

THE ABBEYFIELD SALTASH SOCIETY LIMITED

ANNUAL REPORT

YEAR ENDED 31st JULY 2014

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

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COMPANIES HOUSE

DAWE, HAWKEN & DODD
Chartered Certified Accountants
Callington, Cornwall

THE ABBEYFIELD SALTASH SOCIETY LIMITED

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FOR THE YEAR ENDED 31st JULY 2014

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THE ABBEYFIELD SALTASH SOCIETY LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31st JULY 2014

EXECUTIVE COMMITTEE:	E.R. Distin	Chairman
	I. Denton	Vice Chairman
	R. Brown	Vice Chairman
	D. Trembath	Treasurer
	W.J. Walton	
	Mrs. H. Greeves	

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 31st JULY 2014

The Executive Committee submits its annual report and audited financial statements for the Society for the year ended 31st July 2014.

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 nine residents at Cresta House, 40 Callington Road, Saltash and for four residents at Trewinney, 42 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), H. Greeves and R. Brown.
In addition, I. Denton and D. Trembath were voted onto the Committee on 4th December 2013 and 5th March 2014 respectively.

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 31st JULY 2014

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

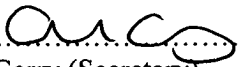
In summary, a challenging year in financial terms.

The alterations and improvements were completed during the year at a cost of £34,500. This was financed by an additional loan of £14,000 from Abbeyfield central funds and the balance from our cash flow. The completion costs were greater than first anticipated as it was necessary to bring in new contractors to complete works left unfinished by the original contractor.

The appeal against the reassessment of the Council Tax liability was successful and a refund of £6,000 was obtained.

Due to the delay in completing the alterations and improvements, we started and finished the year with the same number of residents.

The issues with the alterations and improvements also resulted in us being unable to rebuild our cash reserves. On a more positive note, since the year-end two new residents have moved in and we are optimistic that there will be more lettings in the near future. This will enable us to replenish our cash balances and improve the existing facilities.


.....
C Gerry (Secretary)
On behalf of the Executive Committee

Dated 10th December 2014

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 31st July 2014 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 31st July 2014 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: 12th January 2015

THE ABBEYFIELD SALTASH SOCIETY LIMITED

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31st JULY 2014

	Note	Restricted Funds £	Unrestricted Funds £	Total 2014 £	Total 2013 £
HOUSING ACTIVITIES					
Turnover	9	-	95,630	95,630	90,913
Operating Costs	12	(1,000)	(88,223)	(89,223)	(87,466)
Operating Surplus/(Deficit)		(1,000)	7,407	6,407	3,447
Interest Receivable		-	14	14	365
Surplus/(Deficit) on ordinary activities before taxation		(1,000)	7,421	6,421	3,812
Surplus on Sale of Fixed Assets		-	-	-	92,493
Taxation		-	-	-	-
Surplus/(Deficit) for the year	13	(1,000)	7,421	6,421	96,305

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

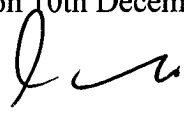
BALANCE SHEET
31st JULY 2014

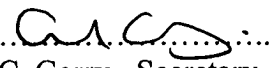
Charity Registration Number 266208
Company Registration Number 01117696

	<u>Note</u>	<u>2014</u>	<u>2013</u>
		£	£
FIXED ASSETS			
Housing land and buildings		456,122	462,834
Less: SHG		84,895	84,895
Abbeyfield Loan		<u>250,000</u>	<u>235,381</u>
		121,227	142,558
Improvements to property		216,896	187,183
Fixtures and fittings		<u>16,007</u>	<u>17,785</u>
		354,130	347,526
CURRENT ASSETS	3		
Debtors	4	1,277	592
Cash at bank		<u>5,912</u>	<u>3,118</u>
		7,189	3,710
CURRENT LIABILITIES:			
Amounts falling due within one year	5	<u>7,139</u>	<u>3,477</u>
<u>NET CURRENT ASSETS</u>		<u>50</u>	<u>233</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>354,180</u>	<u>347,759</u>
<u>RESERVES</u>			
Unrestricted Revenue Reserve	6	328,180	320,759
Designated Property Maintenance Reserve	7	25,000	25,000
Restricted Fund		<u>1,000</u>	<u>2,000</u>
		<u>354,180</u>	<u>347,759</u>

These financial statements were approved by the Committee on 10th December 2014 by:


.....
E. Distin – Chairman


.....
D. Trembath – 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 31st JULY 2014**

