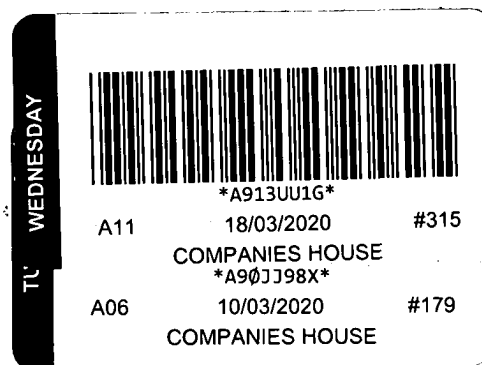


**THE ABBEYFIELD SALTASH SOCIETY LIMITED**  
**REPORT OF THE EXECUTIVE COMMITTEE AND**  
**AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2019**

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



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

**THE ABBEYFIELD SALTASH SOCIETY LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>st</sup> JULY 2019**

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**THE ABBEYFIELD SALTASH SOCIETY LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31<sup>st</sup> JULY 2019**

**EXECUTIVE COMMITTEE:**

E.R. Distin	Chairman
I. Denton	Vice Chairman
D. Trembath	Treasurer
W.J. Walton	
A. Butcher	

**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 2019**

The Executive Committee submits its annual report and audited financial statements for the Society for the year ended 31<sup>st</sup> July 2019.

**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 and Regeneration Act 2008. 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 Executive Committee has complied with the duty in Section 17 (5) of the 2011 Charities Act to have due regard to guidance published by the Charities Commission. 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 Financial Review**

**REVIEW OF THE YEAR (2018/19)**

In summary, the year was satisfactory in both financial and operational terms.

Over the year we averaged 96% occupancy (93% for the previous year), our total revenue increased by 6% to £187,713 (£177,363 for the previous year). Our operating expenses decreased by 1% to £152,709 (previous year £154,627).

There was no capital expenditure in the year.

We loaned £20,000 to Abbeyfield Liskeard to help fund their close down costs pending the sale of their freehold property. This loan was repaid subsequent to the year end.

We ended the year with cash balances of £53,727 (previous year £23,111).

The increase in the occupancy level was very encouraging and has been maintained into the current financial year.

Staff costs accounted for 49% (previous year 55%) of our operational costs. The Society, as a matter of policy, sets staff pay rates by reference to the "Living Wage" and not the statutory minimum wage rates. Our maintenance expenditure at £14,266 was £3,453 lower than the previous year. We expect the maintenance expenditure to increase in the new financial year with the requirement to upgrade our fire precaution measures.

**THE ABBEYFIELD SALTASH SOCIETY LIMITED**  
**REPORT OF THE EXECUTIVE COMMITTEE**  
**FOR THE YEAR ENDED 31<sup>st</sup> JULY 2019**

**VALUE FOR MONEY ("VFM")**

Through its structure of volunteer Trustees and others, the Society is able to maintain its fees at a level below that of other providers providing similar levels of service in the Society's geographical area. The Executive Committee are satisfied that its service users are being offered value for money.

**VFM METRICS**

In April 2018 the Regulator of Social Housing issued a new VFM Standard.

	ABBNEYFIELD SALTASH SOCIETY	THE ABBEYFIELD SOCIETY
1 Reinvestment	0.00%	3.00%
2 New supply delivered	0.00%	2.20%
3 Gearing	25.00%	0.00%
4 EBITDA interest cover	103.00%	-139.20%
5 Headline Social Housing cost per unit	£11,747.00	£21,811.00
6 Operating margin		
- Social Housing lettings only	17.56%	8.10%
- Overall	18.65%	-1.30%
7 Return on capital employed	8.00%	-0.30%

**5 Reserves Policy**

The Trustees' policy is to retain sufficient reserves, which in the Trustees' judgement are adequate to cover future contingencies and liabilities, and which continue to provide essential services

**6 Executive Committee**

The members of the Executive Committee who served throughout the year were:

E.R. Distin (Chairman), D. Trembath (Treasurer), I. Denton, W.J. Walton and A. Butcher.

**7 Auditors**

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

**8 Risk Management**

The Executive Committee have a duty to identify and review the risks to which the society is exposed and to ensure that appropriate controls are in place to provide reasonable assurance against fraud and error.

**9 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.

..........

