

**THE ABBEYFIELD SALTASH SOCIETY LIMITED**

**ANNUAL REPORT**

**YEAR ENDED 31<sup>st</sup> JULY 2012**

**Charity Registration Number 266208  
Company Registration number 01117696**



**DAWE, HAWKEN & DODD**  
Chartered Certified Accountants  
Callington, Cornwall

**THE ABBEYFIELD SALTASH SOCIETY LIMITED**

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**FOR THE YEAR ENDED 31<sup>ST</sup> JULY 2012**

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**THE ABBEYFIELD SALTASH SOCIETY LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31<sup>ST</sup> JULY 2012**

EXECUTIVE COMMITTEE	E R Distin W J Walton Mrs H Greeves R Brown	Chairman Treasurer
SECRETARY	Mrs C Gerry	
REGISTERED OFFICE	40 Callington Road Saltash Cornwall PL12 6DY	
REGISTERED NUMBER	01117696 (England and Wales)	
AUDITORS	Dawe, Hawken & Dodd Chartered Certified Accountants 52 Fore Street Callington Cornwall PL17 7AJ	
BANKERS	Barclays Bank Plc	

# **THE ABBEYFIELD SALTASH SOCIETY LIMITED**

## **REPORT OF THE EXECUTIVE COMMITTEE** **FOR THE YEAR ENDED 31<sup>st</sup> JULY 2012**

The Executive Committee submits its annual report and audited financial statements for the Society for the year ended 31<sup>st</sup> July 2012

### **1 Principal Activity**

The principal activity of the Society is to provide sheltered accommodation for the elderly in accordance with the aims and principles of the Abbeyfield Society Limited. These activities fall wholly within hostel housing activities as defined in the Housing Act 1974. The Society provides accommodation for six residents at Chichester House, 27 St Stephens Road, Saltash and seven residents at Cresta House, 40 Callington Road, Saltash.

### **2 Status**

The Society is a company limited by guarantee having no share capital and with solely charitable objectives. It is a registered charity (number 266208) and a member of the Tenant Services Authority (number H2295).

### **3 Public Benefit**

The Charities Act 2006 introduced the requirement for charities to show that they provided public benefit. The Executive Committee have reviewed the objects, goals, services and objectives of the charity in the light of this requirement and can confirm that Abbeyfield Saltash Society Limited serves for the public benefit. This Executive Committee's annual report continues to evidence how the charity strives to meet need.

### **4 Results**

The results for the year are set out in the income and expenditure account on page 6. The committee considers that the state of affairs of the Society is satisfactory.

### **5 Fixed Assets**

Note 3 on page 10 summarises the changes to the amounts of cost and depreciation on the freehold properties and fixtures and fittings. The committee is of the opinion that there is no significant difference between the book cost and market value for the existing use of the freehold properties.

### **6 Executive Committee**

The members of the Executive Committee who served throughout the year were E R Distin (Chairman), W J Walton (Treasurer) and H Greeves. Mr R Brown was appointed onto the Executive Committee on 14<sup>th</sup> September 2011 and has served from that date.

### **7 Auditors**

A resolution for the re-appointment of Dawe Hawken and Dodd as auditors will be proposed at the annual general meeting.

**THE ABBEYFIELD SALTASH SOCIETY LIMITED**

**REPORT OF THE EXECUTIVE COMMITTEE**  
**FOR THE YEAR ENDED 31<sup>st</sup> JULY 2012**

**8 Statement of Responsibilities of the Executive Committee**

Company law requires the Executive Committee 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 profit or loss of the company for that period. In preparing those financial statements, the Executive Committee is 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 Executive Committee is 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. 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.

In so far as the Executive Committee are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the Executive Committee have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

**9 Review of the Year**

Our policy has been to hold back on any development of the houses until we can get back to financial stability. To this end it has been decided to sell Chichester House and consolidate our operation by purchasing the property next door attached to Cresta. In the meanwhile we have endeavoured to minimise expenditure where possible. This is reflected in the reduction of the deficit for the year just ended although the £5,700 spent on eliminating potential legionella contamination at Cresta somewhat stymied our efforts.



