

Company Registration No. 00952071 (England and Wales)
Charity Registration No. 500464

THE ABBEYFIELD BERWICK SOCIETY LIMITED
DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016



THE ABBEYFIELD BERWICK SOCIETY LIMITED

COMPANY INFORMATION

Executive committee	Mrs E.M.A. Hardie (Chairman) Mr D. Hardwick Mrs D. Higham Mr D. Conway Mr S.A.F. Faed
Secretary	Mrs N. Sandwith
Company number	00952071
Charity number	500464
Registered office	4 Bankhill Berwick upon Tweed TD15 1BE
Accountants	Greaves West & Ayre 17 Walkergate Berwick-upon-Tweed Northumberland TD15 1DJ
Bankers	Barclay Bank Plc. 22/24 Hide Hill Berwick upon Tweed TD15 1AF
Solicitors	T C Smith 9 Church Street Berwick upon Tweed Northumberland TD15 1EF

THE ABBEYFIELD BERWICK SOCIETY LIMITED

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THE ABBEYFIELD BERWICK SOCIETY LIMITED

EXECUTIVE COMMITTEE REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

The executive committee present their report and financial statements for the year ended 30 September 2016.

Principal activities

The principal activity of the society, as determined by its Memorandum and Articles of Association, continues to be the provision of accommodation, care and companionship for lonely or frail elderly people in accordance with the aims and principles of The Abbeyfield Society Limited. This activity falls wholly within social housing activities as defined in the Housing Regeneration Act 2008.

Executive committee

The following executive committee members have held office since 1 October 2015:

Mrs E.M.A. Hardie (Chairman)
Mr D. Hardwick
Mrs D. Higham
Mr D. Conway
Mr S.A.F. Faed

In accordance with the registered rules of the society Mr D. Conway will retire by rotation, and being eligible, offer himself for re-election at the forthcoming Annual General Meeting to be held in March 2017.

Statement of executive committee members responsibilities

The board are responsible for preparing the boards' report and the financial statements in accordance with the applicable law and regulations.

Company law requires the board to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the board 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 surplus or deficit of the society for that period. In preparing these financial statements, the board are required to:

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

The board are responsible for keeping adequate accounting records that are sufficient to show and explain the society's transactions and 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 Direction for Social Housing in England 2012. 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.

THE ABBEYFIELD BERWICK SOCIETY LIMITED

EXECUTIVE COMMITTEE REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

Status

The society is a company limited by guarantee (number 00952071), having no share capital and with solely charitable objectives.

It is registered as a charity (number 500464).

It is registered with the Home and Communities Agency as a registered social housing provider (number H2374).

Objects and Organisation

The society's objects are:-

- to provide accommodation, care and companionship for lonely or frail elderly people in accordance with the aims and principles of The Abbeyfield Society Limited.

The society is a member of The Abbeyfield Society Limited by payment of an annual subscription.

The Memorandum and Articles of Association govern the appointment of the executive committee, which is charged with the management of the society in furtherance of its principal activity, fund management and financial affairs generally. The committee shall consist of no less than 3 and no more than 18 committee members. The committee has the power to appoint executive committee members to fill a casual vacancy. One third of the executive committee members must retire by rotation each year but are eligible for re-election.

New members of the executive committee are given a copy of the Memorandum and Articles of Association, the latest report and accounts, and all the society's documents on governance. Subject to their experience and expertise, they are also given pamphlets issued by the Charity Commission explaining the duties of Trustees of Charities and offered training in any area of their duties which they think they would like strengthening.

Public Benefit

The society provides quality housing with support for older people. We provide a service which is intended for older people who no longer feel happy coping alone at home, but are still reasonably fit and active providing the house meets their requirements. Support plans are drawn up with the Housing Benefit and Supporting People funding. Residents can be confident they will enjoy fair opportunity to live a full life and seek fulfilment as individuals, making choices about the way they live their lives. The staff team are committed to helping residents maintain their independence. A complaint procedure is available to all residents and they are encouraged to make use of this procedure when they wish.

In considering the operation, achievements and performance and finances of the society, the executive committee are satisfied that public benefit has been provided in accordance with the Charities Act 2011 and the guidance provided by the Charity Commission.

THE ABBEYFIELD BERWICK SOCIETY LIMITED

EXECUTIVE COMMITTEE REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

Review of Business and results during the year

The Abbeyfield Berwick Society Limited's remaining home provided supportive care for four people in total during the year ended 30 September 2016.

Priority is given to the filling of residential vacancies.

The financial results for the year are as set out in the income and expenditure account on page 6 and the position at the end of the year shown in the balance sheet on page 7. The detailed property revenue account is presented on page 14.

