

**Registered number: 0701225**  
**Regulator of Social Housing number: H2980**  
**Charity number: 233423**

**THE ABBEYFIELD READING SOCIETY LIMITED**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**THE ABBEYFIELD READING SOCIETY LIMITED**  
**(A company limited by guarantee)**

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**THE ABBEYFIELD READING SOCIETY LIMITED**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2020**

**Trustees**

P A Barton, Chairman  
K E Davis, Vice Chairman  
R Cummins  
S Sharpe  
R J Symonds (resigned 7 May 2019)  
S M Tyers

**Company registered number**

0701225

**Charity registered number**

233423

**Registered office and operations address**

11 Maitland Road  
Reading  
Berkshire  
RG1 6NL

**Company secretary**

R J Symonds (resigned 7 May 2019)  
K E Davis (appointed 7 May 2019)

**Regulator of Social Housing registered number**

H2980

**Independent auditor**

James Cowper Kreston  
Chartered Accountants and Statutory Auditor  
Reading Bridge House  
George Street  
Reading  
Berkshire  
RG1 8LS

**Bankers**

Lloyds TSB Bank Plc  
Market Place  
Reading  
Berkshire  
RG1 2EQ

CCLA Investment Management Ltd  
St. Alphage House  
2 Fore Street  
London  
EC2Y 5AQ

**THE ABBEYFIELD READING SOCIETY LIMITED**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**Solicitors**

Clifton Ingram LLP  
County House  
17 Friar Street  
Reading  
Berkshire  
RG1 1DB

**THE ABBEYFIELD READING SOCIETY LIMITED**  
**(A company limited by guarantee)**

**CHAIRMAN'S STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2020**

The chairman presents his statement for the year.

Our financial performance in the year was much improved on the year to 31st March 2020 as we came very close to achieving our financial targets. Our Net Income before transfers at £9'k profit was £41'k better than 2019. We budgeted to make a small operating profit of £20'k and were £11'k below that, the difference being made up of donations of £32'k which was £17'k lower than 2019. This was mainly due to a timing difference as we received excellent donation income after the year end.

The two main effects were a positive variance of £59'k to Budget on Residents fees. We maintained a full house through most of the year as against 2 voids budgeted. This lasted until the end of April this year. Unfortunately this was offset by a much higher spend than Budget of £70'k on Agency fees. February and March accounted for over £20'k of this as we started to feel the COVID effect on staff and resident isolation. Expenses were about £12'k over Budget due mainly to higher maintenance spend.

Cash wise we generated over £50'k and have not needed to draw on external finance. We continue to generate good cash flow and do not anticipate an immediate need to draw on our £122'k of investments.

We continue to finance our building improvements via donations. In the current year we have just replaced our boilers at a cost of £30'k financed this way. We have accepted an estimate to renew parts of the dining room floor and this work should start soon.

The current outlook is very much affected by the COVID pandemic. We adopted a conservative policy on filling empty rooms in April and May and the current market is slow. We have been very fortunate in grant and donation aid and only lost £15'k at a net level up to end July. But a big challenge remains in the present environment both in filling rooms and covering expenses for equipment and agency staff support.

We are fortunate in having £311'k of investments at the date of signing in our associated charity Eventide and Watts available. Additionally we have just sold the Hemdean Rise property for £415'k net which we are now holding in cash evaluating investment opportunities.

Our operating performance in the year has been good building on the high "Good" rating as a result of our Care Quality Commission Inspection in January 2019. Since February we have had a tremendous response from our Caring and Management staff in response to the COVID threat. We have adopted a very careful policy in caring for our residents and have not had any new cases in residents since the 2 at the beginning of May

Most of our new residents come via personal referrals but we have upped our advertising and Internet activity and will be initiating a new dedicated web-site in the autumn.

Our Trustees are changing effective this meeting. Stella Tyers is standing down having given us wonderful service over the last 20 years. I have relied on her as a very wise counsel.

Additionally I have decided to retire as a Trustee, Chair, and House Chairman as well as Treasurer. I have been Treasurer for over 10 years and held the Chair posts for 2 years. It has given me great pleasure to contribute to the success of Abbeyfield Reading and I thank all those who have supported me whether Trustees, Management (Bernie and Roz) and staff. I took the post to say thank you to Abbeyfield (Wey Valley) for looking after my mother Dorothy so well in the last 2 years of her life and it has given me great satisfaction to be able to say "Thank you" in person

I will be replaced by Arsalan Hossain who is a qualified accountant with care industry experience as Treasurer. Kathy Davis has volunteered to fill the Chair posts and I wish them both well.

