

---

**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**

**(A company limited by guarantee)**

---

**COMMITTEE OF MANAGEMENT'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2019**



---

**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
**(A company limited by guarantee)**

---

---

**CONTENTS**

---

	Page
<b>Reference and administrative details of the charity, its trustees and advisers</b>	1
<b>Committee of Management's report</b>	2 - 7
<b>Independent auditors' report</b>	8 - 10
<b>Statement of financial activities</b>	11
<b>Balance sheet</b>	12 - 13
<b>Statement of cash flows</b>	14
<b>Notes to the financial statements</b>	15 - 28





---

**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
(A company limited by guarantee)

---

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

**Committee of Management**

Ms J Elek  
Mr D J Farr  
Mr K Faulkner, Chairman  
Mr S Gore  
Mr C Muparano (appointed 25 February 2019)  
Mr J S Thomson, Secretary and Treasurer  
Mr M Wooster

**Company registered number**

00675042

**Charity registered number**

211934

**Registered office**

Grace Muriel Abbeyfield House  
Tavistock Avenue  
Hertfordshire  
AL1 2NW

**Company secretary**

Mr J S Thomson

**Independent auditors**

Hillier Hopkins LLP  
Chartered Accountants  
Statutory Auditor  
Radius House  
51 Clarendon Road  
Watford  
Hertfordshire  
WD17 1HP

**Bankers**

Barclays Bank plc  
22/24 Upper Marlborough Road  
St Albans  
Hertfordshire



---

**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
**(A company limited by guarantee)**

---

**COMMITTEE OF MANAGEMENT'S REPORT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

The Committee of Management (members of which are also Directors of the Company for the purposes of the Companies Act) present their annual report together with the financial statements of the company for the year 1 October 2018 to 30 September 2019. The Committee of Management confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

**Structure, governance and management**

**a. CONSTITUTION**

Incorporated under the Companies Act 1948 on 15 November, 1960, the Company (number 00675042) is limited by guarantee, does not have a share capital and is governed by its Memorandum and Articles of Association.

The Company is also a charity (Number 211934).

The Directors, who were also the Trustees and members of the Committee of Management, throughout the financial year unless stated otherwise were:

Ms J Elek  
Mr D J Farr  
Mr K Faulkner (Chairman)  
Mr S Gore  
Mr C Muparano (Appointed 25 February 2019)  
Mr J S Thomson (Secretary & Treasurer)  
Mr M Wooster

Keith Faulkner, Malcolm Wooster and Jill Elek are due to retire by rotation and are to offer themselves for re-election at the Annual General Meeting to be held in March 2020.

**b. METHOD OF APPOINTMENT OR ELECTION OF COMMITTEE OF MANAGEMENT**

Potential members of the Committee/Trustees are identified by their profession and experience and consideration given to how those attributes may complement those of the existing trustees to provide a broad skill base to meet the challenges and responsibilities of the Society. Prospective members are invited to attend a minimum of three meetings so that they may gain an insight into the operation of the Society, an understanding of the responsibilities to be undertaken and the commitment required.

**c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF COMMITTEE OF MANAGEMENT**

Beyond basic induction procedures no formal training is usually provided as this is not normally necessary due to the background and experience of the prospective member(s). However completion of The Abbeyfield Society's induction workbook will be expected and attendance at a Corporate Induction Day run by The Abbeyfield Society may be required.



---

**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
(A company limited by guarantee)

---

**COMMITTEE OF MANAGEMENT'S REPORT (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

**d. ORGANISATIONAL STRUCTURE AND DECISION MAKING**

The Committee is responsible for the supervision of the Society's activities, it has a minimum of eight meetings annually and full minutes of the meetings are circulated to all trustees, all of whom are volunteers. The minutes are made available to the auditors.

The day-to-day management of the House is the responsibility of the Manager, Annette Gibbons, to whom operational decisions are delegated. She is supported by a Deputy Manager (who is also responsible for the training of staff) and the Head of Care.

The Manager reports directly to the Chairman as her line manager.

The Manager attends and submits reports to each Committee meeting and it is at those meetings that strategic and budgetary matters are discussed and agreed by the Committee.

The Society sets a financial budget each year which is monitored and reviewed at Committee meetings and amended if appropriate.