Results continue to be disappointing however the funds remaining from the sale of a property in 2009 and the funds anticipated from the future disposal of the Castlevale property will secure the future of The Abbeyfield Berwick Society Limited for the foreseeable future.

Future Developments

The society intends to actively market the Castlevale property for sale when the property market has improved sufficiently to negotiate a reasonable price for it.

The society has no plans to increase the capacity beyond the remaining 9 places provided for in Bankhill.

The society has entered into plans to regenerate Abbeyfield in the North East which initially focuses on Alnwick.

Reserves Policy

It is the policy of the committee of management to maintain an appropriate level of reserves. The appropriate level of reserves is considered to be that level which would enable the society to continue operations for a considerable period with minimal income arising.

Risk Management

The executive committee members have overall responsibility for ensuring that the society has appropriate systems of controls, financial and otherwise. The systems of financial controls are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include a regular review of actual results, delegation of authority and segregation of duties as far as possible given staffing levels.

The executive committee will continue to monitor risks and set up policies to mitigate them.

Fixed Assets

Details of cost and depreciation of fixed assets are set out in notes 5 & 6.

The executive committee is of the opinion that the market value, under the existing use of the society's land and buildings, is in excess of net book value.

THE ABBEYFIELD BERWICK SOCIETY LIMITED

EXECUTIVE COMMITTEE REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

Exemptions

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

By order of the board



Mrs N. Sandwith

Secretary

17 January 2017

THE ABBEYFIELD BERWICK SOCIETY LIMITED

ACCOUNTANTS' REPORT TO THE BOARD ON THE UNAUDITED ACCOUNTS OF THE ABBEYFIELD BERWICK SOCIETY LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2016

I report on the accounts of the society for the year ended 30 September 2016 set out on pages 6 to 13.

Respective responsibilities of the Board and reporting accountants

The Board of The Abbeyfield Berwick Society Limited is responsible for the preparation of the accounts, and they consider that the society is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our procedures consisted of comparing the accounts with the accounting records kept by The Abbeyfield Berwick Society Limited and making such enquiries of the officers of the society as we considered necessary for the purpose of this report. These procedures provide the only assurance expressed in our opinion.

Opinion

In our opinion:

the accounts for year ended 30 September 2016 are in accordance with the accounting records kept by the society under paragraph 135(2)(a) of the Housing and Regeneration Act 2008;

having regard only to, and on the basis of the information contained in the accounting records:

the accounts comply with the requirements of the Charities Act 2011;

the society has satisfied the conditions for exemption from an audit of the accounts for the year ended 30 September 2016 specified in section 136(3) of the Housing and Regeneration Act 2008;

the accounts comply with the requirements of the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2012.



C.M. Frame B.A. C.A.
Greaves West & Ayre
Chartered Accountants
17 Walkergate
Berwick-upon-Tweed
Northumberland
TD15 1DJ

17 January 2017

THE ABBEYFIELD BERWICK SOCIETY LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	2016 £	2015 £
Turnover	3	67,532	79,307
Cost of sales		(57,182)	(67,683)
Gross surplus		10,350	11,624
Administrative expenses		(11,889)	(12,524)
Other operating income		-	20
Deficit on ordinary activities before taxation	4	(1,539)	(880)
Tax on deficit on ordinary activities		-	-
Deficit for the year	11	(1,539)	(880)
Income and expenditure balance brought forward		289,802	290,682
Income and expenditure balance carried forward		288,263	289,802

THE ABBEYFIELD BERWICK SOCIETY LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2016

	Notes	2016 £	£	2015 £	£
Tangible fixed assets					
Housing properties	6	251,845		251,845	
Other tangible fixed assets	5	4,941		5,909	
		<u>256,786</u>		<u>257,754</u>	
Current assets					
Debtors	7	2,681		2,570	
Cash at bank and in hand		31,561		32,226	
		<u>34,242</u>		<u>34,796</u>	
Creditors: amounts falling due within one year	8	(2,765)		(2,748)	
Net current assets			31,477		32,048
Total assets less current liabilities			<u>288,263</u>		<u>289,802</u>
Capital and reserves					
Revenue reserve	11	288,263		289,802	
		<u>288,263</u>		<u>289,802</u>	

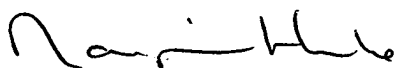
For the financial year ended 30 September 2016 the society was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the society to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective January 2015).

Approved by the Board for issue on 17 January 2017



Mrs E.M.A. Hardie (Chairman)
Director



Mr S.A.F. Faed
Director

Company Registration No. 00952071

THE ABBEYFIELD BERWICK SOCIETY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 SEPTEMBER 2016

1 General

The Abbeyfield Berwick Society is a company limited by guarantee, having no share capital, and with solely charitable activities.

