife | |
| | Mr I Lee | |
| | Mrs J Florence | |
| | Mrs E Hall | (resigned 3 October 2016) |
| | Mrs C Hutley | |
| | Mrs Y Waddell | (resigned 4 January 2017) |
| | Mrs C Avery | (appointed 3 October 2016) |

Company Secretary Mrs M Quaife MBE

Senior Personnel

| | |
|------------------|---------------------------------|
| Mrs M Quaife MBE | - Operations Manager |
| Mrs D Fitzgerald | - Manager Great Bradfords House |
| Mrs S Ryder | - Manager Wickham House |
| Mrs C Murray | - Manager Felsted House |
| Mrs D Wheeler | - Manager Care Division |

Location of Residential Sites

Wickham House
338 Coggeshall Road
Braintree
Essex
CM7 9EH

Great Bradfords House
159 Coggeshall Road
Braintree
Essex
CM7 9GD

Felsted House
Jollyboys Lane North
Felsted
Essex
CM6 3DU

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
SOCIETY LIMITED**
(Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS
DIRECTORS AND ADVISERS**

Registered Office

Wickham House
338 Coggeshall Road
Braintree
Essex
CM7 9EH

Registration Numbers:

Company

00945603

Charity

257782

Housing Corporation

H0340

Bankers

Barclays Bank plc
London Corporate Banking
93 Baker Street
Marylebone
London
W1U 8ED

Statutory Auditor

Scrutton Bland LLP
Chartered Accountants
820 The Crescent
Colchester Business Park
Colchester
Essex
CO4 9YQ

ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED SOCIETY LIMITED

(Company Limited by Guarantee)

DIRECTORS' STRATEGIC REPORT YEAR ENDED 31 MARCH 2017

The directors are pleased to present their strategic report on the affairs of the charitable company, together with the audited financial statements for the year ended 31 March 2017 incorporating the reference and administrative information on pages 1 and 2 and the financial statements on pages 16 to 32.

This report also represents a Trustees' Report prepared in accordance with the Charities Act. For the purpose of this report reference to directors is also to be taken as reference to Trustees.

Structure, governance and management

Current constitution

The Abbeyfield Braintree, Bocking and Felsted Society Limited is a charitable company and registered social housing provider, limited by guarantee. The liability of the members in the event of the company being wound up is limited to a sum not exceeding £1 each. Membership is restricted to directors of the Society.

The Society was incorporated on 8 January 1969 (company number 00945603). It was registered as a charity (registration number 257782) on 12 February 1969.

The charitable company is governed by its Memorandum and Articles of Association.

The Society is an affiliate of The Abbeyfield Society, a national organisation, to whom it pays an annual fee in return for various support services, an accreditation scheme, some national marketing and national representation at a fiscal level. The Society is entirely independent of the national organisation, and free to set its own policies and practices, but does acknowledge and adhere to the latter's objects.

The Society operates 'very sheltered' homes at Wickham House, 338 Coggeshall Road, Braintree and at Felsted House, Jollyboys Lane North, Felsted. There is also an 'extra care' estate at Great Bradfords House, 159 Coggeshall Road, in Braintree.

Wickham House provides 17 en-suite studios. Felsted House currently provides 14 en-suite studios. Great Bradfords House provides 33 one-bedroom flats and 2 two-bedroom flats.

Tenants' rents are set each year in accordance with budgeted costs having regard for recommendations made by the Homes and Communities Agency (HCA).

Appointment of Trustees, induction and training

New Trustees are expected to bring skills and experience relevant to the needs of the organisation and to complement or add to the skills of existing Trustees. They undergo a briefing session to inform them of their legal obligations under charity and company law, and to introduce them to the Memorandum and Articles of Association, the strategy, business plan, and governance and management structures of the organisation. As part of this induction they are handed an induction pack comprising the Society's administrative structure, the roles and functions of Trustees as recommended by Abbeyfield St Albans, a job description, together with current financial information.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
SOCIETY LIMITED**
(Company Limited by Guarantee)

**DIRECTORS' STRATEGIC REPORT
YEAR ENDED 31 MARCH 2017**

The Society has adopted the HCA standards for Value for Money, Rents, Tenant empowerment and Governance and Financial Viability, copies of all these also form part of the induction pack.

They will be introduced to key employees and other Trustees. They will receive information on relevant external training events and are encouraged to attend.

Trustees are required to make an annual declaration of personal interests.

One third of the Trustees must retire by rotation each year but are eligible for re-election.

The Trustee retiring at the Annual General Meeting in September 2016 was Mr I Norgett and being eligible was duly re-elected to the Board. The Trustees retiring at the next Annual General Meeting will be Mr A Cramphorn and Mrs B Guest. Both, being eligible, will be proposed for re-election. Mrs J Perry, having recently been co-opted to the Board will also be proposed for election.

The Executive Committee

The Articles of Association govern the appointment of the executive committee which provides that the committee shall consist of no less than three and no more than eighteen members.

The Executive Committee is made up of Trustees and such selected Senior Personnel as are appropriate. The Executive committee administers the charity. This meets five times per year, its purpose is to determine strategy, direct, control and scrutinise and evaluate the Society's affairs.

The committee has the power to appoint executive committee members to fill a casual vacancy.

There are also sub-committees for example the Finance and Governance Sub-Committee, comprising the Treasurer, Company Secretary and two Trustees with accountancy or finance backgrounds, which meets before every Executive Committee meeting, to prepare and recommend the adoption of the management accounts, prepare and recommend any budgets and forecasts in their turn, investigate and recommend the appropriate investment policy for the Society and generally to steer all financial aspects of the operation. This sub-committee has adopted in full, The Governance and Financial Viability Standard published by the HCA and complies with every clause insofar as it applies to organisations of the size of this one.

An Operations sub-committee meets on an ad hoc basis to provide guidance to management personnel when issues of policy are challenged or strategic decisions require a rapid response. A new sub-committee has been established to deal with the many issues and proposals arising in connection with the new development at Polly's Field.