Capital expenditure on the fabric of the building at Grace Muriel House, plus Fixtures and Fittings and Equipment, is regularly reviewed and, when considered necessary, free cash is put into Reserves to cover the likely cost of the expenditure.

Specific fund-raising activities are organised when necessary by the Trustees in conjunction with staff, members and Friends of the Society. Staff members, together with Volunteers, organise activities and events for residents throughout the year.

**e. RISK MANAGEMENT**

The Directors and Management have assessed the major risks to which the charitable company is exposed and are satisfied that systems are in place to mitigate exposure to those risks.

**Objects and Activities**

**a. POLICIES AND OBJECTS**

The principal activity of the Society is the provision of accommodation and care facilities in St. Albans in order to enhance the quality of life for older people in accordance with the aims and principles of The Abbeyfield Society Limited.

**b. MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT**

The Society's main objects and the groups at which they are aimed are described within Policies and Objects. All of the Society's charitable activities are focused on furthering the charitable objectives for the public benefit of the local community.

In planning activities to further the Society's charitable objectives, the Committee have given careful consideration to the Charity Commission's public benefit directive.





---

**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
(A company limited by guarantee)

---

**COMMITTEE OF MANAGEMENT'S REPORT (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

**Achievements and performance**

**a. GOING CONCERN**

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**b. KEY FINANCIAL PERFORMANCE INDICATORS**

The Directors consider the following to be the Key Performance Indicators, which are reviewed regularly:

- The level of voids (unoccupied rooms),
- The ratio of full time staff to agency staff,
- The retained surplus for the year as a percentage of total income (suggested as 5% by the Abbeyfield Society).

**c. REVIEW OF ACTIVITIES**

During the financial year our Staff were faced by rather more issues than usual, particularly on the maintenance front, including: ongoing boiler problems (one boiler being replaced early 2020), adjustments to the fittings and woodwork of many of our doors (the company inspecting our doors had more sophisticated gap-measuring equipment than previously), the commencement of the West Wing Lounge extension, lift servicing, continued difficulties in recruiting sufficient staff of the right calibre and rather more longer term staff sick-leave than usual.

Despite these and other problems high standards of care were maintained thanks to our Staff and Management and our Volunteers supported and encouraged by our Board Members.

Shortly after the end of the financial year our staff received some awards in recognition of their performance during the year:

- they reached the finals of the Caring UK Awards for the Activity Team and commitment to Training;
- our Activities principal, Siouxsie Liddle, won the Hertfordshire Care Award for Making a Difference within her activity role; and
- the Grace Muriel House Team won the Abbeyfield Society's Doorstep Challenge Community Engagement Award.

These awards together with the opinions voiced by our residents, their relatives and sponsors via conversations, questionnaires, meetings, and directors' monitoring visits confirm that care levels remain high.

The Financial performance comments may be seen below in "Outcome for the Year".

**Financial review**

**a. RESERVES POLICY**

The Society owns a freehold property known as 24 George Street, St Albans. This property is not held for direct use by the Society and is let to a tenant under a fully repairing lease for commercial purposes. The rental income received is currently put aside into the Society's free reserves.

The property itself is available to mortgage or sell to meet any general or specific expenditure agreed by the Directors that is not part of the Society's planned annual day-to-day commitments.





---

**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
**(A company limited by guarantee)**

---

**COMMITTEE OF MANAGEMENT'S REPORT (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

The rental income is currently excluded from the budget and is being transferred to the Society's free reserves. The accumulating fund is used in part to meet the Society's public benefit contribution with the use of the remainder to be considered further once it is known how the extension/en-suite project at Grace Muriel House is to proceed.

For many years the Society has budgeted from within its fee income an amount above normal expenditure to be applied towards defined categories of expenditure relating to Grace Muriel House that is not planned. It has always been the practice to transfer freely between different categories as need arises and where there is a specific "surplus" against a specific "shortfall" within these reserves. Because of this practice these funds are regarded as unrestricted and to be applied towards any unplanned expenditure.

Where reserves are not held in the form of fixed assets but in cash, the funds are invested in suitable interest earning accounts that the Directors consider should not place the underlying investment at risk. With that in mind a significant proportion of the Society's reserves are deposited with a second major bank. Interest rates are reviewed on a regular basis against those being offered by similar providers to ensure the Society benefits from any competitive movement in interest rates.

