

Chartered Accountants

Ballard|Dale|Syree|Watson

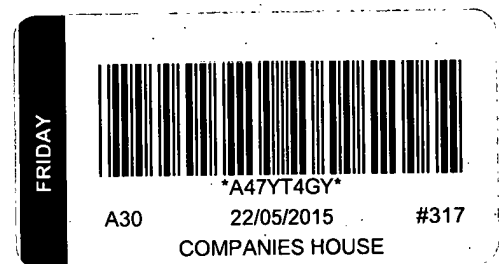
LLP



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**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 SEPTEMBER 2014
FOR
ABBNEYFIELD WORCESTER SOCIETY LIMITED**



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Ballard Dale Syree Watson LLP is a limited liability partnership registered in England with registered no: OC302548

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ABBNEYFIELD WORCESTER SOCIETY LIMITED

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FOR THE YEAR ENDED 30 SEPTEMBER 2014**

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ABBNEYFIELD WORCESTER SOCIETY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2014

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 September 2014. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00961985 (England and Wales)

Registered Charity number

259776

Registered office

12 Greenhill
London Road
Worcester
WR5 2AA

Trustees

Miss A England
Mrs R L Griffin
G A Harris
Dr G D T Holehouse
Miss P J Rayer
L A West
P S Kendal

appointed 2 June 2014

Auditors

Ballard Dale Syree Watson LLP, Statutory Auditor
Chartered Accountants
Registered Auditors
11c Kingswood Road
Hampton Lovett
Droitwich
Worcestershire
WR9 0QH

Solicitors

Hallmark Hulme
3-5 Sansome Place
Worcester
WR1 1UQ

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Society is governed by its Memorandum and Articles of Association and was incorporated on 15 September 1969 as a company limited by guarantee with no share capital; the Company Number is 00961985. The Society is also registered as a charity, Charity Number 259776, and with the Housing Corporation as a Registered-Social Housing Provider, Number H2907.

Recruitment and appointment of new trustees

New trustees are recruited and appointed at the discretion of the existing trustees.

Induction and training of new trustees

New trustees are instructed in their duties by the existing trustees and are required to be aware of the guidance to trustees issued by the Charity Commission.

ABBNEYFIELD WORCESTER SOCIETY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

All trustees are members of the executive committee which is charged with the management of the charity in furtherance of its principal activity, fund management and financial affairs generally.

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

Wider network

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

Risk management

The trustees have overall responsibility for ensuring that the Society has appropriate systems of controls, both financial and otherwise. The systems of financial controls are designed to provide reasonable, but not absolute, assurance against fraud and error. The trustees will continue to monitor risks and set up policies to mitigate them.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the charity are to provide accommodation, care and companionship for lonely or frail elderly people.

Public benefit

The trustees confirm that they have complied with their duty to have due regard to guidance on public benefit published by the Charity Commission and consider that they meet the public benefit requirements of the Charities Act 2011 in carrying out their normal activities.

ACHIEVEMENT AND PERFORMANCE

Review of business and results during the year

Net incoming resources were just over £7,000 for the year, compared with nearly £13,000 for the previous year. The main reason for the fall was the reduction in investment income arising from the use of the Society's funds for the purchase of a site for its new development. Income from residents remained at the same level and the grant from the Anonymous Benefactor helped to offset the three per cent increase in expenditure. The net result was that the Society's funds rose to £1,275,991 at the end of the year, just over £7,000 higher than the previous year.

Future developments

The Board of Directors has continued to press ahead with the Society's new development, Whiston Court, which will provide 37 one and two bedroom apartments for purchase or rent. Following acquisition of the site in October 2013, construction work finally started in July 2014 with the demolition of the existing buildings, and completion is expected by the start of 2016. Loan finance has been provided by the Abbeyfield Society and Lloyds Bank.

FINANCIAL REVIEW

Reserves policy

The directors' reserves policy has been to maintain sufficient general funds to finance the expenditure of the organisation for the next 12 months and a fund to deal with repairs and maintenance. However, with the planned disposal of the existing premises, the directors have released the balance in this latter fund.

ABBNEYFIELD WORCESTER SOCIETY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2014

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Abbeyfield Worcester Society Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Ballard Dale Syree Watson LLP, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

Approved by order of the board of trustees on 24 March 2015 and signed on its behalf by:

G A Harris
G A Harris - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ABBEYFIELD WORCESTER SOCIETY LIMITED

We have audited the financial statements of Abbeyfield Worcester Society Limited for the year ended 30 September 2014 on pages six to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 145 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page three, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under Section 145 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
ABBEYFIELD WORCESTER SOCIETY LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Ballard Dale Syree Watson LLP

Ballard Dale Syree Watson LLP, Statutory Auditor

Chartered Accountants

Registered Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

11c Kingswood Road

Hampton Lovett

Droitwich

Worcestershire

WR9 0QH

Date: *18 May 2015*

ABBNEYFIELD WORCESTER SOCIETY LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

