

The Abbeyfield Basildon Society Limited

Financial Statements

Year Ended 31 March 2018



Homes and Communities Agency registration number: H0552

Company registration number: 1005700

Charity registration number: 262505

The Abbeyfield Basildon Society Limited

Financial Statements

Year Ended 31 March 2018

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The Abbeyfield Basildon Society Limited

Registered Social Housing Provider Information

Year Ended 31 March 2018

Company registration number	1005700
Charity registration number	262505
Homes and Communities Agency registration number	H0552
Members of the board	Mr M Stanton-Dunne Mr R Thomson Mrs P Griffiths Mrs R Blake Mrs P Edwards Mr A Nurbhai
Registered office	1 Sopwith Crescent Wickford Business Park Wickford Essex SS11 8YU
Places of business	Abbeyfield House 200 Timberlog Lane Basildon Essex SS14 1PG The Octagon 41 Bridge Street Basildon Essex SS15 4AY
Auditor	Sygma Chartered Accountants Wickford Business Park 1 Sopwith Crescent Wickford Essex SS11 8YU
Bankers	Lloyds Bank plc 89 High Street Billericay Essex CM12 9AT

The Abbeyfield Basildon Society Limited

Board Report

Year Ended 31 March 2018

The board of The Abbeyfield Basildon Society Limited presents their report, and the audited financial statements of the Registered Social Housing Provider for the year ended 31 March 2018.

Members of the board

The members of the board who have served during the year were as follows:

Mr M Stanton-Dunne
Mr R Thomson
Mrs P Griffiths
Mrs R Blake
Mrs P Edwards
Mr A Nurbhai

In accordance with the Registered Rules of the Registered Social Housing Provider, Mr R Thomson and Mrs P Edwards retire by rotation and, being eligible, offer themselves for re-election.

Review of the business

The principal activity of the Registered Social Housing Provider is to provide accommodation, care and companionship for senior citizens in accordance with the aims and principles of The Abbeyfield Society Limited.

The financial results for the year are as set out in the Statement of Comprehensive Income on page 9 and the position at the end of the year is shown in the Balance Sheet on page 10. The movements in reserves are shown on the Statement of Changes in Reserves on page 11.

The board consider that the state of affairs of the Registered Social Housing Provider is satisfactory.

Objectives and strategies for achieving those objectives

The Registered Social Housing Provider's objectives are to carry on for the benefit of the community the provision and management of housing, accommodation and assistance for the relief and care of elderly persons suffering from the disabilities of old age or otherwise being in need and in particular (but without limitation) by providing and maintaining (or assisting in providing and maintaining) houses and homes for such elderly persons and providing (or assisting in providing) amenities or services for the benefit of such elderly persons.

Principal risks and uncertainties

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The board have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

Analysis using financial and non-financial key performance indicators

The Registered Social Housing Provider's income from housing properties remained constant in comparison to the previous year.

The Registered Social Housing Provider also received donations during the year which have been held as investments for the development of better facilities for residents.

The Abbeyfield Basildon Society Limited

Board Report

Year Ended 31 March 2018

Assessment of how the Registered Social Housing Provider is achieving value for money

Details of how the Registered Social Housing Provider is achieving value for money in delivering its purpose and objectives can be seen at www.abbeyfield.com.

Code of governance

The Registered Social Housing Provider is a company limited by guarantee registered under the Companies Act 2006 (number 1005700), having no share capital, and is registered as a charity (number 262505), and is registered with The Homes and Communities Agency as a registered social landlord (number H0552). The Registered Social Housing Provider's governing document is a Memorandum and Articles of Association.

The members of the Registered Social Housing Provider's board are responsible for the general control and management of the Registered Social Housing Provider. The members give their time freely and receive no remuneration or other financial benefits.

The members meet regularly and are responsible for all decisions taken in relation to the running of the housing properties and the services provided by the Registered Social Housing Provider.

The Registered Social Housing Provider complies with the Governance and Financial Viability Standard.

Recruitment, appointment, induction and training of members of the Board

The existing members of the board are responsible for the recruitment of new members. Potential members are invited to attend board meetings as observers and are given more details of the Registered Social Housing Provider's aims and activities and, if all agree, they are then proposed as new members at the subsequent board meeting. This process allows due consideration of the persons eligibility, personal competence, specialist knowledge and skills.

