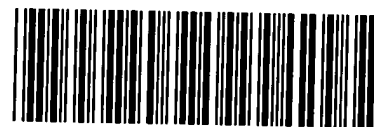


COMPANY NUMBER:
CHARITY NUMBER:
HOMES AND COMMUNITIES AGENCY:

01051354
267984
H0062

THE ABBEYFIELD (MAIDENHEAD) SOCIETY LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018

WEDNESDAY



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07/11/2018
COMPANIES HOUSE

THE ABBEYFIELD (MAIDENHEAD) SOCIETY LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2018

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THE ABBEYFIELD (MAIDENHEAD) SOCIETY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

DIRECTORS:

Mr D M Cager	(Chairman)
Mr K W Jackson	
Mr A R Jesseman	
Mr Y P Maudgil	(Treasurer)
Mr H J McBrien	

COMPANY SECRETARY:

Mr A R Jesseman

REGISTRATION:

Company number	01051354
Charity number	267984
Homes & Communities Agency number	H0062

PRINCIPAL ADDRESS AND REGISTERED OFFICE:

Winton House
51/53 Dedworth Road
WINDSOR
SL4 5AZ

AUDITOR:

Craufurd Hale Audit Services Limited
Belmont Place
Belmont Road
MAIDENHEAD
SL6 6TB

BANKERS:

Lloyds Bank Plc
45 High Street
MAIDENHEAD
SL6 1JS

INVESTMENT MANAGERS:

Charles Stanley & Co. Limited
25 Luke Street
LONDON
EC2A 4AR

THE ABBEYFIELD (MAIDENHEAD) SOCIETY LIMITED

REPORT OF THE DIRECTORS AND STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2018

The directors present their report and the financial statements for the year ended 31 May 2018.

PRINCIPAL ACTIVITY

The principal activity of the Society is the provision of accommodation, care and companionship for the lonely or frail elderly people in accordance with the aims and principles of The Abbeyfield Society Limited. There has been no change in the activities of the Society during the year.

STATUS

The Society is a private company limited by guarantee incorporated in England and Wales (company number 01051354) having no share capital and with charitable objectives. It is a registered charity (number 267984) and is registered with the Homes and Communities Agency as a Registered Provider (number H0062). The Company is governed by its memorandum and articles of association.

As the Society's principal activity is the provision of care home accommodation and it is registered with the Housing and Communities Agency, it previously adopted the Statement of Recommended Practice for Social Housing Providers in preparing its financial statements, and has now adopted the Housing SORP 2014 and the Accounting Direction for private registered providers of social housing in England 2015 (AD 2015), as these are considered to give a more accurate and fairer view than using the Charities SORP would.

STATEMENT OF PUBLIC BENEFIT

The directors have had due regard to the Charity Commission's general guidance on public benefit. For the purposes of FRS102, the company is a Public Benefit Entity.

FINANCIAL STATEMENTS AND STATE OF THE SOCIETY'S AFFAIRS

The results for the year are shown in the Statement of Comprehensive Income.

DIRECTORS

The following served as directors during the year:

Mr D M Cager	Chairman
Mr K W Jackson	
Mr A R Jesseman	Honorary Secretary
Mr Y P Maudgil	Treasurer
Mr H J McBrien	

Directors are appointed by the board in the event of a casual vacancy and then confirmed by the Members at an Annual General Meeting. Directors are volunteers who are or have been in business locally and whose experience can assist in the running of the Society.

THE ABBEYFIELD (MAIDENHEAD) SOCIETY LIMITED

REPORT OF THE DIRECTORS AND STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2018 (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE

The financial year has again shown as overall positive result, which supports our financial position and plans.

We have undertaken an extensive modification of Winton House as part of our strategy to increase the number of available rooms. This was financed from existing resources and was complete by the year end.

Although Nicholas House and Winton House are performing well, we have taken the decision to close Bryony House as full occupancy was proving to be most difficult in light of the fact that older people are tending to stay in their own houses, sometimes with Government help, and therefore needing Care Home facilities rather than Sheltered Accommodation.