The Society does not have a policy to maintain reserves in a form that is a multiple of annual expenditure but, under the direction of the Directors, takes a prudent view to maintain reserves at a level considered appropriate to meet any unforeseen expenditure but at the same time not restricting availability of funds to meet clear charitable need within the objects of the Society.

In the unlikely event of the Society ceasing to trade, redundancy payments and any outstanding debts could be covered by the sale of the property.

The reserves policy is reviewed at the Annual General Meeting.

## **b. OUTCOME OF THE YEAR**

The operational surplus for the year was ahead of budget at £20k due to an occupancy figure of 95.89% (Voids of 4.11%). After legacies, donations, interest and rental income the overall surplus for the year was £62.5k.

In common with the remainder of the care sector, our difficulties in recruiting suitable staff continued and Agency Staff costs were £135k, some £55k more than projected.

The net assets of the Society remain substantial, as do cash balances, and the Trustees are of the opinion that the financial position of the Society remains strong. Nevertheless we are aware that, until such time as we are able to complete our extension project and have all rooms with an en-suite facility, then, despite the occupancy levels seen over the last three years, void levels may well be higher than we would wish.

## **Plans for future periods**

### **a. FUTURE DEVELOPMENTS**

Reference has been made in previous year's reports to our having received planning consent for the construction of an extension to the East Wing, to comprise eight en-suite rooms, and also for an extension to enlarge our West Wing lounge and to improve the facilities for our less mobile residents. The planning consent was subject to certain conditions and our proposals for meeting those conditions have been accepted.

However, the West Wing extension will be on land the freehold of which is owned by St Albans City and District Council and, although the East Wing extension will be on our own freehold land, the link will be on Council-



---

**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
**(A company limited by guarantee)**

---

**COMMITTEE OF MANAGEMENT'S REPORT (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

owned land. Through our solicitor we applied to the Council in February 2018 for permission for the construction of the extensions but it was not until August 2019 that consent was received.

Fortunately construction of the West Wing extension commenced in early September, just weeks before Planning Permission expired.

Quantity surveyors have provided estimates for the various costs involved in the East Wing extension. Once all estimates for significant capital expenditure items are assembled then financial projections will be compiled and consideration given to how the project may be financed.

However, indications are that the amount required may be more than the funds we could contribute and borrow and fundraising may well be necessary.

Replacement of the West Wing lift is planned to begin in March 2020 and the East Wing lift replacement should be considered for 2021.

**b. PAY POLICY FOR SENIOR STAFF**

The pay of senior staff is reviewed annually by the Directors.

**INFORMATION ON FUNDRAISING PRACTICES**

The Society does not undertake any fundraising activity, either by its Trustees or by Management. Therefore a statement on fundraising activities is not required

**COMMITTEE OF MANAGEMENT' RESPONSIBILITIES STATEMENT**

The Committee is responsible for preparing the Committee of Management's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Committee of Management to prepare financial statements for each financial year. Under company law the Committee of Management must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Committee of Management are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Committee of Management are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.





---

**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
**(A company limited by guarantee)**

---

**COMMITTEE OF MANAGEMENT'S REPORT (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are members of the Committee of Management at the time when this Committee of Management's report is approved has confirmed that:

- so far as that Committee of Management is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that Committee of Management has taken all the steps that ought to have been taken as a Committee of Management in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Hillier Hopkins LLP, have indicated their willingness to continue in office. The Committee of Management will propose a motion re-appointing the auditors at the Annual General Meeting.

This report was approved by the Committee of Management, on 24/11/2020 and signed on their behalf by:

  
.....  
**Mr K Faulkner, Chairman**



---

**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
(A company limited by guarantee)

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**

---

We have audited the financial statements of The Abbeyfield St. Albans Society Limited for the year ended 30 September 2019 set out on pages 11 to 28. 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 members, 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 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF COMMITTEE OF MANAGEMENT AND AUDITORS**

The responsibilities of the Committee of Management (who are also the directors of the company for the purposes of company law) for preparing the Committee of Management's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and for being satisfied that the financial statements give a true and fair view, are set out in the Statement of Committee of Management's responsibilities.

The Committee of Management have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.





---

**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
(A company limited by guarantee)

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ABBEYFIELD ST. ALBANS 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 Committee of Management's report is inconsistent in any material respect with the financial statements; or
- the company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the Committee of Management were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

*Hillier Hopkins LLP*

**Hillier Hopkins LLP**  
Chartered Accountants  
Statutory Auditor  
Radius House  
51 Clarendon Road  
Watford  
Hertfordshire  
WD17 1HP  
Date: *11<sup>th</sup> March 2020*

Hillier Hopkins LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.