Following appointment, new members are made aware of their responsibilities under the Charities Act by the existing members of the board. They are assisted in their role by other members until the board considers them to be competent in their responsibilities.

Public benefit statement

In setting and reviewing our aims the board has given careful consideration to the Charity Commissions guidance on public benefit.

Board's responsibilities

The board are responsible for preparing the annual Report and the financial statements in accordance with applicable law and UK Generally Accepted Accounting Practice (UK GAAP).

Company law requires the board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for the period. In preparing these financial statements the board are required to:

- select suitable accounting policies and then apply them consistently;
- 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 company will continue in business.

The Abbeyfield Basildon Society Limited

Board Report

Year Ended 31 March 2018

Board's responsibilities (continued)

The board are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditors


We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Small company rules

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

On behalf of the board

A handwritten signature in black ink, appearing to read 'Michael Dunne', with a long horizontal flourish extending to the right.

Mr M Stanton-Dunne, Chairman

Date: 20th June 2018

The Abbeyfield Basildon Society Limited

Independent Auditor's Report

Year Ended 31 March 2018

Independent Auditor's Report to the Members of The Abbeyfield Basildon Society Limited

We have audited the financial statements of The Abbeyfield Basildon Society Limited for the year ended 31st March 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Reserves and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Registered Social Housing Provider's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and Schedule 137 to 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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

As explained more fully in the Board's Responsibilities Statement set out on page 5, the board members (who are also the directors of the society 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.

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Registered Social Housing Provider's affairs as at 31st March 2018 and of 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, the Housing and Regeneration Act 2008 and The Accounting Direction for private registered providers of social housing in England 2015.

The Abbeyfield Basildon Society Limited

Independent Auditor's Report

Year Ended 31 March 2018

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the executive committee for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 board members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the board was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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.



Alan Jeffrey Brading (Senior Statutory Auditor) for and on behalf of
Sygma
Chartered Accountants and Statutory Auditor
1 Sopwith Crescent
Wickford Business Park
Wickford
Essex SS11 8YU

04/09/2018

The Abbeyfield Basildon Society Limited

Statement of Comprehensive Income (Including Income and Expenditure Account)

Year Ended 31 March 2018

		2018	2017
	Note	£	As restated £
Turnover	2	349,836	323,299
Social housing activity expenditure		<u>(294,779)</u>	<u>(286,519)</u>
Gross surplus		55,057	36,780
Administrative expenditure		<u>(34,453)</u>	<u>(37,187)</u>
Operating deficit		20,604	(407)
Interest receivable and similar income	4	<u>14,466</u>	<u>14,096</u>
Deficit on ordinary activities for the year	5	35,070	13,689
Revaluation of fixed asset investments		(1,061)	930
Gain on disposal of fixed asset investments		<u>71,902</u>	<u>-</u>
Total comprehensive income for the year		<u>105,911</u>	<u>14,619</u>

These results relate wholly to continuing activities.

Signed on behalf of the board



Mr M Stanton-Dunne
Chairman

Mr R Thomson



The notes on pages 12 to 21 form part of these accounts.

The Abbeyfield Basildon Society Limited

Balance Sheet

Year Ended 31 March 2018

		2018	2017
	Note	£	As restated £
Fixed assets			
Tangible fixed assets - housing properties	8	599,514	605,106
Tangible fixed assets - other	9	5,671	6,672
Investments	10	<u>19,861</u>	<u>218,712</u>
		<u>625,046</u>	<u>830,490</u>
Current assets			
Debtors	11	1,316	-
Cash at bank and in hand		<u>1,432,128</u>	<u>1,125,584</u>
		1,433,444	1,125,584
Creditors: amounts falling due within one year	12	<u>(26,768)</u>	<u>(24,343)</u>
Net current assets		<u>1,406,676</u>	<u>1,101,241</u>
Total assets less current liabilities		2,031,722	1,931,731
Creditors: amounts falling due after more than one year	13	<u>(374,317)</u>	<u>(380,237)</u>
Total net assets		<u>1,657,405</u>	<u>1,551,494</u>
Reserves			
Income and expenditure account	14	<u>1,657,405</u>	<u>1,551,494</u>
Total reserves		<u>1,657,405</u>	<u>1,551,494</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the board on 20th June 2018.

Signed on behalf of the board



Mr M Stanton-Dunne
Chairman

Mr R Thomson



Company registration number: 1005700

The notes on pages 12 to 21 form part of these accounts.