**THE ABBEYFIELD READING SOCIETY LIMITED**  
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**CHAIRMAN'S STATEMENT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

We continue to receive support from the Abbeyfield Society in St. Albans, especially in areas where we need enhanced expertise in today's fast changing environment.

It just remains for me to thank you all once more, whether Staff, Trustees, Volunteers or Resident's Family for your excellent support in the year which has contributed to our well run society and the care of our residents.



Paul Barton, 19.Sep.2020, 16:31:57 BST (UTC +1) . . . .

**P A Barton**  
Chairman

Date: 16th September  
2020

**THE ABBEYFIELD READING SOCIETY LIMITED**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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The Trustees (who are also directors of the charity for the purposes of Companies Act) present their annual report together with the audited financial statements of the company. The Abbeyfield (Reading) Society Limited (the company) for the year ended 31 March 2020. The Trustees 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).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

### **CONSTITUTION**

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 18 August 1961.

The company is constituted under a Memorandum of Association dated 18 August 1961 and is a registered charity number 233423.

### **CHARITABLE OBJECTS AND PRINCIPAL ACTIVITIES**

The objects of the Society and the principal activities of the Society are to provide accommodation for lonely and elderly people 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 1996.

### **ORGANISATIONAL STRUCTURE**

The trustees who have served during the year are set out on page 1. The body of the trustees consist of the Executive Committee who are appointed by the members of the Society.

The Society is a member of the Abbeyfield Society of 55 Victoria Street, St. Albans, Herts., a federation of independent charities.

The Society acts as corporate trustee to the Eventide and Watts Charity.

### **REVIEW OF ACTIVITIES**

See Chairman's Statement on page 3.

### **RESERVES POLICY**

The Trustees have set reserves at a level to sustain the continued existence of the Society in the event of untoward circumstances necessitating closure to residents for a period of 12 months which may not be covered by insurance policies in force. These are set at the level of one years annual expenditure (in the current year £1,159,463 v reserves £1,264,511). There are no plans to augment or decrease these reserves.

In addition to the reserves represented by investments within the Society amounting to £121,558 at 31st March 2020, additional liquidity can be provided by the transfer of expendable assets held as investments in the Eventide & Watts Charity amounting to £278,952 at that date. This has been consented to by the Charity Commission. The Society continues to follow an active donations policy to maintain its liquidity.

### **RISK MANAGEMENT**

The Trustees have considered the major risks which the Society faces and confirm that systems have been established to ensure that the necessary actions may be taken.

**THE ABBEYFIELD READING SOCIETY LIMITED**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**EXECUTIVE COMMITTEE**

The Members of the Executive Committee, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year are listed on page 1.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the charitable company in the event of a winding up. At the Balance Sheet date there were 10 members each guaranteeing to contribute £1.

**INFORMATION ON FUNDRAISING PRACTICES**

The Society uses an external fundraiser, Complete Fundraising Ltd, to raise donations for which it pays a commission fee. The performance of the fundraiser is monitored by quarterly reporting and biannual meetings. It has received no complaints with regard to its fundraising activity and fully complies with fundraising regulations.

**TRUSTEES' RESPONSIBILITIES STATEMENT**

The Trustees (who are also directors of The Abbeyfield (Reading) Society Limited for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 Trustees 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 Trustees 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.

**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

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



**THE ABBEYFIELD READING SOCIETY LIMITED**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**AUDITOR**

The auditor, James Cowper Kreston, has indicated its willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

This report was approved by the Trustees, on 16th September 2020 and signed on their behalf by:



.Paul.Barton.19 Sep.2020 16:31:57 BST (UTC +1)

**P A Barton**  
Trustee

**THE ABBEYFIELD READING SOCIETY LIMITED**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD READING SOCIETY LIMITED**

**Opinion**

We have audited the financial statements of The Abbeyfield Reading Society Limited (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

**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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have 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 of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**THE ABBEYFIELD READING SOCIETY LIMITED**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD READING SOCIETY LIMITED (CONTINUED)**

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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.

**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (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 Trustees 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 Trustees are 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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**THE ABBEYFIELD READING SOCIETY LIMITED**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD READING SOCIETY LIMITED (CONTINUED)**

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 Auditor's report.