C Gerry (Secretary)

On behalf of the Executive Committee

Dated

17th December 2015

## **THE ABBEYFIELD SALTASH SOCIETY LIMITED**

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

#### **OPINION**

We have audited the financial statements of The Abbeyfield Saltash Society Limited (the 'charitable company') for the year ended 31<sup>st</sup> July 2019 which comprise the Statement of Financial Activities, the Balance Sheet and the notes to the financial statements, including a summary of significant accounting policies. 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 charitable company's Executive Committee, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's Executive Committee those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's Executive Committee as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view, of the state of the charitable company's affairs as at 31<sup>st</sup> July 2019 and of its incoming resources and application of resources, including its income and expenditure, in 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;

#### **BASIS FOR OPINION**

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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. Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **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 Executive Committees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Executive Committee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis for accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

#### **OTHER INFORMATION**

The Executive Committee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

**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 2011 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
- we have not received all the information and explanations we require for our audit.

**RESPONSIBILITIES OF EXECUTIVE COMMITTEE**

As explained more fully in the Statement of Responsibilities of the Executive Committee set out on page 3, the Executive Committee (who are also the directors of the charitable company for the purposes of company law), are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Executive Committee 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 Executive Committee is responsible for assessing the charitable 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 Executive Committee either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**OUR 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 a Report of the Independent Auditors 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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

Andrew Farr (Senior Statutory Auditor)

For and on behalf of

Dawe, Hawken & Dodd

Chartered Certified Accountants

52 Fore Street

Callington

Cornwall

PL17 7AJ



Date: 20th December 2019



**THE ABBEYFIELD SALTASH SOCIETY LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31<sup>st</sup> JULY 2019**

	Note	Restricted Funds	Unrestricted Funds	Total 2019	Total 2018
		£	£	£	£
<b>HOUSING ACTIVITIES</b>					
Turnover	8	-	187713	187713	177363
Operating Costs	11	-	(152709)	(152709)	(154627)
Operating Surplus		-	35004	35004	22736
Interest Receivable		-	54	54	151
Surplus on ordinary activities before taxation		-	35058	35058	22887
Taxation		-	-	-	-
Surplus for the year	12	-	35058	35058	22887
Total Funds brought forward – as previously stated			433518	433518	409386
Prior Year Adjustment	13	-	-	-	1245
Total Funds carried forward		-	<u>468576</u>	<u>468576</u>	<u>433518</u>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes on pages 9 to 13 form part of these financial statements

**THE ABBEYFIELD SALTASH SOCIETY LIMITED**

**BALANCE SHEET**

**31<sup>st</sup> JULY 2019**

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

	<u>Note</u>	<u>2019</u>	<u>2018</u>
		£	£
<b>FIXED ASSETS</b>			
Housing land and buildings	3	338912	345624
Improvements to property	3	198994	203990
Fixtures and fittings	3	<u>15437</u>	<u>17130</u>
		553343	566744
<b>CURRENT ASSETS</b>			
Debtors	4	22083	1638
Cash at bank		<u>53727</u>	<u>23111</u>
		75810	24749
<b>CURRENT LIABILITIES:</b>			
Amounts falling due within one year	5	<u>5577</u>	<u>2975</u>
<b>NET CURRENT ASSETS</b>		<u>70233</u>	<u>21774</u>
		623576	588518
<b>CREDITORS:</b>			
Amounts falling due after more than one year	5	<u>155000</u>	<u>155000</u>
<b>NET ASSETS</b>		<u>468576</u>	<u>433518</u>
<b>FUNDS</b>			
Unrestricted Revenue Reserve	6	443576	408518
Designated Property Maintenance Reserve	7	<u>25000</u>	<u>25000</u>
<b>TOTAL FUNDS</b>		<u>468576</u>	<u>433518</u>

The Executive Committee acknowledge their responsibilities for:

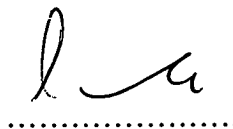
- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company at the end of each financial year and of its surplus or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

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies act 2006 relating to charitable small companies.

These financial statements were approved by the Executive Committee on 17th December 2019  
by:



E. Distin – Chairman



D. Trembath – Treasurer



C. Gerry - Secretary

The notes on pages 9 to 13 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 2019**

### **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 2019**

**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**

A workplace pension scheme was introduced in April 2016 and all employees have chosen to enrol in this scheme. Contributions by employees and employer are set at the highest level rather than the minimum level required by law.