Registered as a company in England No. 00952071, registered as a charity No. 500464 and registered with the Home and Communities Agency as a social housing provider No. H2374.

The society is engaged in social housing activities as defined in the Housing and Regeneration Act 2008.

2 Accounting policies

2.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

2.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice Accounting by Registered Social Housing Providers Update 2010, issued by the National Housing Federation and with the Accounting Direction for Social Housing in England 2012, which have been applied consistently (except as otherwise stated).

2.3 Turnover

Turnover comprises rental income receivable during the period net of rental losses from voids.

2.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	15% Reducing Balance
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Assets donated to the society are not included in the balance sheet.

Housing land and buildings are stated at cost less social housing grants.

Although the Companies Act and the SORP require annual depreciation of fixed assets, no depreciation is charged on housing properties. The executive committee believes that the policy of not providing depreciation is necessary in order for the accounts to give a true and fair view. In the opinion of the executive committee, the land and buildings are maintained in a state of repair such that the estimated residual value of the land and buildings at the balance sheet date is not less than their net book value. The annual charge and accumulated depreciation would therefore be immaterial. The executive committee has reviewed the properties for impairment at the year end and is satisfied that there has been no diminution in value.

THE ABBEYFIELD BERWICK SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

2 Accounting policies

(Continued)

2.5 Social housing grants

Social housing grants (SHG) are made by the Home and Communities Agency and are utilised to reduce the costs of purchase or development of land or buildings. Where purchases or developments have been wholly or partially funded by social housing grant, the cost of those purchases or developments have been reduced by the value of the grant received. The value of the grant is disclosed as part of the tangible fixed asset note 6.

Social housing grants can be recycled under certain circumstances, if a property is sold or if another relevant event takes place. In these cases social housing grants can be used for projects approved by the Home and Communities Agency. Social housing grants may have to be repaid if those circumstances are not met and in that event is a contingent liability.

2.6 Allocation of expenses

Expenses are allocated to management expenses, repair and maintenance costs and services costs on the basis of proportion of time or other relevant factors attributable to those activities.

2.7 Future cyclical and major repairs

It is the executive committee's opinion that no provision is required for future cyclical or major repairs.

2.8 Corporation Tax and VAT

The society has charitable status and is exempt from Corporation Tax on income it receives.

The society is not registered for VAT. Accordingly no VAT is charged to residents, and expenditure in the income and expenditure account includes the relevant VAT.

3 Turnover

	2016 £	2015 £
Class of business		
Income from lettings and care service charges	137,753	130,073
Less voids	(85,821)	(66,367)
Rental income from non social housing letting	15,600	15,600
	<u>67,532</u>	<u>79,306</u>

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

THE ABBEYFIELD BERWICK SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

4	Operating deficit	2016	2015
		£	£
	Operating deficit is stated after charging:		
	Depreciation of tangible assets	968	1,029
	Independent examiner's fee	900	900
		<u> </u>	<u> </u>

5	Tangible fixed assets	Fixtures, fittings & equipment £
	Cost	
	At 1 October 2015	39,914
	Disposals	(889)
		<u> </u>
	At 30 September 2016	39,025
	Depreciation	
	At 1 October 2015	34,005
	On disposals	(781)
	Charge for the year	860
		<u> </u>
	At 30 September 2016	34,084
	Net book value	
	At 30 September 2016	4,941
		<u> </u>
	At 30 September 2015	5,909
		<u> </u>

THE ABBEYFIELD BERWICK SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

6 Tangible fixed assets

	Completed Freehold Properties (SHG assisted)
Housing properties held for letting	
	£
Cost	
At 1 October 2015 & at 30 September 2016	370,581
Social housing grants	
At 1 October 2015 & at 30 September 2016	118,736
Net book value	
At 30 September 2016	251,845
At 30 September 2015	251,845

Included in completed properties above is a property that is temporarily being used for non social housing lettings in advance of being marketed for sale.

The amounts included in respect of this property at 30 September 2015 and 30 September 2016 are: cost £120,054, SHG £36,153, net book value £83,901.

7 Debtors	2016 £	2015 £
Loan to Abbeyfield Society	1,000	1,000
Other debtors	1,681	1,570
	<u>2,681</u>	<u>2,570</u>

The loan to the Abbeyfield Society is undated and interest free.