**Use of our report**

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

**James Cowper Kreston**  
Chartered Accountants and Statutory Auditor  
Reading Bridge House  
George Street  
Reading  
Berkshire  
RG1 8LS

Date:

James Cowper Kreston are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**THE ABBEYFIELD READING SOCIETY LIMITED**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>					
Donations and legacies	3	28,785	2,848	31,633	49,099
Charitable activities	4	-	1,157,691	1,157,691	981,653
<b>Total income</b>		<b>28,785</b>	<b>1,160,539</b>	<b>1,189,324</b>	<b>1,030,752</b>
<b>Expenditure on:</b>					
Raising funds		-	5,607	5,607	11,569
Charitable activities	5, 6	92	1,153,764	1,153,856	1,059,884
<b>Total expenditure</b>		<b>92</b>	<b>1,159,371</b>	<b>1,159,463</b>	<b>1,071,453</b>
Net (losses)/gains on investments		-	(20,546)	(20,546)	9,046
<b>Net income/(expenditure)</b>		<b>28,693</b>	<b>(19,378)</b>	<b>9,315</b>	<b>(31,655)</b>
Transfers between funds	16	(24,223)	24,223	-	-
<b>Net movement in funds</b>		<b>4,470</b>	<b>4,845</b>	<b>9,315</b>	<b>(31,655)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		123,954	1,131,242	1,255,196	1,286,851
Net movement in funds		4,470	4,845	9,315	(31,655)
<b>Total funds carried forward</b>		<b>128,424</b>	<b>1,136,087</b>	<b>1,264,511</b>	<b>1,255,196</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 15 to 29 form part of these financial statements.

**THE ABBEYFIELD READING SOCIETY LIMITED****(A company limited by guarantee)****REGISTERED NUMBER: 0701225****BALANCE SHEET  
AS AT 31 MARCH 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
<b>Fixed assets</b>			
Tangible assets	11	<b>1,153,213</b>	1,185,217
Investments	12	<b>121,558</b>	142,104
		<u><b>1,274,771</b></u>	<u>1,327,321</u>
<b>Current assets</b>			
Debtors	13	<b>30,020</b>	39,618
Investments	14	<b>40</b>	858
Cash at bank and in hand		<b>119,043</b>	71,172
		<u><b>149,103</b></u>	<u>111,648</u>
Creditors: amounts falling due within one year	15	<b>(159,363)</b>	(183,773)
		<u><b>(10,260)</b></u>	<u>(72,125)</u>
<b>Net current liabilities</b>		<b>(10,260)</b>	<b>(72,125)</b>
<b>Total net assets</b>		<u><b>1,264,511</b></u>	<u>1,255,196</u>
<b>Charity funds</b>			
Restricted funds	16	<b>128,424</b>	123,954
Unrestricted funds	16	<b>1,136,087</b>	1,131,242
<b>Total funds</b>		<u><b>1,264,511</b></u>	<u>1,255,196</u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

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

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

**THE ABBEYFIELD READING SOCIETY LIMITED**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 0701225**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2020**

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



\*Paul Barton 19 Sep 2020 16:31:57 BST (UTC+1) .....

**P A Barton , Trustee**



Kath Davis 28 Sep 2020 09:45:21 BST (UTC+1) .....

**K E Davis, Secretary**

Date: 20th September  
2020

The notes on pages 15 to 29 form part of these financial statements.

**THE ABBEYFIELD READING SOCIETY LIMITED**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	19	<b>51,446</b>	31,788
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<b>(5,293)</b>	(454)
Proceeds from sale of investments		<b>818</b>	33,099
<b>Net cash (used in)/provided by investing activities</b>		<b>(4,475)</b>	<b>32,645</b>
<b>Cash flows from financing activities</b>			
Cash inflows from new borrowing		<b>900</b>	27,537
Repayments of borrowing		-	(20,000)
<b>Net cash provided by financing activities</b>		<b>900</b>	<b>7,537</b>
<b>Change in cash and cash equivalents in the year</b>		<b>47,871</b>	<b>71,970</b>
Cash and cash equivalents at the beginning of the year		<b>71,172</b>	(798)
<b>Cash and cash equivalents at the end of the year</b>	20	<b>119,043</b>	71,172

The notes on pages 15 to 29 form part of these financial statements



**THE ABBEYFIELD READING SOCIETY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Abbeyfield Reading 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. The members of the company are the Trustees named on page 1. 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 Going concern**

As at the date of this report, the recent coronavirus pandemic has created a significant amount of uncertainty and disruption across the charity sector and beyond. Many charities and businesses are likely to struggle financially over the coming months. While the financial position of The Abbeyfield Reading Society Limited will undoubtedly be negatively affected, it is in the fortunate position of having sufficient reserves and a healthy cash balance in place in order to keep the organisation running for the foreseeable future.

Alongside the pandemic, stock markets have been volatile and many organisations will have seen their investment values drop dramatically. At the year end, The Abbeyfield Reading Society's investment balance was £121,558; these are long term investments and the charity is not operationally dependent on short-term drawdowns from these.