**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 each of the next five years.

**THE ABBEYFIELD SALTASH SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>st</sup> JULY 2019**

**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 August 2018	392608	249797	39967	682372
Additions				
Disposals				
At 31 July 2019	<u>392608</u>	<u>249797</u>	<u>39967</u>	<u>682372</u>
<b>Depreciation</b>				
At 1 August 2018	46984	45807	22837	115628
Charge for the year	6712	4996	1693	13401
Relating to Disposals				
At 31 July 2019	<u>53696</u>	<u>50803</u>	<u>24530</u>	<u>129029</u>
<b>Net Book Value</b>				
At 31 <sup>st</sup> July 2018	<u>345624</u>	<u>203990</u>	<u>17130</u>	<u>566744</u>
At 31 <sup>st</sup> July 2019	<u>338912</u>	<u>198994</u>	<u>15437</u>	<u>553343</u>

<b>4 Debtors: Due within one year</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Prepayments	2083	1638
Loan to the Abbeyfield Liskeard Society	<u>20000</u>	<u>-</u>
	<u><u>22083</u></u>	<u><u>1638</u></u>

<b>5 Creditors: a) Due within one year</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Creditors	2345	1985
Accruals	<u>3232</u>	<u>990</u>
	<u><u>5577</u></u>	<u><u>2975</u></u>

**b) Due after more than one year**

	<b>£</b>	<b>£</b>
Loan from The Abbeyfield Society	<u>155000</u>	<u>155000</u>

The loan from the Abbeyfield Society is repayable in full on 28 Jan 2023 to the extent it has not been repaid prior to that date. The interest rate is LIBOR + 2.65%.

**THE ABBEYFIELD SALTASH SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>st</sup> JULY 2019**

<b>6</b>	<b>Revenue Reserve</b>	<b><u>2019</u></b>	<b><u>2018</u></b>
		<b>£</b>	<b>£</b>
	Balance at 1 <sup>st</sup> August 2018	408518	384386
	Prior Year Adjustment – see note 13	-	1245
	Surplus/(Deficit) for the year	<u>35058</u>	<u>22887</u>
	Balance at 31 <sup>st</sup> July 2019	<u>443576</u>	<u>408518</u>
<b>7</b>	<b>Designated Property Maintenance Reserve</b>	<b><u>2019</u></b>	<b><u>2018</u></b>
		<b>£</b>	<b>£</b>
	Balance at 1 <sup>st</sup> August 2018 and 31 <sup>st</sup> July 2019	<u>25000</u>	<u>25000</u>
<b>8</b>	<b>Turnover</b>	<b><u>2019</u></b>	<b><u>2018</u></b>
		<b>£</b>	<b>£</b>
	Residential charges receivable	192180	186720
	Losses arising from vacancies	<u>(6951)</u>	<u>(13094)</u>
	Net income from residential charges	185229	173626
	Other Income	<u>2484</u>	<u>3737</u>
	<b>Total Income</b>	<u>187713</u>	<u>177363</u>
<b>9</b>	<b>Employee Costs</b>	<b><u>2019</u></b>	<b><u>2018</u></b>
		<b>£</b>	<b>£</b>
	Employee Wages	72886	74556
	Pension costs	<u>2129</u>	<u>2287</u>
		<u>75015</u>	<u>76843</u>
		<b><u>2019</u></b>	<b><u>2018</u></b>
		<b>Number</b>	<b>Number</b>
	Average number of persons employed during the year		
	(Full time equivalents)	<u>7</u>	<u>7</u>

**THE ABBEYFIELD SALTASH SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>st</sup> JULY 2019**

**10 Directors' Emoluments**

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

**11 Operating Costs**

	Management	Services	Current Maintenance	Finance & Management	2019 Total	2018 Total
	£	£	£	£	£	£
Insurances & Rates	9112				9112	8356
Training costs		803			803	268
Membership fee				3686	3686	3505
Audit & accountancy				1026	1026	990
Employee costs		75015			75015	76843
Food & other household costs		20099			20099	20139
Heat & light		7248			7248	5318
Telephone		1260			1260	1112
Depreciation & Loss on disposal		13401			13401	13927
Repairs & renewals			14266		14266	17719
Sundries		1628			1628	2206
Interest				5165	5165	4244
	9112	119454	14266	9877	152709	154627

**12 Deficit/Surplus for the Year**

	<u>2019</u> £	<u>2018</u> £
The deficit/surplus for the year is after charging:		
Audit fee	1026	990
Depreciation written off tangible fixed assets	13401	13602
Loss on disposal of tangible fixed assets	<u>-</u>	<u>325</u>

**13 Prior Year Adjustment**

	<u>2019</u> £	<u>2018</u> £
Adjustment to set SHG against the depreciation charge	<u>-</u>	<u>1245</u>

**14 Housing Stock**

	Units in Management	
	<u>2019</u> Number	<u>2018</u> Number
Hostel accommodation – number of bed spaces	<u>13</u>	<u>13</u>