GOVERNANCE

The Company is organised under the control of its directors, with day-to-day operations of the three homes managed by registered managers and a housekeeper supported by House Chairmen and committees. Overall control of finances is managed by the Treasurer.

The Board meets six times a year.

The Society complies with the Governance and Financial Viability Standard.

RISK MANAGEMENT

The major risks to which the Society is exposed, as identified by the Directors, have been reviewed and systems have been established to mitigate those risks.

VALUE FOR MONEY

As part of the ongoing strategy to ensure value for money, the directors have taken a number of actions to deliver their plans and to meet the required Standard, embedding a 'value for money' culture throughout the Society. Getting best value from the resources is essential to ensure that the Society can continue to deliver quality care and invest in the accommodation offered to the residents where necessary to maintain that quality.

Our key actions have been:

- to have regular meetings with residents and by supervision from the Chairmen of the House Committees;
- to manage staff resources to ensure a consistent approach;
- to provide ongoing training to all staff to effect the delivery of the care service efficiently and at a high level;
- to set budgets and monitor actual results against those budgets regularly; and
- to engage with staff with appraisals and setting goals.

The directors are committed to ensuring that value for money is considered in decision-making at all levels in order to meet and exceed the Standard. This is reinforced through the Society's culture which strives, ultimately, to add value to society through the provision of quality care to all the residents.

RESERVES POLICY

The current level of Reserves is considered appropriate to meet the Society's needs for the foreseeable future. Details of the designated reserves and any movements therein are shown in the Notes to the Financial Statements.

The Board has taken a strategic decision to continue to grow the Society's reserves for the purpose of supporting any future capital projects or expenditure. As a result, funds which are not immediately needed for operational use are invested under the management of Charles Stanley with that view in mind.

THE ABBEYFIELD (MAIDENHEAD) SOCIETY LIMITED

REPORT OF THE DIRECTORS AND STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2018 (CONTINUED)

RESERVES POLICY (CONTINUED)

The directors have considered the need for designated reserves and at the year end are satisfied with the level of £570,000 split between a capital renewal fund £320,000 and a contingency fund of £250,000. The contingency fund has been established to cover any operational contingencies other than capital items.

Where legacies or donations are received for specified purposes, the funds are held as restricted reserves.

FINANCIAL REVIEW

Details of the Society's financial performance are set out in the pages that follow. The work undertaken at Winton House has improved facilities and we are in a good position financially.

KEY PERFORMANCE INDICATORS

The Board meets bi-monthly to review the Society's financial position and reviews certain KPIs. The figures for this year and last are:

	2018	2017
	%	%
Operating surplus as a percentage of income	6.7	1.2
Overall occupancy rate	87.9	88.1
Lost income through voids as a percentage of potential income	12.1	11.9
Total staff costs as a percentage of income	62.9	68.3
Food costs as a percentage of income	6.0	6.0

The reduction in the surplus this year and the relative variations in the other KPIs were a result of the work undertaken at Winton House, which was back to full useable capacity during the year.

POLICIES AND INTERNAL CONTROL

The directors have overall responsibility for establishing and maintaining the whole system of internal controls and for reviewing their effectiveness annually.

The Directors recognise that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the company's assets and interests.

In meeting their responsibilities, the Directors have adopted a risk-based approach to internal control which is embedded within the whole management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the company is, or could be, exposed.

An interest-bearing account is maintained which is subject to written quarterly reports. Revenues are credited to the main account and independent review is undertaken quarterly to include adequacy of reserves by a Director who reviews bank statements, the cash book, supporting vouchers, cheque book stubs and paying-in books for the main account. The outcome is reported to the next Executive Committee meeting. This procedure was accepted by the Tenant Services Authority (now the Homes and Communities Agency) during its review of the Society's affairs in 1998.