**1.4 Fund accounting**

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

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 READING SOCIETY LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**1. Accounting policies (continued)**

**1.5 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.

Resident fees are included in the Statement of financial activities on an accruals basis. Income is accrued or deferred as required depending on the timing of the receipts to ensure that fees are included in the correct period.

**1.6 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.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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.

All expenditure is inclusive of irrecoverable VAT.

**THE ABBEYFIELD READING SOCIETY LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**1. Accounting policies (continued)**

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

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 charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Fixtures and fittings	- 10% -15% straight line

**1.8 Housing properties**

Housing properties are properties available for rent and properties subject to shared ownership leases.

The property is periodically professionally valued and depreciated in the intervening years.

Housing properties under construction are stated at cost less related social housing grant and other capital grants.

Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Improvements are works which result in an increase in the net rental income, such as an increase in rental income, a reduction in future maintenance costs, or results in a significant extension of the useful economic life of the property in the business. Only the direct overhead costs associated with the new developments or improvements are capitalised.

**1.9 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

**1.10 Operating leases**

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

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**1. Accounting policies (continued)**

**1.11 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 institution with whom the funds are deposited.

**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 in the Statement of financial activities as a finance cost.

**1.15 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.

**2. Critical accounting estimates and areas of judgment**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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**3. Income from donations and legacies**

	<b>Restricted funds 2020 £</b>	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Donations	28,785	2,848	<b>31,633</b>	49,099
Total 2019	45,550	3,549	49,099	

**4. Income from charitable activities**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Donations and grants	1,157,691	<b>1,157,691</b>	981,653
Total 2019	981,653	981,653	

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**5. Charitable activities**

	2020 £	2019 £
Catering costs	66,066	65,686
Household supplies, medical and laundry	43,247	32,049
Temporary staff costs and staff welfare	130,061	88,469
Recruitment, training and clothing	5,632	10,028
Water charges	7,718	8,517
Rates	1,921	1,827
Light and heat	33,821	30,767
Insurance	6,605	6,848
Maintenance, repairs and renewals	71,983	56,128
Cleaning and waste disposal	18,320	15,129
Office costs	16,683	14,344
Equipment leasing costs	4,402	4,362
Abbeyfield affiliation fees	8,807	8,601
Professional fees and bookkeeping	12,712	8,414
Loan interest	600	636
Miscellaneous expenses	14,278	14,796
Resident entertaining	1,484	1,769
Wages and salaries	604,777	593,707
Social security	46,210	40,644
Pension cost	14,558	13,740
Depreciation	37,297	38,953
	<u>1,147,182</u>	<u>1,055,414</u>

**6. Governance costs**

	2020 £	2019 £
Auditors remuneration	<u>6,674</u>	<u>4,470</u>

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**7. Analysis of expenditure by expenditure type**

	<b>Staff costs</b> <b>2020</b> £	<b>Depreciation</b> <b>2020</b> £	<b>Other costs</b> <b>2020</b> £	<b>Total</b> <b>funds</b> <b>2020</b> £	<b>Total</b> <b>funds</b> <b>2019</b> £
Expenditure on raising voluntary income	-	-	5,607	<b>5,607</b>	11,569
	-	-	<b>5,607</b>	<b>5,607</b>	11,569
<b>Costs of raising funds</b>					
Donations and grants	667,037	37,297	443,521	<b>1,147,855</b>	1,055,414
Expenditure on governance	-	-	6,674	<b>6,674</b>	4,470
	667,037	-	<b>450,195</b>	<b>1,154,529</b>	1,059,884
	667,037	37,297	455,802	<b>1,160,136</b>	1,071,453
Total 2019	648,091	38,953	384,409	1,071,453	

**8. Net income/ (expenditure)**

	<b>2020</b> £	2019 £
Depreciation of tangible fixed assets:	<b>37,297</b>	38,953
- owned by charity		
Auditor's remuneration	<b>6,674</b>	4,470
Loan interest	<b>600</b>	553
Operating leases	<b>4,402</b>	1,340

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**9. Staff costs**

	<b>2020</b>	2019
	£	£
Wages and salaries	<b>604,777</b>	593,707
Social security costs	<b>46,210</b>	40,644
Contribution to defined contribution pension schemes	<b>14,558</b>	13,740
	<u><b>665,545</b></u>	<u>648,091</u>

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

	<b>2020</b>	2019
	No.	No.
	<b>31</b>	30
	<u><b>31</b></u>	<u>30</u>

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

**10. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 March 2020, no Trustee expenses have been incurred (2019 - £NIL).