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 31st JULY 2014

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 31st JULY 2014

3 Fixed Assets

	Freehold Property £	Improvements to Property £	Fixtures & Fittings £	Total £
Cost				
At 1 st August 2013	392,608	208,161	42,926	643,695
Additions	-	34,567	-	34,567
Disposals	-	-	-	-
At 31 st July 2014	<u>392,608</u>	<u>242,728</u>	<u>42,926</u>	<u>678,262</u>
Social Housing Grant				
At 1 August 2013 and 31 July 2014	84,895	-	-	84,895
Abbeyfield Loan				
At 31 July 2014	<u>250,000</u>	-	-	<u>250,000</u>
	<u>334,895</u>	-	-	<u>334,895</u>
Depreciation				
At 1 st August 2013	(70,226)	20,978	25,141	(24,107)
Charge for the year	<u>6,712</u>	<u>4,854</u>	<u>1,778</u>	<u>13,344</u>
At 31 st July 2014	<u>(63,514)</u>	<u>25,832</u>	<u>26,919</u>	<u>(10,763)</u>
Net Book Value				
At 31 st July 2014	<u>121,227</u>	<u>216,896</u>	<u>16,007</u>	<u>354,130</u>
At 31 st July 2013	<u>142,558</u>	<u>187,183</u>	<u>17,785</u>	<u>347,526</u>

4 Debtors: Due within one year	2014	2013
	£	£
Prepayments	1,277	592
Accruals	-	-
	<u>1,277</u>	<u>592</u>
5 Creditors: Due within one year	2014	2013
	£	£
Creditors	6,179	1,557
Accruals	<u>960</u>	<u>1,920</u>
	<u>7,139</u>	<u>3,477</u>

THE ABBEYFIELD SALTASH SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2014

6	Revenue Reserve	2014	2013
		£	£
	Balance at 1 st August 2013	320,759	223,454
	(Deficit)/Surplus for the year	<u>7,421</u>	<u>97,305</u>
	Balance at 31 st July 2014	<u>328,180</u>	<u>320,759</u>

7	Designated Property Maintenance Reserve	2014	2013
		£	£
	Balance at 1 st August 2013 and 31 st July 2014	<u>25,000</u>	<u>25,000</u>

8	Restricted Funds	2014	2013
		£	£
	Balance at 1 st August 2013	2,000	3,000
	Operating Costs	<u>(1,000)</u>	<u>(1,000)</u>
	Balance at 1 st July 2014	<u>1,000</u>	<u>2,000</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.

9	Turnover	2014	2013
		£	£
	Residential charges receivable	138,970	124,526
	Losses arising from vacancies	<u>(43,415)</u>	<u>(34,498)</u>
	Net income from residential charges	<u>95,555</u>	<u>90,028</u>

10	Employee Costs	2014	2013
		£	£
	Employee Wages	33,734	36,021
	Housekeepers pension costs	-	229
	Agency Costs	<u>2,194</u>	<u>-</u>
		<u>35,928</u>	<u>36,250</u>

		2014	2013
		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 31st JULY 2014

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	2014 Total	2013 Total
	£	£	£	£	£	£
Insurances & Rates	2,446	-	-	-	2,446	9,161
Training costs	-	50	-	-	50	368
Membership fee	-	-	-	2,215	2,215	2,562
Audit & accountancy	-	-	-	960	960	960
Employee costs	-	33,734	-	-	33,734	36,250
Agency Costs	-	-	-	2,194	2,194	-
Food & other household costs	-	13,936	-	-	13,936	13,501
Heat & light	-	6,080	-	-	6,080	6,395
Telephone	-	761	-	-	761	316
Depreciation	-	13,344	-	-	13,344	3,119
Repairs & renewals	-	-	6,152	-	6,152	12,611
Sundries	2,520	-	-	-	2,520	1,796
Interest	-	-	-	4,731	4,731	225
Postage & stationery	100	-	-	-	100	202
	<u>5,066</u>	<u>67,905</u>	<u>6,152</u>	<u>10,100</u>	<u>89,223</u>	<u>87,466</u>

13 Deficit/Surplus for the Year

	2014 £	2013 £
The deficit/surplus for the year is after charging:		
Audit fee	960	960
Depreciation written off tangible fixed assets	13,344	3,119

14 Housing Stock

	Units in Management	
	2014 Number	2013 Number
Hostel accommodation – number of bed spaces	<u>13</u>	<u>13</u>

15 Contingent Liability

The company is disputing final invoices supplied by a property developer and an architect on the basis that it has incurred additional costs to rectify defects that it considers arose from the work done. The matter is still unresolved and the amount being disputed totals £7771.