The Abbeyfield Basildon Society Limited

Statement of Changes in Reserves

Year Ended 31 March 2018

	Income and expenditure reserve £	Designated reserve £	Total £
At 1 April 2016 - as previously stated	1,461,035	2,623	1,463,658
Prior year adjustment (see note 16)	<u>75,840</u>	<u>(2,623)</u>	<u>73,217</u>
At 1 April 2016 - as restated	1,536,875	-	1,536,875
Surplus for the year - as restated	13,689	-	13,689
Revaluation of fixed asset investments	<u>930</u>	<u>-</u>	<u>930</u>
Total comprehensive income - as restated	<u>14,619</u>	<u>-</u>	<u>14,619</u>
At 31 March 2017 and 1 April 2017 - as restated	<u>1,551,494</u>	<u>-</u>	<u>1,551,494</u>
Surplus for the year	35,070	-	35,070
Revaluation of fixed asset investments	(1,061)	-	-
Gain on disposal of fixed asset investments	<u>71,902</u>	<u>-</u>	<u>71,902</u>
Total comprehensive income	<u>105,911</u>	<u>-</u>	<u>105,911</u>
At 31 March 2018	<u>1,657,405</u>	<u>-</u>	<u>1,657,405</u>

The notes on pages 12 to 21 form part of these accounts.

The Abbeyfield Basildon Society Limited

Notes to the Financial Statements

Year Ended 31 March 2018

1 Summary of significant accounting policies

(a) General information and basis of preparation

The Abbeyfield Basildon Society Limited is a company limited by guarantee, a registered charity and a private registered provider of social housing in the United Kingdom. The address of the registered office is given in the Registered Social Housing Provider information on page 3 of these financial statements. The nature of the Registered Social Housing Provider's operations and principal activities is given in the Board Report on pages 4 to 6 of these financial statements.

The Registered Social Housing Provider constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2014, and with the Accounting Direction for private registered providers of social housing in England 2015. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the Registered Social Housing Provider.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Housing properties, land and houses	Depreciation is charged on the cost of housing land and properties at 1% per annum on the straight line basis. Housing land is not depreciated
Fixtures and fittings	Depreciation is charged at 15% per annum on the reducing balance basis.
Property plant and equipment	Depreciation is charged at 15% per annum on the reducing balance basis.

The Abbeyfield Basildon Society Limited

Notes to the Financial Statements

Year Ended 31 March 2018

1 Summary of significant accounting policies (continued)

Housing properties under construction are not depreciated until they are in use.

Major components of housing properties have been accounted for and depreciated separately from the connected housing property, over their expected useful economic lives and are included in property plant and equipment.

The useful economic lives of all tangible fixed assets are reviewed annually.

(c) Debtors and creditors receivable or payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other administrative expenses.

Rights of social landlords to have improvement works carried out to properties by a third party (such as local authority) are recognised as prepayments where payment has occurred in advance of the works being carried out and receipts in advance from the same third party recognised as liabilities. Assets and liabilities or income and expenditure are not offset.

(d) Investments (including concessionary loans, such as HomeBuy loans)

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value through the statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Concessionary loans (such as HomeBuy loans) include those receivable or payable to third parties which are interest free or below market interest rates. HomeBuy loans are considered to be concessionary loans. All loans where the loan is repayable on demand within one year are measured at cost, less impairment. Where the loan is repayable after more than one year, the loan is initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less impairment.

(e) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

HomeBuy grants which are received from the government in order to fund all or part of a HomeBuy loan, will only be realised when the HomeBuy loan is redeemed and the grant is recycled for use to develop our own assets. Until this is redeemed this is therefore accounted for as deferred income as a government grant.

(f) Derivatives

Derivative financial instruments are initially measured at fair value at the date on which a derivative contract is entered into and are subsequently measured at fair value through the statement of comprehensive income.

The Abbeyfield Basildon Society Limited

Notes to the Financial Statements

Year Ended 31 March 2018

1 Summary of significant accounting policies (continued)

(g) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. For the purposes of assessing impairment, each of the Registered Social Housing Provider's properties (each consisting of multiple cash generating units) are reviewed.

If indication of impairment exists, the recoverable amount of each affected property is estimated and compared to the carrying amount of that property. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income.