8 Creditors: amounts falling due within one year	2016 £	2015 £
Trade creditors	292	361
Other creditors	2,473	2,387
	<u>2,765</u>	<u>2,748</u>

THE ABBEYFIELD BERWICK SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

9 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2016 Number	2015 Number
Administration	1	1
Housekeeper, assistants and cleaners	8	8
	<u>9</u>	<u>9</u>

Employment costs

	2016 £	2015 £
Wages and salaries	40,812	52,476
Social security costs	-	759
	<u>40,812</u>	<u>53,235</u>

The executive committee members did not receive any remuneration during the year (2015 £Nil)

10 Accommodation units

The society had the following bed spaces available for occupation:	2016	2015
Registered residential care	<u>9</u>	<u>9</u>

Non social housing

The Castlevale property was let as market rented accommodation from February 2010.

11 Statement of movements on reserves

	Revenue reserve £
Balance at 1 October 2015	289,802
Deficit for the year	(1,539)
Balance at 30 September 2016	<u>288,263</u>

THE ABBEYFIELD BERWICK SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

12 Related party relationships and transactions

The society is a member of The Abbeyfield Society Limited and paid an annual subscription of £2,600 (2015 £2,555). Included within debtors is an outstanding loan of £1,000 (2015 £1,000) due from The Abbeyfield Society Limited. This loan is unsecured, undated and interest free.

THE ABBEYFIELD BERWICK SOCIETY LIMITED

DETAILED PROPERTY REVENUE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	£	2016 £	£	2015 £
Income				
Non Social Housing Rental Income		15,600		15,600
Residential Charges Receivable		137,753		130,074
Losses Arising from Vacancies		(85,821)		(66,367)
		<u>51,932</u>		<u>63,707</u>
		67,532		79,307
Expenditure				
<u>Management Expenses</u>				
Membership fees		2,600		2,639
Administrative wages and salaries		2,617		5,615
Office expenses		490		413
Independent examination		900		900
Accountancy		672		702
General administration expenses		489		(626)
Fixtures and fittings		860		1,029
Losses on disposal of fixed assets		108		-
		<u>8,736</u>		<u>10,672</u>
<u>Repairs and Maintenance</u>				
Current		4,793		3,413
		<u>42,437</u>		<u>54,254</u>
<u>Service Costs</u>				
Care and catering employee costs		38,195		47,620
Food, provisions etc.		4,242		6,634
		<u>13,105</u>		<u>11,868</u>
Rates and insurance		5,329		5,014
Heat and light		4,623		5,002
Postage, stationery, advertising and telephone		1,388		766
Professional fees		1,281		720
Bank charges		152		164
General administration expenses		332		202
		<u>69,071</u>		<u>80,207</u>
Total Expenditure		69,071		80,207
Other Operating Income				
Donations		-		20
Net Deficit		<u>(1,539)</u>		<u>(880)</u>

THE ABBEYFIELD BERWICK SOCIETY LIMITED

GENERAL INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	£	2016 £	£	2015 £
Surplus/Deficit on Property Accounts				
Castlevale		13,731		13,867
Bankhill		(6,534)		(4,095)
		<u>7,197</u>		<u>9,772</u>
Expenditure				
Membership fees	2,600		2,639	
Administrative wages and salaries	2,617		5,615	
Office expenses	490		413	
Independent examination	900		900	
Accountancy	672		702	
General administration expenses	489		(626)	
Fixtures and fittings	860		1,029	
Losses on disposal of fixed assets	108		-	
		<u>(8,736)</u>		<u>(10,672)</u>
Other Operating Income				
Donations		-		20
Net Deficit		<u><u>(1,539)</u></u>		<u><u>(880)</u></u>

THE ABBEYFIELD BERWICK SOCIETY LIMITED

CASTLEVALE NON SOCIAL HOUSING RENTAL ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	£	2016 £	£	2015 £
Income				
Non Social Housing Rental Income		15,600		15,600
Direct Expenses				
Rates and insurances		(1,869)		(1,733)
Net Surplus		<u>13,731</u>		<u>13,867</u>

THE ABBEYFIELD BERWICK SOCIETY LIMITED

BANKHILL SOCIAL HOUSING ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	£	2016 £	£	2015 £
Income				
Residential Charges Receivable		137,753		130,074
Losses Arising from Vacancies		(85,821)		(66,367)
		<u>51,932</u>		<u>63,707</u>
Direct Expenses				
Wages and salaries	38,195		47,620	
Food, Provisions Etc.	4,242		6,634	
Rates and insurances	3,460		3,281	
Repairs and maintenance	4,793		3,413	
Heat and light	4,623		5,002	
		<u>(55,313)</u>		<u>(65,950)</u>
Gross Deficit		(3,381)		(2,243)
Other Expenditure				
Postage, stationery, advertising and telephone	1,388		766	
Professional fees	1,281		720	
Bank charges	152		164	
General administration expenses	332		202	
		<u>(3,153)</u>		<u>(1,852)</u>
Net Deficit		<u>(6,534)</u>		<u>(4,095)</u>