A Tenant's Welfare sub-committee has been convened to oversee and enhance all resident's enjoyment of, and participation in, their occupation of the Society's properties.

Others are responsible for fund-raising, legal matters, procurement and employment legislation.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
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(Company Limited by Guarantee)

**DIRECTORS' STRATEGIC REPORT
YEAR ENDED 31 MARCH 2017**

Day to day management of the charity is performed by the Operations Manager, the Care Manager and senior personnel who have considerable delegated powers. The Operations Manager, who also carries the responsibility of Company Secretary, remains in close contact with the Trustees to facilitate a responsive and effective management structure.

Core responsibilities of the Executive Committee

- The Executive Committee has adopted the recommendations of the HCA code of practice for Trustees.
- Setting and ensuring compliance with the vision, values, mission and strategic objectives of the Society, to ensure long term success.
- Satisfying itself of the integrity of the financial information, approving each year's budget and business plan and annual accounts prior to publication.
- Establishing, overseeing and reviewing annually a framework of delegation and systems of internal control.
- Establishing and overseeing a risk management framework, in order to safeguard the Society's assets.
- A declaration annually of relevant interests.

Vision, values, mission and strategic objectives

The Executive Committee has set out and published where appropriate, its response to each of the above factors and looks forward with confidence to the ensuing long-term success of its ventures.

Internal financial control

The Executive Committee has in place a system of controls that are appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

- The reliability of financial information within the Society before, during and after each financial year and for publication.
- The maintenance of proper accounting records.
- The safeguarding of assets against unauthorised use or disposition.

There are formal policies and procedures, including documentation of key systems and rules in relation to the delegation of authorities, which allow monitoring of controls and restrict the unauthorised use of the Society's assets.

Experienced and suitably qualified staff take responsibility for important business functions.

Budgets are prepared annually which allow the Executive Committee to monitor the key business risks, financial objectives and progress towards the set financial plans.

Regular financial information is provided to ensure that any significant variance from budget is investigated.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
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(Company Limited by Guarantee)**

**DIRECTORS' STRATEGIC REPORT
YEAR ENDED 31 MARCH 2017**

All significant new initiatives, major commitments and investment projects are subject to formal authorisation by the Executive Committee.

There are procedures for instituting appropriate action to correct any weakness identified by the external auditors or the Executive Committee.

Risk Review

The Executive Committee has re-reviewed the major financial and non-financial risks to which the charity is exposed, the most significant of which continues to be the impact of an excessive or prolonged period of voids. The management has taken many steps to mitigate the impact of this, not least being a group wide upgrade of resident's facilities in the sheltered houses and the addition of en-suite facilities in every bedroom. This, coupled with a routine five year rolling programme of re-decorating, has been deliberately planned to make the houses more appealing and the task of re-letting empty rooms less of a problem. In addition, there is now a year-round marketing plan, and a manual of emergency actions to be taken when voids arise.

Now that this expenditure is complete, the Society is free to maximise its resources towards the development on Polly's Field.

In every other case, systems have been identified to mitigate those risks identified, including financial, operational, health and safety surveys and tenants' finances.

Internal risks are minimised by the implementation of policy and procedure reviews and financial control and regulation procedures. These procedures are regularly reviewed to ensure that they still meet the needs of the charity.

The Trustees will consider the new risks associated with their venture at Polly's Field at an appropriate time. All costs so far arising have been met from a designated fund set up specifically for that purpose. This fund is now used up although it still appears in the schedule of Designated Reserves, to comply with accounting principles. Such costs and fees as will continue to arise are being met from the Society's cash reserves. The Trustees are confident that there are sufficient reserves to accommodate the costs known to arise in the forthcoming year and prior to any start on site, should that be earlier.

Objectives and activities

The principal objective and activity of the Society is to provide accommodation, care and companionship for lonely or frail people in accordance with the aims and principles of The Abbeyfield Society, of which this Society is a member. The activity falls wholly within hostel housing activities as defined in the Housing Act 1996.

Value for money

The Society is charged with the responsibility for providing and demonstrating that it does provide value for money. The Society is constantly working to manage its resources to maximise cost-effectiveness and efficiency, whilst at the same time providing quality services to meet tenants' and potential tenants' needs.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
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**DIRECTORS' STRATEGIC REPORT
YEAR ENDED 31 MARCH 2017**

The Society is very conscious of the need to achieve a financial return in line with its targets, and performance in line with the expectations of residents.

The Society views value for money being high when there is an optimum balance between the following three: realistically low costs, high productivity and the successful provision of a quality service.

The focus of the Society's value for money program continues to embrace its approach to budgeting, risk management, auditing, interest rates, internal financial control, service quality, voids management and energy consumption.

The Society is not averse to disposing of poorly performing properties, nor of making major changes to management practices. Such difficult decisions are taken against the backdrop of improving financial return, coupled with protecting the lifestyle of the communities it serves.

Current projects include taking responsibility for the provision of care services to residents of Gt Bradfords House, finalising the capital improvements to Felsted House, utility procurement, elimination of waste, and greater use of solar energy. These should result in the enhancement of services and facilities.

The structure of this Annual Report

Once again, the appearance of the financial statements is markedly different to its predecessors, this time as a result of the inclusion of Felsted although when making comparisons with 2016, Felsted House results do not appear. This is highlighted in the text accompanying the Statement of Comprehensive Income and Expenditure on page 16. Furthermore, the continued 'write off' of Social Housing Grants has the effect of increasing Fixed Assets and depreciation, thereby giving the impression of greater income and expenditure than was experienced in the operational activity.

The results for the year ended 31 March 2017

The refurbishment of Wickham House, which involved some disruption and having been started during the financial year under review, has now been completed.

Following the merger of Abbeyfield Felsted, and directly as a consequence of it, the opportunity to upgrade the facilities in 9 of the 11 bedrooms by way of the addition of en-suite shower rooms was put in hand. At the same time 3 new suites, all fully wheel-chair accessible, were incorporated from original staff quarters. This, together with an independent lift and stair lift will, when finished early in the next financial year, ensure that this house is fit for purpose.