The recoverable amount is determined by reference to the open market value of properties of similar condition size and in the same location or by reference to professional valuations if considered appropriate.

(h) Provisions

Provisions are recognised when the Registered Social Housing Provider has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Provisions for cyclical maintenance or major works to existing stock are not made unless they represent commitments or obligations at the Balance Sheet date where there is no discretion to avoid or delay the expenditure.

Recycled Capital Grants Fund

Capital grants can be recycled under certain condition, if a property is sold, or if another relevant event takes place. Recycled grants can be used for projects approved by the Homes and Communities Agency (HCA) and they are credited to the Recycled Capital Grant Fund within liabilities.

In certain circumstances, such as the sale of housing properties, capital grants may be repayable, and, in that event, is subordinated to the repayment of other loans by agreement with the Homes and Communities Agency (HCA). It is accounted for as soon as the liability arises within creditors: amounts falling due within one year. When any grant to be recycled or repaid is less than the grant relating to the disposal, the difference is treated as abated grant. Abated capital grants are treated as a component of the surplus or deficit on disposal.

Disposal Proceeds Fund

Net disposal proceeds including grant released on sale of a property under the right to acquire scheme and Voluntary Purchase Grant net disposal proceeds are credited to this fund which appears as a creditor until reinvested in appropriate new social housing.

The Abbeyfield Basildon Society Limited

Notes to the Financial Statements

Year Ended 31 March 2018

1 Summary of significant accounting policies (continued)

(i) Tax

The activities of the Registered Social Housing Provider are exempt from Corporation Tax and VAT.

(j) Turnover and other income

Turnover is measured at the fair value of the consideration received or receivable. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Homes and Communities Agency.

The disposal proceeds from the first tranche of shared ownership properties are included in turnover at the point of legal completion. The second and subsequent tranches are accounted for in administrative expenditure / operating income in the period in which the disposal occurs being the difference between the net sale proceeds and the net carrying value.

Donated land

Donated land which is unconnected with any intended development is measured at current value and recognised in turnover with other donations, where the donation is from a non-public body and as a government grant where it is from a public body.

Where land is donated or transferred at a price less than its open market value, or where it has been donated as part of a development scheme, it is included at its current value on the date it is received.

The difference between the current value and the transfer price of land transferred from central or local government or other public authorities is treated as a government grant. Where land is donated or transferred by a non-public body the difference is recognised in turnover.

Interest and dividends receivable

Interest income is recognised using the effective interest method and dividend income is recognised as the Registered Social Housing Provider's right to receive payment is established.

(k) Government grants

Government grants (such as from a local authority) are received in respect of housing properties. These grants are recognised at the fair value of the asset received or receivable. Where the assets are accounted for using the accruals model then the government grant is accounted for using the accruals model. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised within turnover. Where disposal of government donated assets are required to be recycled, a liability is included to recognise this obligation.

Where disposal of government donated assets are required to be recycled, a liability is included to recognise this obligation.

The Abbeyfield Basildon Society Limited

Notes to the Financial Statements

Year Ended 31 March 2018

1 Summary of significant accounting policies (continued)

Government grants received as a contribution to revenue expenditure are recognised in the statement of comprehensive income on a systematic basis over the period in which the landlord recognises the related costs for which the grant is intended to compensate. The related expenditure is included under administrative expenses. Grants are recognised in the same period as the related expenditure provided the conditions for receipt have been satisfied and there is reasonable assurance that the grant will be received.

(I) Employee benefits

When employees have rendered service to the Registered Social Housing Provider, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The Registered Social Housing Provider operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

2 Social housing turnover and costs

	2018	2017
	£	As restated £
Rents receivable excluding service charges	141,437	122,739
Service charges receivable	202,479	194,640
Amortised government grants	5,920	5,920
Social housing activity expenditure – Service costs	202,479	194,640
Social housing activity expenditure – Repairs and maintenance	85,707	85,110
Social housing activity expenditure – Depreciation	6,593	6,769
Operating deficit from social housing activities	55,057	36,780
Social housing activity expenditure – Administrative expenditure	34,453	37,187
Net surplus/(deficit) from social housing activities	20,604	(407)
Losses from vacancies	7,548	32,317

The Abbeyfield Basildon Society Limited

Notes to the Financial Statements

Year Ended 31 March 2018

3 Accommodation owned and in management

	Number of units at 1 April 2017	Number of units at 31 March 2018
Completed units:		
Housing for older people	21	21
There are no units under development		
	<u>21</u>	<u>21</u>

Properties managed by agents

The Registered Social Housing Provider owns no property managed by other bodies.