	Notes	Unrestricted funds £	Restricted fund £	2014 Total funds £	2013 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	-	3,487	3,487	30
Investment income	3	5,358	-	5,358	11,003
Incoming resources from charitable activities					
Residents' contributions	4	91,334	-	91,334	91,491
Total incoming resources		<u>96,692</u>	<u>3,487</u>	<u>100,179</u>	<u>102,524</u>
RESOURCES EXPENDED					
Charitable activities					
Service costs	5	67,516	1,134	68,650	65,938
Repairs and maintenance		8,736	353	9,089	11,089
Management expenses		12,355	-	12,355	10,531
Governance costs	6	<u>3,013</u>	<u>-</u>	<u>3,013</u>	<u>2,042</u>
Total resources expended		<u>91,620</u>	<u>1,487</u>	<u>93,107</u>	<u>89,600</u>
NET INCOMING RESOURCES		<u>5,072</u>	<u>2,000</u>	<u>7,072</u>	<u>12,924</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		1,268,919	-	1,268,919	1,255,995
TOTAL FUNDS CARRIED FORWARD		<u><u>1,273,991</u></u>	<u><u>2,000</u></u>	<u><u>1,275,991</u></u>	<u><u>1,268,919</u></u>

The notes form part of these financial statements

ABBNEYFIELD WORCESTER SOCIETY LIMITED

**BALANCE SHEET
AT 30 SEPTEMBER 2014**

	Notes	Unrestricted funds £	Restricted fund £	2014 Total funds £	2013 Total funds £
FIXED ASSETS					
Tangible assets	10	1,911,740	2,000	1,913,740	1,407,923.
CURRENT ASSETS					
Stocks		-	-	-	300
Debtors	11	34,088	-	34,088	5,214
Cash at bank and in hand		234,487	-	234,487	1,124,384
		<u>268,575</u>	<u>-</u>	<u>268,575</u>	<u>1,129,898</u>
CREDITORS					
Amounts falling due within one year	12	(385,551)	-	(385,551)	(1,268,902)
NET CURRENT ASSETS/(LIABILITIES)		<u>(116,976)</u>	<u>-</u>	<u>(116,976)</u>	<u>(139,004)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,794,764	2,000	1,796,764	1,268,919
CREDITORS					
Amounts falling due after more than one year ¹³		(520,773)	-	(520,773)	-
NET ASSETS		<u>1,273,991</u>	<u>2,000</u>	<u>1,275,991</u>	<u>1,268,919</u>
FUNDS	14				
Unrestricted funds				1,273,991	1,268,919
Restricted funds				2,000	-
TOTAL FUNDS				<u>1,275,991</u>	<u>1,268,919</u>

The notes form part of these financial statements

ABBNEYFIELD WORCESTER SOCIETY LIMITED

**BALANCE SHEET - CONTINUED
AT 30 SEPTEMBER 2014**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2014.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

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

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on 24 March 2015 and were signed on its behalf by:


.....
G A Harris -Trustee

ABBNEYFIELD WORCESTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost of buildings
Property under construction	- not provided
Fixtures and fittings	- 15% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

2. VOLUNTARY INCOME

	2014 £	2013 £
Donations	-	30
Grants received	3,487	-
	<u>3,487</u>	<u>30</u>

Grants received, included in the above, are as follows:

	2014 £	2013 £
Abbeyfield Society Anonymous Benefactor Grants	3,487	-
	<u>3,487</u>	<u>-</u>

ABBNEYFIELD WORCESTER SOCIETY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

3. INVESTMENT INCOME

	2014 £	2013 £
Rents received	5,334	-
Deposit account interest	24	11,003
	<u>5,358</u>	<u>11,003</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	2014 £	2013 £
Income from lettings and care service charges	Residents' contributions	91,334	91,491
		<u>91,334</u>	<u>91,491</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Totals £
Service costs	68,650	68,650
Repairs and maintenance	9,089	9,089
Management expenses	12,355	12,355
	<u>90,094</u>	<u>90,094</u>

6. GOVERNANCE COSTS

	2014 £	2013 £
Independent examination	-	(358)
Auditors' remuneration	3,013	2,400
	<u>3,013</u>	<u>2,042</u>

7. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2014 £	2013 £
Auditors' remuneration	3,013	2,400
Depreciation - owned assets	6,101	6,567
	<u>6,101</u>	<u>6,567</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2014 nor for the year ended 30 September 2013.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 September 2014 nor for the year ended 30 September 2013.

ABBNEYFIELD WORCESTER SOCIETY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

9. STAFF COSTS

	2014 £	2013 £
Wages and salaries	42,482	41,691
Social security costs	1,902	1,896
	<u>44,384</u>	<u>43,587</u>

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

	2014	2013
Full time	2	2
Part time	3	3
	<u>5</u>	<u>5</u>

No employees received emoluments in excess of £60,000.