C Gerry (Secretary)  
On behalf of the Executive Committee

Dated 5th December 2012

## **THE ABBEYFIELD SALTASH SOCIETY LIMITED**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ABBEYFIELD SALTASH SOCIETY LIMITED**

We have audited the financial statements of The Abbeyfield Saltash Society Limited for the year ended 31<sup>st</sup> July 2012 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out herein.

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).

This report is made solely to the charity'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 charity's members 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Directors and Auditors**

As explained more fully described in the Statement of Responsibilities of the Executive Committee set out on page 3, the Executive Committee (who are also the directors of the charity 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 Executive Committee have elected for the financial statements to be audited in accordance with the Charities Act 1993 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act.

Our responsibility is to audit 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 (APB'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 Executive Committee, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Executive Committee to identify material inconsistencies with the audited financial statements. If we become aware of any apparent 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, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charitable company's affairs as at 31<sup>st</sup> July 2012 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended, and
- have been properly prepared in accordance with the Companies Act 2006,

**THE ABBEYFIELD SALTASH SOCIETY LIMITED**

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**THE ABBEYFIELD SALTASH 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 1993 requires us to report to you if, in our opinion

- the information given in the Report of the Executive Committee 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 or returns, or
- certain disclosures of Trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Ian Pearce (Senior Statutory Auditor)  
For and on behalf of  
Dawe, Hawken & Dodd  
Chartered Certified Accountants  
52 Fore Street  
Callington  
Cornwall  
PL17 7AJ

Date 10th December 2012

**THE ABBEYFIELD SALTASH SOCIETY LIMITED**

**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31<sup>st</sup> JULY 2012**

	Note	Restricted Funds £	Unrestricted Funds £	Total 2012 £	Total 2011 £
<b>HOUSING ACTIVITIES</b>					
Turnover	9	-	89,897	89,897	84,713
Operating Costs	12	(1,000)	(101,638)	(102,638)	(103,466)
Operating Surplus/(Deficit)		(1,000)	(11,741)	(12,741)	(18,753)
Interest Receivable		-	687	687	999
Surplus/(Deficit) on ordinary activities before taxation		(1,000)	(11,054)	(12,054)	(17,754)
Taxation		-	-	-	-
Surplus/(Deficit) for the year	13	(1,000)	(11,054)	(12,054)	(17,754)

The Society's only activity is the provision of hostel accommodation

The Society has no recognised surpluses or deficits other than the results for the period as set out above

All the activities of the Society are classed as continuing

There is no material difference between the retained deficit for the year on ordinary activities stated above and its historical cost equivalent

The notes on pages 8 to 12 form part of these financial statements



**THE ABBEYFIELD SALTASH SOCIETY LIMITED**

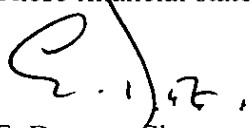
**BALANCE SHEET**

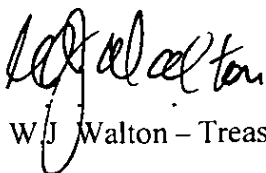
**31<sup>st</sup> JULY 2012**


**Charity Registration Number 266208**  
**Company Registration Number 01117696**

	<u>Note</u>	<u>2012</u>		<u>2011</u>	
		£	£	£	£
<b>FIXED ASSETS</b>					
Housing land and buildings		182,165		183,802	
Less SHG		<u>84,895</u>	97,270	<u>84,895</u>	98,907
Improvements to property			85,644		87,811
Fixtures and fittings			<u>19,763</u>		<u>21,957</u>
			202,677		208,675
<b>CURRENT ASSETS</b>					
	3				
Debtors	4	1,273		2,067	
Cash at bank		<u>51,008</u>		<u>55,399</u>	
		52,281		57,466	
<b>CURRENT LIABILITIES:</b>					
Amounts falling due within one year	5	<u>3,504</u>		<u>2,633</u>	
<b><u>NET CURRENT ASSETS</u></b>			<u>48,777</u>		<u>54,833</u>
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>			<u>251,454</u>		<u>263,508</u>
<b><u>RESERVES</u></b>					
Unrestricted Revenue Reserve	6	223,454		234,508	
Designated Property Maintenance Reserve	7	25,000		25,000	
Restricted Fund		<u>3,000</u>		<u>4,000</u>	
		<u>251,454</u>		<u>263,508</u>	