Planning permission was granted in July 2016 for the development of 100 flats on Polly's Field, much of the year has been spent on preparing detailed plans to go out to tender for the construction, analysing the responses, and negotiating a construction contract as close to the budgeted model as possible. This work was on-going at the end of March 2017.

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**DIRECTORS' STRATEGIC REPORT
YEAR ENDED 31 MARCH 2017**

In its constant endeavour to provide better value for money and an improvement in the level of service to its residents, the Society made the decision late in 2016 to commence the provision of a care service at Gt Bradfords House, and to work with Essex County Council and the appointed Care Provider to take over this responsibility from the latter following CQC accreditation of the premises and the appointment of a suitably CQC qualified manager.

Financial review

Net rent was reduced by 1% again, in line with Government policy, however rental income, compared to 2016, and on a like for like basis (i.e. estimating Felsted for 12 months) was approximately £90,000 up. This was partly due to voids being extremely well managed at Gt Bradfords House, and at Wickham House following a 3-month period when several studios unexpectedly became empty at once, full occupation was again restored. Felsted was budgeted to have a high (7%) ratio of voids to accommodate the builders works during the refurbishment of the house.

Expenses, again using a like for like basis for comparison, were held very satisfactorily, at just over 1% higher than in 2016.

The operational surplus for the Society, excluding the release of Social Housing Grant was £129,037, substantially ahead of 2016. The full results are shown in the attached financial statements.

Achievements and performance indicators

In order to fulfil its objectives, the Society tries to achieve maximum occupancy levels for each of its houses having regard to void periods and to try to achieve a 15% surplus on its gross rental income to cover the ongoing programme of refurbishment and a timely replacement of fixtures and fittings. The result in the year under review has yielded a surplus of 13.24% after excluding the Social Grant release. The Trustees had budgeted for a surplus slightly less than normal, on account of the on-going building works at Felsted, and were satisfied that the result was as good as it is.

During the year the Society provided long term housing for 88 elderly and largely vulnerable adults. There were none for respite care in the period. At 31 March 2017 there were 31 (47.7%) residents in receipt of Local Authority funding.

Voids overall were 5% of Income despite there being enforced voids at Felsted for most of the year. The Trustees anticipate that this will fall to a more realistic level once the house is fully let following completion of the work.

Staff turnover was 10% in the year, well under industry averages for the care sector.

The Trustees budget and carry out a five year cycle of painting and decorating of each property. In addition £73,000 was spent on repairs and maintenance during the year, £256,685 of capital was invested in the improvement to bed-rooms and facilities at Felsted House, and a further £163,685 committed in the year ended 31 March 2018

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
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**DIRECTORS' STRATEGIC REPORT
YEAR ENDED 31 MARCH 2017**

Reserves policy

The Board has established a policy whereby the unrestricted funds not committed or invested in tangible assets ('free reserves') held by the Society should be equivalent to six months' gross rental and service charge income. This now amounts to a rounded £500,000. The free reserves as shown in note 13 on page 29 have increased from £102,070 to £167,238 in these accounts. The Trustees are pleased at the increase but also aware that this is still considerably less than the desired amount. There are however several items within the list of Designated Funds that are available to them, should the need arise, and can be made available in such an eventuality.

The notes to the accounts set out details of all the reserves held, and the Society's proposals for them.

The largest designation is to match the investment in fixed assets (net of related Social Housing grants) held on the Balance Sheet, to ensure sufficient funds are available to keep the properties in a good state of repair and to allow for the replacement of furniture, fixtures and fittings as necessary.

At 31 March 2017 the Society's total reserves amounted to £3,568,314. Of this, £152,794 represents restricted funds and £3,415,520 represents unrestricted funds. The unrestricted funds comprise designated funds of £3,248,282 and free reserves of £167,238.

Investment policy

The executive committee has approved a policy of investing surplus funds with recognised banks and building societies, with a maximum of £300,000 in any one institution, over periods varying from instant access to 24 months deposits.

Plans for the future

Review of Operational priorities

The operational priority schedule adopted by Trustees in May 2015, and revised in September 2016, for the period ahead to 2017 summarised the completion of the 5 'Aims' from the previous issue and detailed 5 new 'Short term Aims'. The following were added:

- To commence the tender process for the development on Polly's Field.
- To commence the addition of wet-rooms to 9 studios at Felsted, and bring 3 unused upstairs rooms into use for residents as being fully wheelchair accessible.
- To implement a scheme for the delivery of care packages at Gt Bradfords House.
- To review and expand on the provision of welfare facilities for all residents.
- To consider the replacement of the Wickham pergola with a new structure.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
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**DIRECTORS' STRATEGIC REPORT
YEAR ENDED 31 MARCH 2017**

The following were completed:

Wickham House facilities were completed on time.

Rooms 10 and 11, in this house, were converted into a two- room suite, and successfully let.

A sub-committee led by a Trustee plus two others has taken responsibility to guide and assist the Management in improving all welfare facilities for residents across the Society.

Planning permission was received for the construction of 100 new flats to be built on Polly's Field.

The Society appointed a CQC qualified Care Manager in January 2017 and has subsequently received CQC accreditation for the provision of care to residents in Gt Bradfords House.

2017-18 and beyond

Following the granting of planning approval for Polly's Field, a form of tender for the construction of the development was prepared and a number were returned to the professional team. Negotiations have continued with the tenderers and despite the delays this has occasioned, it is hoped that a start on site should be possible in December 2017.

Approaches have been successful with potential funders. Grant Aid has been awarded by Essex County Council and The HCA. Trustees have appointed a professional fund-raiser to assist in the raising of a further £1m, by way of gifts, and donations. Meanwhile Trustees themselves and the Managers of each House pursue a programme of events and activities all of which will contribute to the total.