10. TANGIBLE FIXED ASSETS

	Freehold property £	Property under construction £	Fixtures and fittings £	Totals £
COST				
At 1 October 2013	47,705	1,342,382	88,271	1,478,358
Additions	-	509,215	2,703	511,918
At 30 September 2014	<u>47,705</u>	<u>1,851,597</u>	<u>90,974</u>	<u>1,990,276</u>
DEPRECIATION				
At 1 October 2013	15,100	-	55,335	70,435
Charge for year	755	-	5,346	6,101
At 30 September 2014	<u>15,855</u>	<u>-</u>	<u>60,681</u>	<u>76,536</u>
NET BOOK VALUE				
At 30 September 2014	<u>31,850</u>	<u>1,851,597</u>	<u>30,293</u>	<u>1,913,740</u>
At 30 September 2013	<u>32,605</u>	<u>1,342,382</u>	<u>32,936</u>	<u>1,407,923</u>

The cost of freehold property of £47,705 represents the original cost of £157,755 less the Social Housing Grant received of £110,050.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Other debtors	30,848	-
Contributions in arrears	-	2,656
Prepayments and accrued income	3,240	2,558
	<u>34,088</u>	<u>5,214</u>

ABBNEYFIELD WORCESTER SOCIETY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade creditors	772	2,200
Contributions in advance	2,345	3,540
Social security and other taxes	1,727	1,639
Security deposits	110	110
Property development creditor	132,094	1,258,483
Abbeyfield Society loan	240,000	-
Accrued expenses	8,503	2,930
	<u>385,551</u>	<u>1,268,902</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014	2013
	£	£
Abbeyfield Society loan	509,420	-
Property development creditor	11,353	-
	<u>520,773</u>	<u>-</u>

14. MOVEMENT IN FUNDS

	At 1.10.13	Net movement in funds	Transfers between funds	At 30.9.14
	£	£	£	£
Unrestricted funds				
General fund	6,443	8,036	40,284	54,763
Cyclical Repair fund	33	(2,988)	2,955	-
Development Reserve fund	1,262,443	24	(43,239)	1,219,228
	<u>1,268,919</u>	<u>5,072</u>	<u>-</u>	<u>1,273,991</u>
Restricted funds				
General Restricted fund	-	2,000	-	2,000
TOTAL FUNDS	<u>1,268,919</u>	<u>7,072</u>	<u>-</u>	<u>1,275,991</u>

ABBNEYFIELD WORCESTER SOCIETY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

14. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	96,668	(88,632)	8,036
Development Reserve fund	24	-	24
Cyclical Repair fund	-	(2,988)	(2,988)
	<u>96,692</u>	<u>(91,620)</u>	<u>5,072</u>
Restricted funds			
General Restricted fund	3,487	(1,487)	2,000
	<u>3,487</u>	<u>(1,487)</u>	<u>2,000</u>
TOTAL FUNDS	<u><u>100,179</u></u>	<u><u>(93,107)</u></u>	<u><u>7,072</u></u>

ABBNEYFIELD WORCESTER SOCIETY LIMITED

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

	2014 £	2013 £
INCOMING RESOURCES		
Voluntary income		
Donations	-	30
Grants received	3,487	-
	<hr/> 3,487	<hr/> 30
Investment income		
Rents received	5,334	-
Deposit account interest	24	11,003
	<hr/> 5,358	<hr/> 11,003
Incoming resources from charitable activities		
Income from lettings and care service charges	91,334	91,491
	<hr/>	<hr/>
Total incoming resources	100,179	102,524
RESOURCES EXPENDED		
Charitable activities		
Wages	42,482	41,691
Social security	1,902	1,896
Catering, cleaning and residents' outings and gifts	12,806	12,134
Insurance	1,613	1,509
Call Aid	1,123	1,088
Refuse collection	252	582
Council taxes	1,333	1,245
Water rates	1,833	1,854
Heat and light	7,508	7,596
Sundry expenses	1,405	1,849
Repairs and maintenance	6,466	4,522
Telephone	725	728
The Abbeyfield Society membership fee	2,499	3,619
Stationery and postage	549	436
Advertising	244	242
Professional fees	1,253	-
Depreciation of buildings	755	755
Depreciation of fixtures and fittings	5,346	5,812
	<hr/> 90,094	<hr/> 87,558
Governance costs		
Independent examination	-	(358)
Auditors' remuneration	3,013	2,400
	<hr/> 3,013	<hr/> 2,042
Total resources expended	93,107	89,600

This page does not form part of the statutory financial statements

ABBNEYFIELD WORCESTER SOCIETY LIMITED
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2014

	2014 £	2013 £
Net income	<u>7,072</u>	<u>12,924</u>

This page does not form part of the statutory financial statements