These financial statements were approved by the Committee on 5<sup>th</sup> December 2012 by

  
E Distin – Chairman

  
W.J. Walton – Treasurer

  
C Gerry - Secretary

The notes on pages 8 to 12 form part of these financial statements

# **THE ABBEYFIELD SALTASH SOCIETY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31<sup>ST</sup> JULY 2012**

### **1 Status of Society**

The Abbeyfield Saltash Society Limited is registered under the Companies Act and is a registered charity

The company is one limited by guarantee and not having a share capital in accordance with the Companies Act 2001 Every member of the company undertakes to guarantee the liabilities of the company up to an amount not exceeding one pound each

### **2 Accounting Policies**

#### **Basis of Preparing the Financial Statements**

The financial statements are prepared under the historical cost convention, and are in accordance with applicable Accounting Standards in the United Kingdom and in accordance with the Statement of Recommended Practice issued by the National Federation of Housing Associations, the Welsh Federation of Housing Associations and the Scottish Federation of Housing Associations, and with the Accounting Requirements for Registered Social Landlords General Determination 2000

#### **a) Social Housing Grants (SHGs)**

SHGs are made by the Department of the Environment and are utilised to reduce the amount of mortgage loans to a level that can be financed from the equivalent fair rental income available The grants are made direct to the lending authority and are reflected in the Society's accounts only when the payment has been made and the relevant mortgage loan reduced

#### **b) Housing, Land and Buildings: SHG – Assisted Schemes**

Cost, irrespective of the source of finance, includes cost of acquisition, development expenditure, interest on mortgage and other loan financing up to date of completion of project for occupation, and other costs if these are covered by a SHG grant

#### **c) Housing, Land and Buildings: Other Schemes**

Cost includes acquisition and development expenditure, and interest on loan financing up to the date of completion of project for occupation

#### **d) Incoming Resources**

##### **Grant Income**

Capital grants which are given for a specific purpose and have conditions imposed are treated as restricted fund income

#### **e) Fixtures, Fittings and Equipment**

Assets donated to the Society are not included in the balance sheet, other assets are included at cost

**THE ABBEYFIELD SALTASH SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>st</sup> JULY 2012**

**f) Depreciation**

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

Freehold property - 2% on a straight line basis

Fixtures & fittings - 10% of written down value

No depreciation is provided on freehold land. Depreciation is charged so as to write down the cost (net of social housing grant) of freehold properties other than freehold land to their estimated residual value on a straight line basis over the expected useful economic lives

**g) Donations**

Donations are recorded in the financial statements according to the period in which they are received

**h) Apportionment of Management Expenses (see Note 12)**

Direct employee, administration and operating costs have been apportioned to the property revenue account and the relevant sections of the income and expenditure account on the basis of costs of the staff to the extent that they are directly engaged in each of the operations dealt with in these accounts

**i) Pension Costs**

Retirement benefits for certain employees of the Society are provided by a defined contribution scheme, which is funded by contributions from the Society and employees. Payments are made to a pension trust which is financially separate from the Society. These payments are made in accordance with periodic calculations by professionally qualified actuaries. Payments are charged against income in order to provide for the expected pension costs over the service lives of employees in the scheme, such that the regular pension cost is a substantially level percentage of current and future pensionable payroll in the light of current actuarial assumptions