A scheme of refurbishment work was put in hand at Felsted House, as referred to earlier. The full cost will be recovered by the additional income from the extra accommodation over a period of eight years or so. The work was completed in June 2017.

A new Care Division was set up, based in Gt Bradfords House, fully budgeted and ready to commence operations by the end of the financial year. Protracted negotiations between Essex County Council and its sub-contractor have had cost and service implications for the Society.

The review of welfare facilities is on-going.

The website is in the process of a major up-dating.

The replacement of the Wickham House pergola has been delayed to preserve the Society's funds in the short term, for the inevitable costs associated with the Polly's field development.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
SOCIETY LIMITED**

(Company Limited by Guarantee)

**DIRECTORS' STRATEGIC REPORT
YEAR ENDED 31 MARCH 2017**

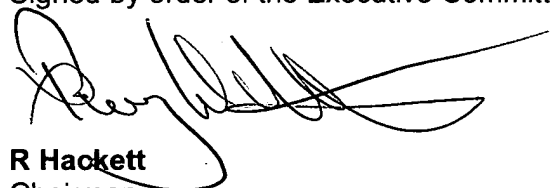
Finally

None of this is possible without the full co-operation of the Trustees, and their willingness to participate, voluntarily, in the many functions and activities demanded of a progressive and successful charity such as Abbeyfield Braintree, Bocking and Felsted Society Limited.

The Trustees readily acknowledge the efforts of all staff to achieving the results outlined above, and will continue to guide and direct them in delivering a value for money service combined with a compassionate and sympathetic approach to the wellbeing of residents.

The Trustees are ever grateful to the many donors and benefactors who have generously supported the Society during the year.

Signed by order of the Executive Committee on



R Hackett
Chairman

28/10/17

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
SOCIETY LIMITED**
(Company Limited by Guarantee)

DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2017

The Directors are pleased to present their report for the year. The financial statements are prepared in accordance with Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102'). The Directors shown below have held office during the period from 1 April 2016 to the date of this report unless shown otherwise.

Mr R Hackett (Chairman)
Mr A Cramphorn (Treasurer)
Mr I Norgett
Mr D Summersgill
Mrs B Guest
Mr M Quaife
Mr I Lee
Mrs J Florence
Mrs E Hall
Mrs C Hutley
Mrs Y Waddell
Mrs C Avery

(Resigned 3 October 2016)

(Resigned 4 January 2017)

(Appointed 3 October 2016)

Statement of Directors' Responsibilities

The Directors, who are also Trustees of the Society for the purposes of Charity Law, are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Standards. The Directors' Report also represents the Trustees' Report which is required by Part 8 of the Charities Act 2011.

Company law and social housing legislation require the Directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Society and of the incoming resources and application of resources, including the income and expenditure, of the Society for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies, and apply them consistently;
- observe the methods and principles in the Registered Social Landlords Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice 'Account by Registered Social Landlords' (2010) 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 Society will continue in operation.

The Directors are responsible for keeping proper accounting records that 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, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination 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.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
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DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2017

The Directors have had regard to the public benefit guidance issued by the Charity Commission and have complied with the duty in Section 17 of the Charities Act 2011. They believe that the description of the Society's activities in this annual report evidences that those activities carry out the charity's aims for the public benefit.

The Directors confirm that, so far as they are aware, there is no relevant audit information of which the Society's auditor is unaware. They have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

During the year a Trustees' Indemnity Insurance policy was in place. This is included within an affiliation fee and, as such, the premium paid in respect of this policy is not separately identifiable.

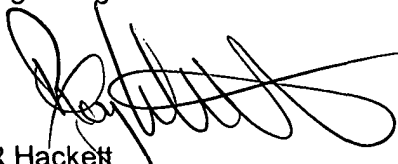
Auditors

The Directors will recommend that Scrutton Bland LLP be reappointed as auditors to the Company.

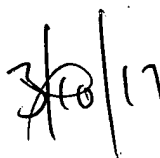
Registered office:

Wickham House
338 Coggeshall Road
Braintree
Essex
CM7 9EH

Signed by order of the Executive Committee


R Hackett
Chairman

Approved by the Directors on



**INDEPENDENT AUDITOR'S REPORT TO THE BOARD MEMBERS OF
ABBEYFIELD BRAINTREE, BOCKING AND FELSTED
SOCIETY LIMITED
(Company Limited by Guarantee)**

YEAR ENDED 31 MARCH 2017

We have audited the financial statements of Abbeyfield Braintree, Bocking and Felsted Society Limited for the year ended 31 March 2017 on pages 16 to 32. 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". These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Society's members, as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and Section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in the auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of the Board and auditor

The Board members' (who are also the directors of The Abbeyfield Braintree, Bocking and Felsted Society Limited for the purpose of company law) responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006, the Accounting Requirements for Registered Social Housing Providers Accounting Direction 2012 and the Housing and Regeneration Act 2008. We also report to you if, in our opinion, the Directors' Report and Strategic Report is consistent with the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and Strategic 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.

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD MEMBERS OF
ABBEYFIELD BRAINTREE, BOCKING AND FELSTED
SOCIETY LIMITED**

(Company Limited by Guarantee)

YEAR ENDED 31 MARCH 2017

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the Society's affairs as at 31 March 2017 and of its income and expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 2006, the Accounting Requirements for Registered Social Housing Providers Accounting Direction 2012 and the Housing and Regeneration Act 2008.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and such reports have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you, if in our opinion:

- A satisfactory system of control over transactions has not been maintained.