**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Note	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>INCOME FROM:</b>					
Donations and legacies	2	-	14,151	14,151	18,186
Charitable activities	4	-	1,669,881	1,669,881	1,607,410
Investments	3	-	36,021	36,021	32,420
Other income		-	6,396	6,396	3,501
<b>TOTAL INCOME</b>		-	1,726,449	1,726,449	1,661,517
<b>EXPENDITURE ON:</b>					
Charitable activities	5,6	-	1,663,991	1,663,991	1,583,392
<b>TOTAL EXPENDITURE</b>		-	1,663,991	1,663,991	1,583,392
<b>NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		-	62,458	62,458	78,125
<b>NET MOVEMENT IN FUNDS</b>		-	62,458	62,458	78,125
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		135,416	2,921,032	3,056,448	2,978,323
<b>TOTAL FUNDS CARRIED FORWARD</b>		135,416	2,983,490	3,118,906	3,056,448

The notes on pages 15 to 28 form part of these financial statements.



**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 00675042**

**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2019**

	Note	£	2019 £	£	2018 £
<b>FIXED ASSETS</b>					
Tangible assets	9	1,648,334		1,646,306	
Investment property	10	535,000		535,000	
			<u>2,183,334</u>		<u>2,181,306</u>
Total tangible assets			2,183,334		2,181,306
<b>CURRENT ASSETS</b>					
Stocks	11	3,000		3,027	
Debtors	12	18,521		18,830	
Cash at bank and in hand		1,080,696		1,016,033	
		<u>1,102,217</u>		<u>1,037,890</u>	
<b>CREDITORS:</b> amounts falling due within one year	13	(93,595)		(75,998)	
<b>NET CURRENT ASSETS</b>			<u>1,008,622</u>		<u>961,892</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,191,956</u>		<u>3,143,198</u>
<b>CREDITORS:</b> amounts falling due after more than one year	14		(73,050)		(86,750)
<b>NET ASSETS</b>			<u><u>3,118,906</u></u>		<u><u>3,056,448</u></u>
<b>CHARITY FUNDS</b>					
Restricted funds	15		135,416		135,416
Unrestricted funds:					
Unrestricted funds	15	2,473,490		2,411,032	
Revaluation reserve		510,000		510,000	
Total unrestricted funds			<u>2,983,490</u>		<u>2,921,032</u>
<b>TOTAL FUNDS</b>			<u><u>3,118,906</u></u>		<u><u>3,056,448</u></u>



---

**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
**(A company limited by guarantee)**

---

**BALANCE SHEET (continued)**  
**AS AT 30 SEPTEMBER 2019**

---

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Committee of Management consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Committee of Management acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Committee of Management on 24/02/2020 and signed on their behalf, by:

  
.....  
**Mr K Faulkner, Chairman**

  
.....  
**Mr J Thomson, Secretary, Treasurer**

The notes on pages 15 to 28 form part of these financial statements.





**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	121,870	144,612
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		6,521	2,920
Purchase of tangible fixed assets		(50,028)	(28,733)
<b>Net cash used in investing activities</b>		(43,507)	(25,813)
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		(13,700)	(13,700)
<b>Net cash used in financing activities</b>		(13,700)	(13,700)
<b>Change in cash and cash equivalents in the year</b>		64,663	105,099
Cash and cash equivalents brought forward		1,016,033	910,934
<b>Cash and cash equivalents carried forward</b>	18	1,080,696	1,016,033

The notes on pages 15 to 28 form part of these financial statements.



---

**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Abbeyfield St. Albans Society Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**1.2 Company status**

The company is a company limited by guarantee. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

**1.3 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Committee of Management in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Committee of Management for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.



---

**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

**1. ACCOUNTING POLICIES (continued)**

**1.4 Tangible fixed assets and depreciation**

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold building	-	over 50 years
L/Term Leasehold Property	-	over period of lease - expires 2070
Furniture and fittings	-	3 - 10 years straight line

Grace Muriel Abbeyfield House comprises long leasehold and freehold property. Cost includes acquisition and development expenditure.