As expectations and living standards generally in the community rise, so do those of residents, who are enjoying greater life expectancy than previously and in some cases can suffer increasing susceptibility to dementia, calling for higher standards of care; furthermore, the requirements of the regulatory authorities are becoming more demanding. With the support of our staff at all levels we are meeting these additional pressures successfully. As a vacancy arises the room, once vacated, is redecorated. The standard of decoration is monitored very closely.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors 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 that year. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis where it is appropriate to do so.

The Directors are responsible for keeping proper 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 and relevant accounting standards and statements of recommended practice.

The Directors acknowledge their ultimate responsibility for ensuring the company has in place a system of controls which is appropriate to the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within the company or for publication;
- the maintenance of proper accounting records; and
- the safeguarding of assets against unauthorised use of disposition and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

It is the responsibility of the Directors to establish and maintain systems of internal control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements include:

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the company's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the Board to monitor the key business and financial objectives and risks and the progress towards any financial objectives set for the year and the medium term; regular management accounts are prepared providing relevant, reliable and up-to-date financial and other information; and significant variances from budget are investigated as appropriate;
- all investment projects are subject to formal authorisation procedures by the Board;
- the Board reviews reports from managing agents and from the external auditor to provide reasonable assurance that control procedures are in place and are being followed, including a general review of major risks facing the company; and
- formal procedures have been established for instituting appropriate action to correct control weaknesses.

The Board has reviewed the effectiveness of the system of internal financial controls for the year ended 31 May 2018. No weaknesses in those controls resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or the auditor's report on the financial statements.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR

We, the Directors of the Society 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 steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the Society's auditors are aware of that information.

AUDITORS

A resolution to re-appoint Craufurd Hale Audit Services Limited as auditors for the ensuing year will be put to the next General Meeting.

THE ABBEYFIELD (MAIDENHEAD) SOCIETY LIMITED

REPORT OF THE DIRECTORS AND STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2018 (CONTINUED)

INVESTMENT POLICY

The Society's investment portfolio is managed by Charles Stanley & Co Ltd on a discretionary basis. The Society seeks to produce the best financial return within an acceptable level of risk and therefore adopts the Charity Commission's guidance for a "total return" approach in order to give flexibility.

The broad policy set by the Directors is to achieve long-term growth with an aim to maintain the real value of the portfolio and having readily realisable investments to cover contingency needs.

BY ORDER OF THE BOARD



A R JESSEMAN
Director and Secretary

28 SEP 2018

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE ABBEYFIELD (MAIDENHEAD) SOCIETY LIMITED
FOR THE YEAR ENDED 31 MAY 2018**

We have audited the financial statements of The Abbeyfield (Maidenhead) Society Limited for the year ended 31 May 2018 ("the financial statements") which comprise the Statements of Comprehensive Income, Financial Position, Changes in Reserves and Cash Flows, 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 FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 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, the Accounting Direction for Private Registered Providers of Social Housing 2015 and the Housing SORP 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE ABBEYFIELD (MAIDENHEAD) SOCIETY LIMITED
FOR THE YEAR ENDED 31 MAY 2018**

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.


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;
- the financial statements are not in agreement with the accounting records and returns;
- 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.


Mr Christopher J Krol (Senior Statutory Auditor)

For and on behalf of

Craufurd Hale Audit Services Limited
Belmont Place
Belmont Road
MAIDENHEAD
SL6 6TB


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THE ABBEYFIELD (MAIDENHEAD) SOCIETY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MAY 2018**

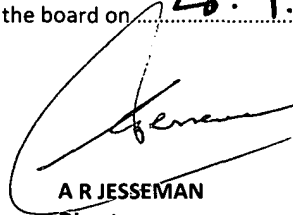
	Notes	2018			2017
		£	£	£	£
		Unrestricted	Restricted	Total	
Turnover		2,500,802	-	2,500,802	2,233,223
Operating expenditure		(2,331,452)	(3,941)	(2,335,393)	(2,208,532)
Other income		1,608	-	1,608	2,637
Operating surplus/(deficit)	3	170,958	(3,941)	167,017	27,328
Net Income/(loss) from fixed asset investments (net of management charges)		(26,589)	-	(26,589)	26,577
Gain on disposal of property, plant and equipment		-	-	-	3,250
Interest receivable		1,955	-	1,955	3,781
Movement in fair value of financial instruments		79,875	-	79,875	442,185
Surplus/(deficit) before tax	5	226,199	(3,941)	222,258	503,121
Taxation	6	-	-	-	-
Total comprehensive income for the year		226,199	(3,941)	222,258	503,121

All activities are classed as continuing.