TIM O'CONNOR (Senior Statutory Auditor)

SCRUTTON BLAND LLP
Chartered Accountants and Statutory Auditor

820 The Crescent
Colchester Business Park
Colchester
Essex
CO4 9YQ

10/10/17

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
SOCIETY LIMITED**
(Company Limited by Guarantee)

**STATEMENT OF COMPREHENSIVE INCOME
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2017**

| | Notes | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|--|-------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Turnover | 3 | 1,028,556 | - | 1,028,556 | 759,239 |
| Operating expenditure | 3 | (846,574) | - | (846,574) | (695,814) |
| Operating surplus | 3, 4 | 181,982 | - | 181,982 | 63,425 |
| Other income | | | | | |
| Other interest receivable and similar income | 5 | 15,675 | - | 15,675 | 28,413 |
| Donations (see note below) | 5 | - | 21,367 | 21,367 | 275,698 |
| Other costs | | | | | |
| Costs met from restricted funds Polly's Field Development | | - | (2,785) | (2,785) | (2,459) |
| Total comprehensive income for the year | 13 | 197,657 | 18,582 | 216,239 | 365,077 |
| Net transfer to designated reserves | 13 | (132,489) | - | (132,489) | (485,912) |
| Total comprehensive income for the year after transfers | | £ 65,168 | £ 18,582 | £ 83,750 | £ (120,835) |

All the activities of the Society are classed as continuing.

There are no recognised gains or losses in this or the prior period other than those included in the statement of comprehensive income.

On 31 March 2016 the company acquired the activities and net assets of the former Abbeyfield Felsted Society Limited for £nil consideration. This is denoted by the donation included in the 2016 column above of £275,698.

The notes on pages 20 to 32 form part of these financial statements.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
SOCIETY LIMITED**
(Company Limited by Guarantee)

**STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2017**

| | Designated reserves £ | Unrestricted Income and expenditure account £ | Restricted reserves £ | Total £ |
|--|--------------------------------------|--|--------------------------------------|---------------------------|
| At 1 April 2015 | 2,629,881 | 220,446 | 136,671 | 2,986,998 |
| Surplus/(deficit) for 2015/16 | - | 367,536 | (2,459) | 365,077 |
| Transfers between funds for 2015/16 | 485,912 | (485,912) | - | - |
| At 31 March 2016 | 3,115,793 | 102,070 | 134,212 | 3,352,075 |
| Surplus for 2016/17 | - | 197,657 | 18,582 | 216,239 |
| Transfers between funds for 2016/17 | 132,489 | (132,489) | - | - |
| At 31 March 2017 | <u>£ 3,248,282</u> | <u>£ 167,238</u> | <u>£ 152,794</u> | <u>£ 3,568,314</u> |

The notes on pages 20 to 32 form part of these financial statements.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
SOCIETY LIMITED**
(Company Limited by Guarantee)

**BALANCE SHEET
AS AT 31 MARCH 2017**

| | Notes | 2017 £ | 2016 £ |
|--|-------|--------------------|--------------------|
| Fixed assets | | | |
| Housing properties | 7 | 4,757,831 | 4,612,557 |
| Other fixed assets | 7 | 20,853 | 85,276 |
| Total tangible fixed assets | | <u>4,778,684</u> | <u>4,697,833</u> |
| Current assets | | | |
| Investments | 8 | 1,427,680 | 1,085,120 |
| Stocks | | - | 795 |
| Debtors | 9 | 53,296 | 8,134 |
| Cash at bank and in hand | | 212,774 | 547,451 |
| | | <u>1,693,750</u> | <u>1,641,500</u> |
| Creditors: amounts falling due within one year | 10 | (99,134) | (129,328) |
| Net current assets | | <u>1,594,616</u> | <u>1,512,172</u> |
| Total assets less current liabilities | | <u>6,373,300</u> | <u>6,210,005</u> |
| Creditors: amounts falling due after more than one year | 11 | (2,804,986) | (2,857,930) |
| | | <u>£ 3,568,314</u> | <u>£ 3,352,075</u> |
| Capital and reserves | | | |
| Designated reserves | 13 | 3,248,282 | 3,115,793 |
| Revenue reserve | 13 | 167,238 | 102,070 |
| Total unrestricted reserves | | <u>3,415,520</u> | <u>3,217,863</u> |
| Restricted reserves | 13 | 152,794 | 134,212 |
| | | <u>£ 3,568,314</u> | <u>£ 3,352,075</u> |

The financial statements were approved by the Board members on
and signed on their behalf by:

R Hackett
Chairman

A Cramphorn
Treasurer

Company Registration Number: 00945603

The notes on pages 20 to 32 form part of these financial statements.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
SOCIETY LIMITED**

(Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2017**

| | 2017 £ | 2016 £ |
|--|------------------|--------------------|
| Cash flows from operating activities | | |
| Surplus for the financial year | 216,239 | 365,077 |
| Depreciation | 182,363 | 170,709 |
| Social Housing Grant release | (52,945) | (52,945) |
| Interest received | (15,675) | (28,413) |
| Non cash donation (Felsted House) | - | (192,452) |
| Decrease in stock | 795 | - |
| (Increase)/decrease in debtors | (45,162) | 1,346 |
| Decrease in creditors | (10,201) | (8,984) |
| Net cash inflow from operating activities | <u>275,414</u> | <u>254,338</u> |
| Cash flows from investing activities | | |
| Interest received | 15,675 | 28,413 |
| Fixed asset additions | (263,214) | (645,705) |
| (Increase)/decrease in investments | (400,000) | 343,871 |
| Net cash outflow from investing activities | <u>(647,539)</u> | <u>(273,421)</u> |
| Cash flows from financing activities | | |
| Loan repaid | (19,992) | (19,992) |
| Net cash outflow from financing activities | <u>(19,992)</u> | <u>(19,992)</u> |
| Decrease in cash and cash equivalents | (392,117) | (39,075) |
| Cash and cash equivalents at the beginning of the year | 1,141,071 | 1,180,146 |
| Cash and cash equivalents at end of year | <u>£ 748,954</u> | <u>£ 1,141,071</u> |
| Cash at bank at end of year | 212,774 | 547,451 |
| Cash equivalents at end of year (included within investments) | <u>536,180</u> | <u>593,620</u> |
| Cash and cash equivalents at end of year | <u>£ 748,954</u> | <u>£ 1,141,071</u> |

The notes on pages 20 to 32 form part of these financial statements.