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

All properties are considered for impairment annually and detailed reviews of assets for impairment are carried out if there is any indication that impairment has occurred. Impairments that are a result of a major reduction in the service potential of a property are recognised in the same income and expenditure account.

**1.5 Revaluation of tangible fixed assets**

The company has adopted the revaluation model to revalue items of property, plant and equipment whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. The fair value of items of plant and machinery is usually their market value determined by appraisal.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity.





---

**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

**1. ACCOUNTING POLICIES (continued)**

**1.6 Income**

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

**1.7 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

**1.8 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

**1.9 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.





---

**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

**1. ACCOUNTING POLICIES (continued)**

**1.10 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

**1.11 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

**1.12 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.13 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.14 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.15 Financial instruments**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.



**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**2. INCOME FROM DONATIONS AND LEGACIES**

	<b>Restricted funds 2019 £</b>	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Donations	-	14,151	14,151	18,186
<i>Total 2018</i>	-	18,186	18,186	

**3. INVESTMENT INCOME**

	<b>Restricted funds 2019 £</b>	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Rental Income	-	29,500	29,500	29,500
Interest	-	6,521	6,521	2,920
	-	36,021	36,021	32,420
<i>Total 2018</i>	-	32,420	32,420	

**4. INCOME FROM CHARITABLE ACTIVITIES**

	<b>Restricted funds 2019 £</b>	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Residential fees and rent	-	1,669,881	1,669,881	1,607,410
<i>Total 2018</i>	-	1,607,410	1,607,410	



**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**5. DIRECT COSTS**

	General £	Total 2019 £	Total 2018 £
Repairs & general maintenance	104,933	104,933	90,791
Sundry	11,031	11,031	9,173
Equipment	31,036	31,036	27,396
Insurance	17,171	17,171	16,996
Loan interest	1,763	1,763	1,752
Legal fees	9,113	9,113	6,828
Agency staff	135,517	135,517	100,005
Contract cleaning	70,704	70,704	67,553
Telephone	4,419	4,419	4,453
Staff training	5,386	5,386	4,772
Advertising and recruitment	7,748	7,748	6,484
Printing, postage & stationery	6,154	6,154	5,829
Food and other household costs	148,590	148,590	150,095
Water rates and council tax	17,085	17,085	9,833
Rent	1,405	1,405	1,997
Travel	1,183	1,183	541
Wages and salaries	934,798	934,798	912,813
National insurance	69,815	69,815	70,253
Pension cost	13,918	13,918	9,576
Depreciation	48,000	48,000	62,553
	<u>1,639,769</u>	<u>1,639,769</u>	<u>1,559,693</u>
<i>Total 2018</i>	<u>1,559,693</u>	<u>1,559,693</u>	

**6. GOVERNANCE COSTS**

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Auditors' remuneration	-	7,440	7,440	7,200
Abbeyfield affiliation Fee	-	10,861	10,861	10,562
Registration fees	-	5,921	5,921	5,937
	<u>-</u>	<u>24,222</u>	<u>24,222</u>	<u>23,699</u>



---

**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

**7. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets: - owned by the charity	48,000	62,553
Auditors' remuneration - audit	7,440	7,200
	<u>          </u>	<u>          </u>

During the year, no Committee of Management received any remuneration (2018 - £NIL).

During the year, no Committee of Management received any benefits in kind (2018 - £NIL).

During the year, no Committee of Management received any reimbursement of expenses (2018 - £NIL).

**8. STAFF COSTS**

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	934,798	912,813
Social security costs	69,815	70,253
Other pension costs	13,918	9,576
	<u>          </u>	<u>          </u>
	<u>1,018,531</u>	<u>992,642</u>

The average number of persons employed by the company during the year was as follows:

2019 No.	2018 No.
51	49

No employee received remuneration amounting to more than £60,000 in either year.





**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**9. TANGIBLE FIXED ASSETS**

	Freehold £	Long Leasehold £	Furniture and fittings £	Total £
<b>Cost or valuation</b>				
At 1 October 2018	492,646	1,521,026	674,350	2,688,022
Additions	-	11,511	38,517	50,028
At 30 September 2019	<u>492,646</u>	<u>1,532,537</u>	<u>712,867</u>	<u>2,738,050</u>
<b>Depreciation</b>				
At 1 October 2018	68,230	337,729	635,757	1,041,716
Charge for the year	8,700	24,000	15,300	48,000
At 30 September 2019	<u>76,930</u>	<u>361,729</u>	<u>651,057</u>	<u>1,089,716</u>
<b>Net book value</b>				
At 30 September 2019	<u>415,716</u>	<u>1,170,808</u>	<u>61,810</u>	<u>1,648,334</u>
At 30 September 2018	<u>424,416</u>	<u>1,183,297</u>	<u>38,593</u>	<u>1,646,306</u>

The Society's properties are all situated in St Albans.