The accounts were approved by the board on 28.9.2018
and signed on its behalf by:



Y P MAUDGIL
Director



A R JESSEMAN
Director



D M CAGER
Director

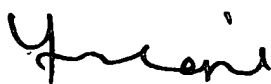
THE ABBEYFIELD (MAIDENHEAD) SOCIETY LIMITED

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

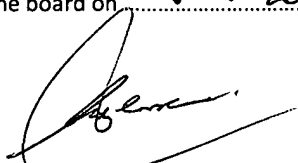
AS AT 31 MAY 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Housing properties	7	6,506,870	6,627,937
Other tangible fixed assets	7	290,295	317,333
Investments	8	<u>2,653,718</u>	<u>2,600,234</u>
		9,450,883	9,545,504
CURRENT ASSETS			
Debtors	9	67,844	73,832
Cash and cash equivalents		<u>1,166,057</u>	<u>887,037</u>
		1,233,901	960,869
CREDITORS: amounts falling due within one year	10	<u>(204,903)</u>	<u>(211,518)</u>
NET CURRENT ASSETS		1,028,998	749,351
TOTAL ASSETS LESS CURRENT LIABILITIES		10,479,881	10,294,855
CREDITORS: amounts falling due after more than one year	11		
Social Housing Grants		<u>(1,111,194)</u>	<u>(1,148,426)</u>
TOTAL NET ASSETS		<u>9,368,687</u>	<u>9,146,429</u>
CAPITAL AND RESERVES			
Unrestricted reserves		8,154,749	7,819,291
Designated reserves	12	<u>570,000</u>	<u>570,000</u>
		8,724,749	8,389,291
Restricted reserves	13	86,375	90,316
Revaluation reserve		<u>557,563</u>	<u>666,822</u>
		<u>9,368,687</u>	<u>9,146,429</u>

The accounts were approved by the board on 28.9.2018
and signed on its behalf by:



Y P MAUDGIL
Director



A R JESSEMAN
Director



D M CAGER
Director

THE ABBEYFIELD (MAIDENHEAD) SOCIETY LIMITED

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MAY 2018

	Unrestricted			Restricted Reserves	Revaluation Reserve	Total Reserves
	General	Designated	Total			
	£	£	£	£	£	£
Balance as at 1 June 2016	7,743,586	570,000	8,313,586	111,322	218,400	8,643,308
Period ended 31 May 2017:						
Surplus / (deficit) from statement of comprehensive income	524,127	-	524,127	(21,006)	-	503,121
Transfer to/from revaluation reserve	(448,422)	-	(448,422)	-	448,422	-
Balance as at 31 May 2017	7,819,291	570,000	8,389,291	90,316	666,822	9,146,429
Period ended 31 May 2018						
Surplus / (deficit) from statement of comprehensive income	226,199	-	226,199	(3,941)	-	222,258
Transfer to/from revaluation reserve	109,259	-	109,259	-	(109,259)	-
Balance as at 31 May 2018	8,154,749	570,000	8,724,749	86,375	557,563	9,368,687

THE ABBEYFIELD (MAIDENHEAD) SOCIETY LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2018**