ABBEYFIELD BRAINTREE, BOCKING AND FELSTED SOCIETY LIMITED

(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2017

1 GENERAL INFORMATION

The Society is registered under the Companies Act 2006, registered number 945603 as a company limited by guarantee and was incorporated on 8 January 1969. It is also registered under Section 13 of the Housing Act 1974 for the purpose of receiving grants and other forms of assistance. The Society is registered with the Charity Commission and is a Registered Social Landlord.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Statement of compliance and basis of accounting*

The principal accounting policies of the Society are set out in the following paragraphs. These financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102'). The financial statements are based on the National Federation of Housing Associations' "Statement of Recommended Practice" (Accounting by Registered Social Housing Providers), and the statement of recommended practice "Accounting and reporting by charities" published in 2015 and comply with the Accounting Requirements for Registered Social Housing Providers Accounting Direction 2012.

(b) *Turnover*

Turnover represents rents and service charges receivable for the year from the Society's tenants, less deductions from income, including void losses. It also includes the release of deferred Social Housing Grant income (see below).

(c) *Social Housing grants*

In accordance with the SORP, social landlords that account for their housing properties at cost must recognise government grants in accordance with the accrual model. Social Housing Grants are therefore held on the Balance Sheet and released to income over the useful life of the housing properties. Where the grants relate to assets that are not depreciated, the underlying grant remains deferred and is not released. No improvement grants have been received.

(d) *Donations*

Donations are credited to the income and expenditure account on a receipts basis.

Donations in kind are valued by the Trustees at the date of receipt and are included at that value.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
SOCIETY LIMITED**
(Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

(e) Depreciation

(i) Housing land and buildings

Freehold land is not depreciated. Depreciation is charged so as to write down the cost of freehold housing properties other than freehold land to their estimated residual value on a straight line basis over their expected useful economic life. Depreciation commences once an asset is brought into use.

(ii) Existing properties

Amounts are capitalised where required by the Statement of Recommended Practice. In doing so their useful economic lives are considered for the purposes of depreciation. Amounts capitalised are included within the fixed asset note whilst items of a revenue nature are charged to the Statement of Comprehensive Income. Whilst amounts capitalised comprise both replacement items and improvements, no distinction is made due to the similar nature of the relevant assets: the implications of this are not deemed to be material to the Society's financial statements.

(iii) Other fixed assets

Fixed assets are stated at cost or valuation, less depreciation. Depreciation is calculated to write off fixed assets, less estimated residual value, over their estimated useful lives at the following rates:

Freehold land and buildings:

| | |
|--|----------|
| • Freehold land | Nil |
| • Roofs | 60 years |
| • Windows and doors | 20 years |
| • Lifts | 60 years |
| • Central heating and electrical systems | 30 years |
| • Bathrooms | 30 years |
| • Kitchens | 20 years |
| • Buildings (residue) | 60 years |

Fixtures, fittings and equipment 10% on cost

In accordance with SORP the net cost of the building is broken down into its major components with each component depreciated over its useful life once the asset is brought into use.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
SOCIETY LIMITED**
(Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

(f) *Taxation*

Abbeyfield Braintree, Bocking and Felsted Society Limited is a charity within the meaning of the Charities Act 2011 and as such is a charity within the meaning of Part 11, Corporation Tax Act 2010. Accordingly Abbeyfield Braintree, Bocking and Felsted Society Limited is potentially exempt from taxation in respect of income or gains received within categories covered by Part 11, Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to its charitable purposes.

The Society is not registered for VAT. All expenditure in these accounts includes the relevant input VAT.

(g) *Financial instruments*

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets or financial liabilities:

- Short term debtors (financial assets) are measured at the transaction price.
- Short term creditors and loans (financial liabilities) are measured at the transaction price.

(h) *Supporting People contracts*

Some tenants are eligible for financial support from Local Authorities who enter into a Supporting People contract with the Society. These contracts are usually negotiated on a three year basis providing a fixed amount to the Society for an estimated number of eligible tenants. The Society is required to take on tenants and apply a reduction to their rents equivalent to the Local Authority rates. Dependent on the number of eligible tenants in any year the Society may incur a loss or surplus on these eligible tenants. Any surplus or loss is credited or written off in the year to which it relates.

(i) *Fund accounting/reserves*

Designated reserves are part of unrestricted reserves but have been earmarked by the Board for particular purposes. Such designations may be reversed by future Board decisions.

Restricted funds are amounts received where the donor has placed a specific restriction on the funds.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
SOCIETY LIMITED**
(Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

(j) Public benefit entity

The Society meets the definition of a public benefit entity as its primary purpose is to provide a service for social benefit. In addition, the Society's equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members.

(k) Going concern

After reviewing the entity's forecasts and projections, the Trustees have a reasonable expectation that the entity has adequate resources to continue in operational existence for the foreseeable future. The entity therefore continues to adopt the going concern basis in preparing its financial statements.

(l) Cash and cash equivalents

Cash equivalents are recognised as such and included with other cash balances where they represent short term, highly liquid investments that are readily convertible to known amounts of cash without being subject to a significant change in value.

(m) Investments

Investments comprise cash deposits that are placed with approved institutions.

(n) Apportionment of management expenses

Direct employee, administration and operating costs have been apportioned within the Statement of Comprehensive Income on the basis of the costs of the staff directly engaged on the operations dealt with in these financial statements.