Grace Muriel Abbeyfield House comprises a long leasehold SHG assisted element together with a freehold extension.

**10. INVESTMENT PROPERTY**

	Freehold property £
<b>Valuation</b>	
At 1 October 2018 and 30 September 2019	<u>535,000</u>

The valuation was made by Aitchison Raffety on 5 April 2018, on an open market value for existing use basis. The Committee of Management consider the valuation at 30 September 2019 to be unchanged.

**11. STOCKS**

	2019 £	2018 £
Finished goods and goods for resale	<u>3,000</u>	<u>3,027</u>



**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**12. DEBTORS**

	2019 £	2018 £
Trade debtors	-	1,187
Other debtors	18,521	17,643
	<u>18,521</u>	<u>18,830</u>

**13. CREDITORS: Amounts falling due within one year**

	2019 £	2018 £
Bank loans and overdrafts	13,700	13,700
Trade creditors	31,333	7,544
Other taxation and social security	17,224	15,713
Other creditors	4,770	8,884
Accruals and deferred income	26,568	30,157
	<u>93,595</u>	<u>75,998</u>

**14. CREDITORS: Amounts falling due after more than one year**

	2019 £	2018 £
Bank loans	73,050	86,750

Creditors include amounts not wholly repayable within 5 years as follows:

	2019 £	2018 £
Repayable by instalments	18,250	31,950

The loan is secured on Grace Muriel House and the land at the rear of the property. The loan is subject to an interest rate of 1.1% over the base rate.



**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**15. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 October 2018 £	Income £	Expenditure £	Balance at 30 September 2019 £
<b>Designated funds</b>				
Repairs fund	30,000	-	-	30,000
Small projects fund	30,000	-	-	30,000
Lift fund	93,000	12,000	(20,505)	84,495
Gift Aid	12,266	-	-	12,266
Legacies	231,665	10,007	-	241,672
Friends of Grace Muriel House	938	-	-	938
Investment income	219,849	29,500	-	249,349
Milligan Society	90,740	-	-	90,740
	<u>708,458</u>	<u>51,507</u>	<u>(20,505)</u>	<u>739,460</u>
<b>General funds</b>				
General Fund	1,702,574	1,674,942	(1,643,486)	1,734,030
Revaluation reserve	510,000	-	-	510,000
	<u>2,212,574</u>	<u>1,674,942</u>	<u>(1,643,486)</u>	<u>2,244,030</u>
Total Unrestricted funds	<u>2,921,032</u>	<u>1,726,449</u>	<u>(1,663,991)</u>	<u>2,983,490</u>
<b>Restricted funds</b>				
Social Housing Grant	135,416	-	-	135,416
Total of funds	<u><u>3,056,448</u></u>	<u><u>1,726,449</u></u>	<u><u>(1,663,991)</u></u>	<u><u>3,118,906</u></u>

**Restricted Funds**

Social Housing Grant - Although the Society has deregistered as a housing association but should the land and buildings be sold in the future, the Housing Corporation (now the Office for Tenants and Social Landlords) may demand repayment of these grants.

**Designated Funds**

Lift Fund - Funds are provided for every year in order to replace the lifts when this is necessary. The other designated funds include two specific provisions, for repairs and small projects, and a number of specific identifiable income streams which the board have designated for expenditure that is outside the normal expenditure of the company