	Note	2018 £	2017 £
NET CASH GENERATED FROM OPERATING ACTIVITIES	18	352,870	205,457
CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of investments	(1,030,500)	(309,868)	
Proceeds of sale of investments	1,138,493	223,481	
Movement on portfolio cash accounts	(136,160)	42,938	
Investment income	44,000	58,216	
Investment manager's charges	(15,768)	(13,839)	
Interest receivable	1,955	3,781	
Net cash flow from investing activities		2,020	4,709
CASH FLOW FROM FINANCING ACTIVITIES:			
Improvements to housing properties	(42,878)	(945,022)	
Purchase of other fixed assets	(32,992)	(51,023)	
Proceeds on sale of property, plant and equipment	-	3,250	
Net cash flow from financing activities		(75,870)	(992,795)
NET CHANGE IN CASH AND CASH EQUIVALENTS		279,020	(782,629)
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR		887,037	1,669,666
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u>1,166,057</u>	<u>887,037</u>
Analysis of changes in cash and cash equivalents:			
Cash at bank and in hand		<u>1,166,057</u>	<u>887,037</u>

THE ABBEYFIELD (MAIDENHEAD) SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

1 Status of Society

The Society is registered under the Companies Act as a company limited by guarantee, having no share capital and with solely charitable objectives. It is registered as a charity for tax purposes (No. 267984) and is a Registered Social Landlord with the Homes and Communities Agency (No. H0062).

As the Society's main activities are the provision of social housing and it is registered with the HCA, the Directors have used the "true and fair override" and adopted the Housing SORP 2014 in the preparation of these financial statements, rather than using the Charities SORP.

In accordance with FRS102 PBE3.3A, the Directors confirm that the company is a Public Benefit Entity.

2 Principal accounting policies

(a) Basis of accounting

The accounts are prepared under the historical cost convention, modified to include fixed asset investments at fair value.

These financial statements are prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The company is not part of a group. The financial statements present information about the company as an individual entity.

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

(b) Social Housing Grants (SHG)

In line with FRS 102 and the Housing SORP 2014, Social Housing Grants received as a capital contribution are now shown separately as a creditor falling due after more than one year, unless the grant relates to a disposal of property and becomes recycled or repayable, in which case it is apportioned to creditors due in under one year. The accruals method is applied as the company holds all social housing properties at their historic cost. Grants are made by the Homes and Communities Agency (formerly the Tenant Services Authority) and are used to reduce the amount of mortgage loan in respect of an approved scheme to the amount which it is estimated can be serviced by the net annual income of the scheme. The amount is calculated in accordance with instructions issued from time to time by the Homes and Communities Agency. The grants are paid direct to the lending institution and are reflected in the financial statements of the Society only when the payment has been made and the relevant mortgage loan reduced. In certain circumstances grants can become repayable or are recyclable.

(c) Fixed Assets: Housing properties

Housing land and buildings are stated at cost less accumulated depreciation. The cost of properties is their purchase price or construction cost, which includes the incidental costs of acquisition. Assets in the course for construction are not depreciated until they are brought into use, at which point they are transferred to freehold or leasehold property as appropriate.

Surpluses or deficits on the sale of housing land and buildings are accounted for in the Statement of Comprehensive Income as the difference between the net sale proceeds and the carrying value.

2 Accounting Policies (Continued)

(d) Other tangible fixed assets

Other tangible fixed assets are stated at cost less accumulated depreciation.

Minor equipment costing less than £500 and renewals of equipment under £1,000 are written off to the revenue account.

(e) Depreciation

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their estimated useful lives.

Housing Land and Buildings - SHG Assisted Schemes

Housing properties are now depreciated at 2% per annum. Although major components of the cost of buildings such as kitchens and heating equipment would be depreciated at higher rates, the directors consider it impractical to identify those amounts incurred in earlier years. Instead, the leasehold property is currently being written off at 2% per annum rather than over the length of the lease.

Fixtures, Fittings, Equipment and Motor Vehicles

Depreciation is charged at rates of between 7% and 15% per annum on the cost of new items of equipment.

Donated Assets

Tangible fixed assets received by way of donation are reflected in the financial statements at their estimated valuation at the date of receipt and are depreciated over between one and five years. An amount corresponding to the net book value is carried forward within Restricted Reserves.

(f) Investments

Investments are recognised initially at fair value, which is normally the transaction price. Thereafter, they are recognised at fair value through the Statement of Comprehensive Income if the shares are publicly traded or if their fair value can be measured reliably. Otherwise, investments are measured at cost less any impairment. Any change in fair value is carried to the revaluation reserve. Impairment losses are taken to the Statement of Comprehensive Income.