The Registered Social Housing Provider manages no properties on behalf of others.

4 Interest and other finance income and charges

a) Interest receivable and similar income

	2018 £	2017 £
Donations received	3	1,003
Other miscellaneous income	-	618
Bank interest receivable	<u>14,463</u>	<u>12,475</u>
	<u>14,466</u>	<u>14,096</u>

5 Surplus on ordinary activities

Surplus on ordinary activities is stated after charging/(crediting):

	2018 £	2017 £
Auditor's remuneration (including expenses and benefits in kind) for audit	3,840	4,320
Auditor's remuneration (including expenses and benefits in kind) for non-audit	-	-
Depreciation of tangible fixed assets	<u>6,593</u>	<u>6,769</u>

The Abbeyfield Basildon Society Limited

Notes to the Financial Statements

Year Ended 31 March 2018

6 Board and key management personnel remuneration

Key management personnel neither received nor waived any remuneration during the year (2017: Nil).

7 Staff costs

The average number of employees, including members of the executive team, calculated on a full time equivalent basis was 9 employees (2017: 8 employees).

There are no employees who received more than £60,000 as their employee package.

8 Tangible fixed assets – completed housing properties

	Housing properties for letting £	Total £
Cost:		
At 1 April 2017	<u>798,793</u>	<u>798,793</u>
At 31 March 2018	<u>798,793</u>	<u>798,793</u>
Depreciation:		
At 1 April 2017	193,687	193,687
Charge for year	<u>5,592</u>	<u>5,592</u>
At 31 March 2018	<u>199,279</u>	<u>199,279</u>
Net book value:		
At 31 March 2018	<u>599,514</u>	<u>599,514</u>
At 31 March 2017	<u>605,106</u>	<u>605,106</u>

The net book value of land and buildings comprised:

	2018 £	2017 As restated £
Land and buildings:		
Freehold	<u>599,514</u>	<u>605,106</u>
	<u>599,514</u>	<u>605,106</u>

Freehold land and buildings were subject to independent professional valuation on 27 November 2015. The valuation was undertaken by Porter Glenny (Chartered Surveyors and RICS Registered Valuers) on a market value basis in accordance with the 8th Edition of the RICS Appraisal and Valuations Standards (The Red Book) together with Practice Statements and Definitions of Value contained in UKPS3 and UK Appendix 3. The assumption of vacant possession was used to ascertain the fair value of £1,550,000.

The Abbeyfield Basildon Society Limited

Notes to the Financial Statements

Year Ended 31 March 2018

9 Tangible fixed assets – other

	Fixtures, fittings and equipment £	Total £
Cost:		
At 1 April 2017	125,729	125,729
Furniture allowance	<u>(4,741)</u>	<u>(4,741)</u>
At 31 March 2018	<u>120,988</u>	<u>120,988</u>
Depreciation:		
At 1 April 2017	114,316	114,316
Charge for year	<u>1,001</u>	<u>1,001</u>
At 31 March 2018	<u>115,317</u>	<u>115,317</u>
Net book value:		
At 31 March 2018	<u>5,671</u>	<u>5,671</u>
At 31 March 2017	<u>6,672</u>	<u>6,672</u>

10 Fixed asset investments

	Listed investments £	Total £
Valuation:		
At 1 April 2017	218,712	217,782
Disposals	(197,790)	(197,790)
Revaluation	<u>(1,061)</u>	<u>930</u>
At 31 March 2018	<u>19,861</u>	<u>19,861</u>
Impairment:		
At 1 April 2017	<u>-</u>	<u>-</u>
At 31 March 2018	<u>-</u>	<u>-</u>
Carrying amount:		
At 31 March 2018	<u>19,861</u>	<u>19,861</u>
At 31 March 2017	<u>217,782</u>	<u>217,782</u>

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

The Abbeyfield Basildon Society Limited

Notes to the Financial Statements

Year Ended 31 March 2018

11 Debtors

	2017 £	2016 £
Trade debtors (gross social housing rent arrears)	6	-
Prepayments and accrued income	1,310	-
	<u>1,316</u>	<u>-</u>