(o) Significant judgements and estimates

The Trustees are of the view that housing properties are correctly classified as tangible fixed assets, as opposed to investments or being disclosed under a separate heading. This decision is based on the fact that the income derived from these properties includes an element of social benefit.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
SOCIETY LIMITED**
(Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017**

3 TURNOVER

| | 2017 | 2016 |
|--|--------------------|------------------|
| | £ | £ |
| Income from lettings | | |
| Rent/service charges | 1,027,176 | 794,598 |
| Voids | (51,565) | (86,360) |
| Rent losses arising from bad debts | - | (1,944) |
| Social Housing Grant release | 52,945 | 52,945 |
| | <u>£ 1,028,556</u> | <u>£ 759,239</u> |
| Total income from lettings | | |
| Expenditure on letting activities | | |
| Service costs | 491,169 | 404,502 |
| Management costs | 100,285 | 68,462 |
| Repairs and maintenance costs | 72,896 | 52,764 |
| Depreciation | 182,363 | 170,709 |
| Other costs (net) | (139) | (623) |
| | <u>£ 846,574</u> | <u>£ 695,814</u> |
| Total expenditure on lettings | | |
| Operating surplus | <u>£ 181,982</u> | <u>£ 63,425</u> |

Income, expenditure and the operating surplus include £Nil (2016 - £Nil) in respect of restricted funds.

4 OPERATING SURPLUS

The surplus of income over expenditure is stated after charging:

| | 2017 | 2016 |
|------------------------|----------------|----------------|
| | £ | £ |
| Depreciation | 182,363 | 170,709 |
| Auditor's remuneration | 3,850 | 2,220 |
| | <u>186,213</u> | <u>172,929</u> |

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
SOCIETY LIMITED**
(Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017**

5 OTHER INCOME

| | Unrestricted funds £ | Restricted funds £ | Total 2017 £ | Total 2016 £ |
|---|----------------------------|--------------------------|--------------------|--------------------|
| Bank interest received | 15,675 | - | 15,675 | 28,413 |
| Polly's Field donations | - | 21,367 | 21,367 | - |
| Donation from The Abbeyfield Felsted Society Limited | - | - | - | 275,698 |
| | <u>£ 15,675</u> | <u>£ 21,367</u> | <u>£ 37,042</u> | <u>£ 304,111</u> |

Included within the above is £21,367 (2016 - £Nil) in respect of restricted funds.

6 STAFF COSTS

| | 2017 £ | 2016 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 370,783 | 294,505 |
| Social security costs | 12,105 | 13,905 |
| | <u>£ 382,888</u> | <u>£ 308,410</u> |

The average weekly number of employees, including unpaid Committee members and part-time employees, during the year is made up as follows:

| | No | No |
|--|-----------|-----------|
| Executive Committee | 11 | 11 |
| Operations Manager | 1 | 1 |
| Senior Personnel | 3 | 3 |
| Housekeepers, Support workers and Domestic Helpers | 33 | 28 |
| | <u>48</u> | <u>43</u> |

No employee (2016 – no employee) received emoluments of more than £60,000.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
SOCIETY LIMITED**
(Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017**

7 TANGIBLE FIXED ASSETS

| | Freehold land and buildings £ | Fixtures, fittings and equipment £ | Total £ |
|--------------------------|--|---|--------------------|
| Cost or valuation | | | |
| At 1 April 2016 | 6,176,492 | 709,721 | 6,886,213 |
| Additions | 262,939 | 275 | 263,214 |
| | <hr/> | <hr/> | <hr/> |
| At 31 March 2017 | 6,439,431 | 709,996 | 7,149,427 |
| | <hr/> | <hr/> | <hr/> |
| Depreciation | | | |
| At 1 April 2016 | 1,563,935 | 624,445 | 2,188,380 |
| Charge for the year | 117,665 | 64,698 | 182,363 |
| | <hr/> | <hr/> | <hr/> |
| At 31 March 2017 | 1,681,600 | 689,143 | 2,370,743 |
| | <hr/> | <hr/> | <hr/> |
| Net book values | | | |
| At 31 March 2017 | <u>£ 4,757,831</u> | <u>£ 20,853</u> | <u>£ 4,778,684</u> |
| At 31 March 2016 | <u>£ 4,612,557</u> | <u>£ 85,276</u> | <u>£ 4,697,833</u> |

Freehold housing land and buildings comprise the following:

- Wickham House, 338/340 Coggeshall Road, Braintree.
- Great Bradfords House, 159 Coggeshall Road, Braintree.
- Land at Church Lane, Bocking.
- Felsted House, Jollyboys Lane, Felsted.

The land at Church Lane, Bocking and 159 Coggeshall Road, Braintree, which were donated to the Society are included in "cost or valuation" above, at a valuation by the Executive Committee of £12,000 and £450,000 respectively, with that for 159 Coggeshall Road, Braintree, now incorporated as part of the costs of the Great Bradfords Extra Care Scheme.

Included above in freehold land and buildings is an amount of £527,655 for Felsted House which is not depreciated as the expenditure on repairs ensures that the estimated residual value of the property at the balance sheet date is not less than the book amount.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
SOCIETY LIMITED**
(Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017**

8 INVESTMENTS

General investments comprise amounts invested with approved institutions. These are as follows:

| | 2017 | 2016 |
|---------------|---------------------------|---------------------------|
| Cash deposits | <u>£ 1,427,680</u> | <u>£ 1,085,120</u> |

9 DEBTORS

| | 2017 £ | 2016 £ |
|---------------|------------------------|-----------------------|
| Prepayments | 7,884 | 7,884 |
| Rent debtors | 756 | - |
| Other debtors | 44,656 | 250 |
| | <u>£ 53,296</u> | <u>£ 8,134</u> |

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2017 £ | 2016 £ |
|---------------------------------------|------------------------|-------------------------|
| Trade creditors | 5,297 | 18,824 |
| Housing loan – Abbeyfield Society | 3,412 | 23,404 |
| Other taxes and social security costs | 7,479 | 6,647 |
| Accruals and deferred income | 67,705 | 67,705 |
| Other creditors | 13,310 | 11,128 |
| Rent received in advance | 1,931 | 1,620 |
| | <u>£ 99,134</u> | <u>£ 129,328</u> |

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
SOCIETY LIMITED**
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (CONTINUED)

The housing loan is provided unsecured and interest free so long as repayments are made on time and various other conditions are met. The main condition is if the lender, after reviewing the annual accounts determined the Society, could repay the loan in part or in full they can enforce immediate repayment. If payments are not met interest at 4% over bank base rate will be charged.