(g) Income

Turnover represents rent and service charges receivable, net of losses from voids, together with income grants from local authorities and other agencies.

(h) Monetary Donations and Investment Income

Monetary donations to the Society and investment income are credited to the Statement of Comprehensive Income. Donations for specified purposes which are separately identified in the Statement of Comprehensive Income are then transferred as movements in restricted reserves.

(i) Legacy Income

Legacy income is accounted for at the point of notification by the personal representative of the estate making the legacy, provided that the value of the legacy can be reasonably estimated. Where legacies are in the form of properties they are included at estimated valuation at the year end and when these are subsequently realised any adjustment is reflected in the "Other Income" in the Statement of Comprehensive Income.

(j) Corporation Tax and Value Added Tax

The Society has charitable status and is exempt from corporation tax on its income. It has no trading activities.

The Society is not registered for VAT. Accordingly, no VAT is charged to residents, and expenditure includes the relevant VAT.

THE ABBEYFIELD (MAIDENHEAD) SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018 (CONTINUED)

2 Accounting policies (continued)

(k) Pensions

The Society operates a defined contribution workplace pension scheme. The assets of the scheme are held separately from those of the Society. Costs of employer contributions are charged to the Statement of Comprehensive Income in the period in which the liability accrues.

(l) Basic financial instruments

Accounts receivable, prepayments, cash at bank, accounts payable and accruals are recognised at transaction value.

(m) Judgements and key sources of estimation uncertainty

There have been no accounting judgments (apart from those involving making estimates) made in the process of applying the above accounting policies.

There are no key assumptions concerning the future of the Society or other key sources of estimation uncertainty at the reporting date.

3 Turnover, operating costs and operating surplus for the year

	2018 £	2017 £
Turnover		
Rent receivable and service charge income net of voids	2,462,877	2,193,966
Amortised social housing grants	37,232	37,230
Other income	693	2,027
	<u>2,500,802</u>	<u>2,233,223</u>
Operating costs		
General repairs	75,977	71,373
Depreciation on housing properties	163,945	148,195
Depreciation of other fixed assets	60,030	52,285
Other costs	2,035,441	1,936,679
	<u>2,335,393</u>	<u>2,208,532</u>
Housing property surplus	<u>165,409</u>	<u>24,691</u>
Donations received	1,608	2,637
Other operating income	<u>1,608</u>	<u>2,637</u>
Operating surplus	<u>167,017</u>	<u>27,328</u>
Void losses (being rental income lost as a result of rooms not being let, although available for letting)	<u>340,156</u>	<u>295,264</u>
Housing stock	2018 No.	2017 No.
Average number of bed spaces under management	<u>68</u>	<u>67</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018 (CONTINUED)

4 Staff, key management personnel and directors' emoluments

	(Sheltered)				2018	2017
	General	Bryony House	Winton House	Nicholas House	Total	Total
	£	£	£	£	£	£
Salaries and wages	50,990	31,726	676,610	659,668	1,418,994	1,367,990
Social security costs	4,847	1,395	48,496	38,560	93,298	90,604
Other pension costs	1,393	366	17,664	16,488	35,911	40,521
	<u>57,230</u>	<u>33,487</u>	<u>742,770</u>	<u>714,716</u>	<u>1,548,203</u>	<u>1,499,115</u>
Average number of employees:					No.	No.
2018						
Full-time equivalents (based on a 38-hour week)	2	1	31	31	65	
Head count	2	2	40	48	92	
2017						
Full-time equivalents (based on a 38-hour week)	1	2	31	28		62
Head count	1	4	42	48		95

No employee earned more than £60,000. None of the Directors received any emoluments during the year (2017: nil).

The total expenses reimbursed to the Directors during the year was £Nil (2017: £Nil).

During the year salaries totalling £170,944 (2017: £156,735) were paid to key management personnel and pension contributions totalling £5,750 (2017: £5,219) were made on their behalf.