**j) Property Maintenance Reserve**

A specific designated reserve has been established to allocate funds for future major repairs. It is estimated that the cycle of repairs is a five year period

For this period an estimate of £5,000 has been calculated as the likely annual repair bill in the next five years

**THE ABBEYFIELD SALTASH SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> JULY 2012**

**3 Fixed Assets**

	<b>Freehold Property £</b>	<b>Improvements to Property £</b>	<b>Fixtures &amp; Fittings £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 <sup>st</sup> August 2011	201,809	108,104	42,926	352,839
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 <sup>st</sup> July 2012	<u>201,809</u>	<u>108,104</u>	<u>42,926</u>	<u>352,839</u>
<b>Social Housing Grant</b>				
At 1 August 2011 and 31 July 2012	<u>84,895</u>	=	=	<u>84,895</u>
<b>Depreciation</b>				
At 1 <sup>st</sup> August 2011	18,007	20,294	20,968	59,269
Charge for the year	<u>1,637</u>	<u>2,166</u>	<u>2,195</u>	<u>5,998</u>
At 31 <sup>st</sup> July 2012	<u>19,644</u>	<u>22,460</u>	<u>23,163</u>	<u>65,267</u>
<b>Net Book Value</b>				
At 31 <sup>st</sup> July 2012	<u>97,270</u>	<u>85,644</u>	<u>19,763</u>	<u>202,677</u>
At 31 <sup>st</sup> July 2011	<u>98,907</u>	<u>87,810</u>	<u>21,958</u>	<u>208,675</u>

**4 Debtors: Due within one year**

	2012 £	2011 £
Prepayments	1,218	1,805
Accruals	<u>55</u>	<u>262</u>
	<u>1,273</u>	<u>2,067</u>

**5 Creditors: Due within one year**

	2012 £	2011 £
Creditors	1,639	1,433
Accruals	<u>1,865</u>	<u>1,200</u>
	<u>3,504</u>	<u>2,633</u>

**THE ABBEYFIELD SALTASH SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> JULY 2012**

<b>6 Revenue Reserve</b>	2012	2011
	£	£
Balance at 1 <sup>st</sup> August 2011	234,508	251,262
(Deficit)/Surplus for the year	<u>(11,054)</u>	<u>(16,754)</u>
Balance at 31 <sup>st</sup> July 2012	<u>223,454</u>	<u>234,508</u>

<b>7 Designated Property Maintenance Reserve</b>	2012	2011
	£	£
Balance at 1 <sup>st</sup> August 2011 and 31 <sup>st</sup> July 2012	<u>25,000</u>	<u>25,000</u>

<b>8 Restricted Funds</b>	2012	2011
	£	£
Balance at 1 <sup>st</sup> August 2011	4,000	5 000
Operating Costs	<u>(1,000)</u>	<u>(1,000)</u>
Balance at 1 <sup>st</sup> July 2012	<u>3,000</u>	<u>4,000</u>

The Restricted Fund balance relates to a donation of £10,000 towards costs of erecting a conservatory at Cresta. This amount is being depreciated over ten years.

<b>9 Turnover</b>	2012	2011
	£	£
Residential charges receivable	124,526	124,526
Losses arising from vacancies	<u>(34,629)</u>	<u>(39,813)</u>
Net income from residential charges	<u>89,897</u>	<u>84,713</u>

<b>10 Employee Costs</b>	2012	2011
	£	£
Salaries Housekeepers and administration	33,916	32,171
Housekeepers pension costs	1,935	1,969
Costs Domestic Help	<u>14,150</u>	<u>15,537</u>
	<u>50,001</u>	<u>49,677</u>

	2012	2011
	Number	Number
Average number of persons employed during the year	<u>5</u>	<u>5</u>