12 Creditors: amounts falling due within one year

	2018 £	2017 As restated £
Trade creditors	2,389	3,138
Other tax and social security	2,238	1,482
Government grants	5,920	5,920
Accruals and deferred income	16,221	13,803
	<u>26,768</u>	<u>24,343</u>

13 Creditors: amounts falling due after more than one year

	2018 £	2017 As restated £
Government grants	374,315	380,235
Other loans	2	2
	<u>374,317</u>	<u>380,237</u>

Other loans represent housing mortgage loans from The Housing Corporation and are secured by a charge on the Registered Social Housing Provider's freehold land and buildings. The full amount of the loans fall due after five years and are payable otherwise than by instalments. No interest is charged on the loans which are only repayable when the relevant properties are sold.

14 Reserves

a) Income and expenditure reserve

The income and expenditure reserve represents cumulative surpluses and deficits net of other adjustments

The Abbeyfield Basildon Society Limited

Notes to the Financial Statements

Year Ended 31 March 2018

15 Pensions and other post-retirement benefits

a) Defined contribution pension plans

The Registered Social Housing Provider operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £1,207 (2017 – £1,202).

16 Prior year adjustment

The prior year adjustment reflects further changes arising from the transition from the previous financial reporting framework to the Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102) and the Statement of Recommended Practice for Social Housing Providers 2014.

The adjustment affects three areas of the previously reported financial statements.

(a) Government grants

Government grants were previously shown as a reduction to the cost of the assets to which they relate. They are now recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised in turnover.

(b) Housing properties depreciation

Depreciation was previously provided at 2% per annum on the straight line basis on the cost of housing land and properties that did not qualify for a grant. In order to better match the change to the treatment of government grants (explained in (a) above) depreciation is now provided at 1% per annum on the straight line basis on the cost of housing properties. Housing land is not depreciated.

(c) Designated reserve

The financial statements previously included a designated reserve representing a general provision set aside by the board based on the Society's obligation to carry out works on a continuing basis for the future cyclical maintenance and major repairs of its property. Under the new financial reporting framework such provisions are only made for commitments or obligations at the Balance Sheet date where there is no discretion to avoid or delay the expenditure. As a result of this change there is no requirement for the designated reserve so it has been removed.

The combined effect of the prior year adjustment can be summarised as follows:

	2017 £
Increase in turnover due to grant amortisation	5,920
Increase in depreciation charge	1,457
Increase in surplus on ordinary activities for the year	4,463
Increase in total comprehensive income for the year	4,463
Increase in net carrying value of fixed assets	463,835
Increase in creditors: amounts falling due within one year	5,920
Increase in creditors: amounts falling due after more than one year	380,235
Increase in opening income and expenditure reserves	73,217
Increase in closing income and expenditure reserves	80,595
Decrease in opening designated reserves	3,119
Decrease in closing designated reserves	3,367

The Abbeyfield Basildon Society Limited

Detailed Housing Property Revenue Account

Year Ended 31 March 2018

	2018	2017
	£	As restated £
Income		
Residents' charges and other rental income	351,464	349,696
Amortisation of government grants	5,920	5,920
Losses arising from vacancies	(7,548)	(32,317)
Turnover - net property income	349,836	323,299
Expenditure		
Administrative expenditure		
Insurance	4,462	4,183
Telephone	2,250	4,427
Membership fee - The Abbeyfield Society	6,245	5,924
Auditor's remuneration	3,840	4,320
Travelling expenses	578	479
Advertising	5,215	6,094
Training and conferences	4,619	2,114
Other expenditure	810	848
Legal and professional fees	4,645	4,680
Careline	1,789	4,118
Total administrative expenditure	34,453	37,187
Repairs and maintenance		
Day-to-day repairs	23,590	22,402
Cyclical repairs	62,117	62,708
	85,707	85,110
Service costs		
Care and catering:		
Employee costs	140,625	134,196
Food costs and cleaning materials	29,629	30,514
Window cleaning	636	636
Garden maintenance	3,381	3,361
Council tax/rates	5,821	5,822
Water rates	3,955	3,134
Heating	8,188	8,195
Lighting	6,928	5,404
Sundry expenses	3,316	3,378
	202,479	194,640
Depreciation		
Housing properties	5,592	5,592
Fixtures, fittings and equipment	1,001	1,177
	6,593	6,769
Total social housing activity expenditure	294,779	286,519
Operating deficit	20,604	(407)