5 Surplus/(deficit) before tax

The surplus/(deficit) before tax for the year is stated after charging/(crediting) before VAT:

	2018	2017
	£	£
(Gain) on disposal of fixed assets	-	(3,250)
Dividends receivable	41,867	52,022
Auditor's remuneration	5,800	5,000
Fees paid to associate of auditor for accountancy work and payroll	<u>5,228</u>	<u>3,643</u>

6 Taxation

The company is a charity and does not pay tax on its income by virtue of Section 478 Corporation Tax Act 2010.

THE ABBEYFIELD (MAIDENHEAD) SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018 (CONTINUED)

7 Tangible Fixed Assets
Housing Properties (as restated)

	Assets under construction	Freehold	Long Leasehold	Total
	£	£	£	£
<u>At cost</u>				
At 1 June 2017	900,687	4,258,629	2,971,814	8,131,130
Additions	42,878	-	-	42,878
Transfers	(943,565)	-	943,565	-
Disposals	-	-	-	-
At 31 May 2018	-	4,258,629	3,915,379	8,174,008
<u>Accumulated depreciation</u>				
At 1 June 2016	-	533,652	969,541	1,503,193
Charge for the year	-	85,172	78,773	163,945
Eliminated on disposal	-	-	-	-
At 31 May 2017	-	618,824	1,048,314	1,667,138
<u>Net Book Value</u>				
At 31 May 2018	-	3,639,805	2,867,065	6,506,870
At 31 May 2017	900,687	3,724,977	2,002,273	6,627,937

In the opinion of the directors the market value of the freehold and leasehold properties was £11,000,000 (2017: £11,000,000).

Other Tangible Fixed Assets

	Furniture and Equipment	Motor Vehicles	Total
	£	£	£
<u>Cost</u>			
At 1 June 2017	470,872	67,055	537,927
Additions	32,992	-	32,992
Transfers	-	-	-
Disposals	-	-	-
At 31 May 2018	503,864	67,055	570,919
<u>Accumulated depreciation</u>			
At 1 June 2017	203,835	16,759	220,594
Charge for the year	53,322	6,708	60,030
Eliminated on disposal	-	-	-
At 31 May 2018	257,157	23,467	280,624
<u>Net Book Value</u>			
At 31 May 2018	246,707	43,588	290,295
At 31 May 2017	267,037	50,296	317,333

THE ABBEYFIELD (MAIDENHEAD) SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018 (CONTINUED)

8 Fixed Asset Investments

	2018 £	2017 £
At fair value		
As at 1 June 2017	2,600,234	2,130,926
Additions	1,028,630	305,148
Disposal of investments at opening carrying value	(1,193,051)	(239,807)
Other movements	1,870	4,720
Unrealised gains/(losses) in the period	79,875	442,185
	<u>2,517,558</u>	<u>2,643,172</u>
Movement in cash balances	<u>136,160</u>	<u>(42,938)</u>
Market value as at 31 May 2018	<u><u>2,653,718</u></u>	<u><u>2,600,234</u></u>
Made up of:		
UK listed investments	2,474,498	2,557,174
Bank balances	<u>179,220</u>	<u>43,060</u>
	<u><u>2,653,718</u></u>	<u><u>2,600,234</u></u>
At historic cost		
As at 1 June 2017	1,933,412	1,912,526
Additions	1,028,630	305,148
Disposals	(1,003,918)	(246,044)
Other movements	1,870	4,720
Cash movement	<u>136,160</u>	<u>(42,938)</u>
As at 31 May 2018	<u><u>2,096,154</u></u>	<u><u>1,933,412</u></u>

9 Debtors

	2018 £	2017 £
Residents' charges receivable	15,789	20,402
Prepayments	52,055	53,167
Investment income accrued	<u>-</u>	<u>263</u>
	<u><u>67,844</u></u>	<u><u>73,832</u></u>

10 Creditors: amounts falling due within one year

	2018 £	2017 £
Accounts payable	77,315	60,022
Tax and Social Security	31,970	18,686
Other Creditors	10,612	7,718
Accruals	<u>85,006</u>	<u>125,092</u>
	<u><u>204,903</u></u>	<u><u>211,518</u></u>

THE ABBEYFIELD (MAIDENHEAD) SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018 (CONTINUED)

11 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Social Housing Grants (amortised cost)	<u>1,111,194</u>	<u>1,148,426</u>

The Social Housing Grants are amortised at 2% per annum and released as "Income" in the Statement of Comprehensive Income.