# **THE ABBEYFIELD SALTASH SOCIETY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31<sup>st</sup> JULY 2012**

### **11 Directors' Emoluments**

No remuneration was paid to any of the Society's directors during the year

### **12 Operating Costs**

	Management	Services	Current Maintenance	Finance & Maintenance	2012 Total	2011 Total
	£	£	£	£	£	£
Insurances & Rates	8,267	-	-	-	8,267	6,172
Training costs	-	142	-	-	142	-
Membership fee	-	-	-	1,605	1,605	1,983
Audit & accountancy	-	-	-	1,020	1,020	3,080
Employee costs	-	50,001	-	-	50,001	49,678
Food & other household costs	-	16,744	-	-	16,744	15,495
Heat & light	-	5,874	-	-	5,874	5,804
Telephone	-	886	-	-	886	880
Depreciation	-	5,998	-	-	5,998	6,245
Repairs & renewals	-	-	9,938	-	9,938	12,504
Sundries	2,032	-	-	-	2,032	1,331
Postage & stationery	131	-	-	-	131	294
	<u>10,430</u>	<u>79,645</u>	<u>9,938</u>	<u>2,625</u>	<u>102,638</u>	<u>103,466</u>

### **13 Deficit/Surplus for the Year**

	2012 £	2011 £
The deficit/surplus for the year is after charging		
Audit fee	1,020	1,200
Depreciation written off tangible fixed assets	5,998	6,245

### **14 Housing Stock**

	Units in Management 2012 Number	2011 Number
Hostel accommodation – number of bed spaces	<u>13</u>	<u>13</u>

### **15 Post Balance Sheet Events**

The Society sold the property at Chichester House on 20<sup>th</sup> November 2012 for £220,000 before sales expenses

**THE ABBEYFIELD SALTASH SOCIETY LIMITED**  
**PROFIT AND LOSS ACCOUNT ANALYSIS BY HOUSE**  
**YEAR ENDED 31ST JULY 2012**

	YEAR ENDED 31 JULY 2012				YEAR ENDED 31 JULY 2011			
	TOTAL	CHICHESTER	CRESTA		TOTAL	CHICHESTER	CRESTA	
	£	£	£	£	£	£	£	£
<b>INCOME</b>								
Charges receivable	89,897	29,315	60,582	84,713	28,990	55,723		
Interest receivable	687	344	343	999	500	499		
Restricted fund income	-	-	-	-	-	-		
	<u>90,584</u>	<u>29,659</u>	<u>60,925</u>	<u>85,712</u>	<u>29,490</u>	<u>56,222</u>		
<b>EXPENDITURE</b>								
Rates & Insurance	8,267	3,543	4,724	6,172	2,265	3,907		
Abbeyfield affiliation fee	1,605	511	1,094	1,983	935	1,048		
Audit and accountancy	1,020	510	510	3,080	600	2,480		
Telephone	886	463	423	880	426	454		
Electricity and gas	5,874	2,263	3,611	5,804	2,182	3,622		
Wages and national insurance	33,916	17,291	16,625	32,172	16,524	15,648		
Pension costs	1,935	911	1,024	1,969	892	1,077		
Domestic help	14,150	5,965	8,185	15,537	6,214	9,323		
Running costs, food and cleaning	16,744	5,388	11,356	15,495	5,871	9,624		
Officers' expenses	-	-	-	294	224	70		
Administration sundries	2,163	2,043	120	1,331	1,322	9		
Repairs and renewals	9,938	2,276	7,662	12,504	3,850	8,654		
Training costs	142	142	-	-	-	-		
Depreciation – Freehold property	1,637	819	818	1,637	819	818		
Depreciation – Improvements	2,166	1,083	1,083	2,166	1,083	1,083		
Depreciation – Fixtures and fittings	2,195	1,097	1,098	2,442	1,221	1,221		
	<u>102,638</u>	<u>44,305</u>	<u>58,333</u>	<u>103,466</u>	<u>44,428</u>	<u>59,038</u>		
<b>NET SURPLUS</b>	<u>(12,054)</u>	<u>(14,646)</u>	<u>2,592</u>	<u>(17,754)</u>	<u>(14,938)</u>	<u>(2,816)</u>		