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2017 | 2016 |
|-----------------|---------------------------|---------------------------|
| Deferred income | <u>£ 2,804,986</u> | <u>£ 2,857,930</u> |

Included within creditors due after more than one year is an amount of £2,593,207 (2016 – £2,646,150) due after more than five years.

12 COMPANY LIMITED BY GUARANTEE

The company does not have share capital and is limited by the guarantee of its members. If the company is dissolved while each person remains a member, each member's liability is limited to a sum not exceeding £1.

ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED SOCIETY LIMITED

(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2017

13 DESIGNATED RESERVES

| | Balance 1.4.16 £ | Surplus for the year £ | Transfers £ | Balance 31.3.17 £ |
|---|------------------------|---------------------------------|----------------|-------------------------|
| Restricted funds | | | | |
| Polly's Field | 134,212 | 18,582 | - | 152,794 |
| Designated funds | | | | |
| Major Repairs - Felsted House | 47,742 | - | - | 47,742 |
| Capital Fund - Felsted House | 275,000 | - | (111,315) | 163,685 |
| Polly's Field | 100,000 | - | 100,000 | 200,000 |
| Repayment of Abbeyfield Loan | 23,404 | - | (19,992) | 3,412 |
| Refurbishment of Great Bradfords House | 434,730 | - | - | 434,730 |
| Refurbishment of Wickham House | 197,960 | - | 30,000 | 227,960 |
| Upgrade of bathrooms | 250,000 | - | - | 250,000 |
| Fixed Asset Fund | 1,786,957 | - | 133,796 | 1,920,753 |
| | 3,115,793 | - | 132,489 | 3,248,282 |
| Income and expenditure account | | | | |
| Revenue Reserve | 102,070 | 197,657 | (132,489) | 167,238 |
| Total reserves | £ 3,352,075 | £ 216,239 | £ - | £ 3,568,314 |

| | |
|--|--|
| Major Repairs – Felsted House | Reserve for the repair of Felsted House. |
| Capital Fund – Felsted House | Reserve for capital expenditure relating to Felsted House. |
| Polly's Field | Restricted reserve and designated reserve in respect of the development of an additional facility. |
| Repayment of Abbeyfield Loan | Reserve for the yearly repayment of the Abbeyfield Loan. |
| Refurbishment of Great Bradfords House | Reserve to provide for the refurbishment of Great Bradfords House anticipated every 10 years. |
| Upgrade of bathrooms | Reserve for the future refitting of tenants' bathrooms. |
| Fixed Asset Fund | Reserve created which mirrors the net book value of the Society's assets net of the social housing grants. |
| Revenue Reserve | Reserve to meet the ongoing operations of the Society. |

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
SOCIETY LIMITED**
(Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017**

14 RECONCILIATION OF NET ASSETS BETWEEN FUNDS

| | Unrestricted 2017 £ | Restricted 2017 £ | Total 2017 £ |
|-----------------------|------------------------------------|----------------------------------|-----------------------------|
| Fixed assets | 4,626,888 | 151,796 | 4,778,684 |
| Current assets | 1,692,752 | 998 | 1,693,750 |
| Current liabilities | (99,134) | - | (99,134) |
| Long term liabilities | (2,804,986) | - | (2,804,986) |
| | <u>£ 3,415,520</u> | <u>£ 152,794</u> | <u>£ 3,568,314</u> |

15 SOCIAL HOUSING GRANTS

Social Housing Grants received in respect of completed properties are released over the life of the property, except for Felsted House as this property is not depreciated:

| | 2017 £ | 2016 £ |
|-----------------------|--------------------|--------------------|
| Great Bradfords House | 2,267,617 | 2,313,89 |
| Wickham House | 240,000 | 246,667 |
| Felsted House | 350,314 | 350,314 |
| | <u>£ 2,857,931</u> | <u>£ 2,910,875</u> |

| Included within: | 2017 £ | 2016 £ |
|-----------------------------------|--------------------|--------------------|
| Deferred income within one year | 52,945 | 52,945 |
| Deferred income two to five years | 211,779 | 211,780 |
| Deferred income after five years | 2,593,207 | 2,646,150 |
| | <u>£ 2,857,931</u> | <u>£ 2,910,875</u> |

ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED SOCIETY LIMITED

(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2017

16 RELATED PARTY TRANSACTIONS

The Society paid travel expenses in respect of the following officers:

| | 2017 | 2016 |
|-------------|----------------|-------------|
| R Hackett | £ 1,214 | £ 1,049 |
| A Cramphorn | £ 789 | £ 613 |
| M Quaife | £ 332 | £ 189 |

No Trustee received any other remuneration during the year (2016 - £Nil).

All transactions are conducted on an arm's length basis.

Senior management team remuneration totalled £100,797 (2016 - £74,060)

17 CONTROL

The Society is controlled by its Board.

18 ACCOMMODATION IN MANAGEMENT

| | 2017 | 2016 |
|---|-------------|-------------|
| Number of units of housing accommodation At 1 April 2016 and 31 March 2017 | 63 | 63 |

Wickham House provides 17 studios.

Great Bradfords House provides 33 one bedroom flats and 2 two bedroom flats.

Felsted House provides 11 studios.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED
SOCIETY LIMITED**
(Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017**

19 FINANCIAL INSTRUMENTS

| | 2017 | 2016 |
|---|---------------------------|---------------------------|
| Financial assets measured at the transaction price | <u>£ 15,596</u> | <u>£ 250</u> |
| Financial liabilities measured at the transaction price | <u>£ 2,893,170</u> | <u>£ 3,033,220</u> |

Further details regarding financial instruments are included within Note 2(g) of the Accounting Policies on page 22.

20 CAPITAL COMMITMENTS

At the year end the Society was committed to expenditure of £163,685 in relation to renovation works being undertaken on Felsted House.