Social housing grants

	2018 £	2017 £
<i>Amounts received</i>	<u>1,856,768</u>	<u>1,856,768</u>
<i>Amortisation</i>		
At 1 June 2017	708,342	671,112
Released in the year	<u>37,232</u>	<u>37,230</u>
At 31 May 2018	<u>745,574</u>	<u>708,342</u>
<i>Carrying value</i>		
At 31 May 2018	<u>1,111,194</u>	<u>1,148,426</u>

The Directors consider that the grants are not repayable as there is generally no intention to dispose of the housing properties to which the grants relate and because in most circumstances the grants are recyclable. Accordingly, the whole balance is presented as falling due in five years or more.

	2018 £	2017 £
<i>In five years or more</i>	<u>1,111,194</u>	<u>1,148,426</u>

12 Designated Reserves

Reserves designated by the directors were as follows:

	Balance at 1 June 2017 £	Income	Transfer / Expenditure £	Balance at 31 May 2018 £
Capital renewal fund	320,000	-	-	320,000
Contingency fund	250,000	-	-	250,000
	<u>570,000</u>	-	-	<u>570,000</u>

Capital renewal fund

This fund was established to cover the costs of replacement of, and major repairs to, fixed assets. There has been no expenditure deemed as such in the year.

Contingency fund

This fund has been set up to cover operational contingencies other than capital items.

THE ABBEYFIELD (MAIDENHEAD) SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018 (CONTINUED)

13 Restricted reserves

	Balance at 1 June 2017	Income	Transfer / Expenditure	Balance at 31 May 2018
	£	£	£	£
Specific donations and legacies	44,116	-	(2,541)	41,575
Occupational therapy unit	46,200	-	(1,400)	44,800
	<u>90,316</u>	<u>-</u>	<u>(3,941)</u>	<u>86,375</u>

Specific donations and legacies

This fund holds balances in respect of small donations or legacies given for specific purposes.

Occupational Therapy Unit

This fund was established by a donation from The Abbeyfield Egham & District Society to fund the construction of an Occupational Therapy Unit. Depreciation on this expenditure is charged against the fund annually.

14 Company limited by guarantee

Each member of the Society undertakes to contribute a figure not exceeding £1 to the assets of the Society to meet its debts and liabilities incurred while they were a member, in the event of its being wound up while they are a member or within one year of ceasing to be a member.

The guarantors do not have rights to dividends or to a distribution in the event of a winding up. Members have equal voting rights.

15 Capital Commitments

At the year end the Directors had authorised capital commitments of approximately £16,000 (2017: £Nil) and contracted capital commitments of approximately £38,000 (2017: £Nil).

16 Ultimate Controlling Party

The directors consider there to be no one controlling party.

17 Related Party Transactions

The Society uses D M Cager (Insurance Brokers) Ltd., a company in which Mr D M Cager is a director and shareholder, to arrange its business insurances.

THE ABBEYFIELD (MAIDENHEAD) SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018 (CONTINUED)

18 Net cash generated from operating activities

	2018	2017
	£	£
Surplus on ordinary activities	142,383	60,936
Net interest and dividend income	24,634	(30,358)
Depreciation	223,975	200,480
Amortisation of social housing grant	(37,232)	(37,230)
Gain/(loss) on fixed asset disposal	-	(3,250)
Decrease/(Increase) in debtors	5,725	(7,960)
(Decrease)/Increase in creditors	(6,615)	22,839
Net cash generated from operating activities	352,870	205,457