**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**15. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 October 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 30 September 2018 £</i>
<b>Designated funds</b>				
Repairs fund	30,000	-	-	30,000
Small projects fund	30,000	-	-	30,000
Lift fund	81,000	12,000	-	93,000
Gift Aid	12,266	-	-	12,266
Legacies	216,328	15,337	-	231,665
Friends of Grace Muriel House	938	-	-	938
Investment income	190,349	29,500	-	219,849
Milligan Society	90,740	-	-	90,740
	<u>651,621</u>	<u>56,837</u>	<u>-</u>	<u>708,458</u>
<b>General funds</b>				
General Fund	1,681,286	1,604,680	(1,583,392)	1,702,574
Revaluation reserve	510,000	-	-	510,000
	<u>2,191,286</u>	<u>1,604,680</u>	<u>(1,583,392)</u>	<u>2,212,574</u>
Total Unrestricted funds	<u>2,842,907</u>	<u>1,661,517</u>	<u>(1,583,392)</u>	<u>2,921,032</u>
<b>Restricted funds</b>				
Social Housing Grant	135,416	-	-	135,416
Total of funds	<u><u>2,978,323</u></u>	<u><u>1,661,517</u></u>	<u><u>(1,583,392)</u></u>	<u><u>3,056,448</u></u>



**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**SUMMARY OF FUNDS - CURRENT YEAR**

	Balance at 1 October 2018 £	Income £	Expenditure £	Balance at 30 September 2019 £
Designated funds	708,458	51,507	(20,505)	739,460
General funds	2,212,574	1,674,942	(1,643,486)	2,244,030
	<u>2,921,032</u>	<u>1,726,449</u>	<u>(1,663,991)</u>	<u>2,983,490</u>
Restricted funds	135,416	-	-	135,416
	<u>3,056,448</u>	<u>1,726,449</u>	<u>(1,663,991)</u>	<u>3,118,906</u>

**SUMMARY OF FUNDS - PRIOR YEAR**

	Balance at 1 October 2017 £	Income £	Expenditure £	Balance at 30 September 2018 £
Designated funds	651,621	56,837	-	708,458
General funds	2,191,286	1,604,680	(1,583,392)	2,212,574
	<u>2,842,907</u>	<u>1,661,517</u>	<u>(1,583,392)</u>	<u>2,921,032</u>
Restricted funds	135,416	-	-	135,416
	<u>2,978,323</u>	<u>1,661,517</u>	<u>(1,583,392)</u>	<u>3,056,448</u>



**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	135,416	1,512,919	1,648,335
Investment property	-	535,000	535,000
Current assets	-	1,102,216	1,102,216
Creditors due within one year	-	(93,595)	(93,595)
Creditors due in more than one year	-	(73,050)	(73,050)
	<u>135,416</u>	<u>2,983,490</u>	<u>3,118,906</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<i>Restricted funds 2018 £</i>	<i>Unrestricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	135,416	1,510,890	1,646,306
Investment property	-	535,000	535,000
Current assets	-	1,037,891	1,037,890
Creditors due within one year	-	(75,999)	(75,998)
Creditors due in more than one year	-	(86,750)	(86,750)
	<u>135,416</u>	<u>2,921,032</u>	<u>3,056,448</u>

**17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	62,458	78,125
<b>Adjustment for:</b>		
Depreciation charges	48,000	62,553
Dividends, interest and rents from investments	(6,521)	(2,920)
Decrease/(increase) in stocks	27	(27)
Decrease in debtors	309	5,166
Increase in creditors	17,597	1,715
<b>Net cash provided by operating activities</b>	<u>121,870</u>	<u>144,612</u>



---

**THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

**18. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2019 £	2018 £
Cash in hand	1,080,696	1,016,033
Total	<u>1,080,696</u>	<u>1,016,033</u>

**19. CONTINGENT LIABILITIES**

Until 2007, the Society was registered with the Housing Corporation and was in receipt of Social Housing Grants amounting to £135,416 in respect of the development of the residential home. The Society has now deregistered but should the land and buildings be sold in the future, the Housing Corporation (now the Office for Tenants and Social Landlords) may demand repayment of these grants.

**20. PENSION COMMITMENTS**

The Society contributed £13,918 (2018: £9,576) towards the workplace contribution scheme pension during the year. There was no amounts owed on the balance sheet at year end.

**21. OPERATING LEASE COMMITMENTS**

At 30 September 2019 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
<b>Amounts payable:</b>		
Within 1 year	214	458
Between 1 and 5 years	247	-
Total	<u>461</u>	<u>458</u>

**22. RELATED PARTY TRANSACTIONS**

**Key Management Personnel**

The key management personnel is considered to be the Directors, Manager and Head of Care. Total remuneration in respect of these individuals is £129,894 (2018: £126,117).

No expenses were reimbursed to directors in either the current or prior period.