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**11. Tangible fixed assets**

	Freehold property £	Fixtures & fittings £	Total £
<b>Cost or valuation</b>			
At 1 April 2019	1,384,216	254,344	1,638,560
Additions	-	5,293	5,293
At 31 March 2020	<u>1,384,216</u>	<u>259,637</u>	<u>1,643,853</u>
<b>Depreciation</b>			
At 1 April 2019	238,369	214,974	453,343
Charge for the year	24,684	12,613	37,297
At 31 March 2020	<u>263,053</u>	<u>227,587</u>	<u>490,640</u>
<b>Net book value</b>			
At 31 March 2020	<u>1,121,163</u>	<u>32,050</u>	<u>1,153,213</u>
At 31 March 2019	<u>1,145,847</u>	<u>39,370</u>	<u>1,185,217</u>

Included in land and buildings is freehold land of £150,000 (2019: £150,000) which is not depreciated.

**Fixed asset revaluation**

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2020 £	2019 £
Cost	2,100,211	2,100,211
Accumulated depreciation	(780,918)	(742,226)
	<u>1,319,293</u>	<u>1,357,985</u>

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**12. Fixed asset investments**

	<b>Listed securities £</b>
<b>Cost or valuation</b>	
At 1 April 2019	<b>142,104</b>
Revaluations	<b>(20,546)</b>
<b>At 31 March 2020</b>	<b>121,558</b>

**13. Debtors**

	<b>2020 £</b>	2019 £
Trade debtors	-	11,382
Other debtors	<b>6,288</b>	6,346
Prepayments and accrued income	<b>23,732</b>	21,890
	<b>30,020</b>	39,618

**14. Current asset investments**

	<b>2020 £</b>	2019 £
Unlisted investments	<b>40</b>	858
	<b>40</b>	858

**15. Creditors: Amounts falling due within one year**

	<b>2020 £</b>	2019 £
Other loans	<b>112,506</b>	111,606
Trade creditors	<b>11,167</b>	28,538
Other taxation and social security	<b>16,454</b>	16,093
Other creditors	<b>7,988</b>	5,710
Accruals and deferred income	<b>11,248</b>	21,826
	<b>159,363</b>	183,773

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. Statement of funds**

**Statement of funds - current year**

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
<b>Unrestricted funds</b>						
General Funds	828,715	1,160,539	(1,158,553)	24,223	(20,546)	834,378
Property Revaluation	302,527	-	-	-	-	302,527
Unallocated amounts	-	-	(818)	-	-	(818)
	<u>1,131,242</u>	<u>1,160,539</u>	<u>(1,159,371)</u>	<u>24,223</u>	<u>(20,546)</u>	<u>1,136,087</u>
<b>Restricted funds</b>						
Residential Support Fund	99,420	18,535	(29)	(24,223)	-	93,703
Garden Project	14,034	-	-	-	-	14,034
Training	1,500	-	-	-	-	1,500
Boilers	8,000	10,250	-	-	-	18,250
Macerator	1,000	-	(63)	-	-	937
	<u>123,954</u>	<u>28,785</u>	<u>(92)</u>	<u>(24,223)</u>	<u>-</u>	<u>128,424</u>
<b>Total of funds</b>	<u><u>1,255,196</u></u>	<u><u>1,189,324</u></u>	<u><u>(1,159,463)</u></u>	<u><u>-</u></u>	<u><u>(20,546)</u></u>	<u><u>1,264,511</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2019 £
<b>Unrestricted funds</b>						
General Funds	872,800	985,202	(1,062,751)	24,418	9,046	828,715
Property revaluation	302,527	-	-	-	-	302,527
	<u>1,175,327</u>	<u>985,202</u>	<u>(1,062,751)</u>	<u>24,418</u>	<u>9,046</u>	<u>1,131,242</u>
<b>Restricted funds</b>						
Residential Support Fund	95,990	32,050	(4,202)	(24,418)	-	99,420
Garden Project	14,034	-	-	-	-	14,034
Training	1,500	-	-	-	-	1,500
Maintenance	-	4,500	(4,500)	-	-	-
Boilers	-	8,000	-	-	-	8,000
Macerator	-	1,000	-	-	-	1,000
	<u>111,524</u>	<u>45,550</u>	<u>(8,702)</u>	<u>(24,418)</u>	<u>-</u>	<u>123,954</u>
<b>Total of funds</b>	<u><u>1,286,851</u></u>	<u><u>1,030,752</u></u>	<u><u>(1,071,453)</u></u>	<u><u>-</u></u>	<u><u>9,046</u></u>	<u><u>1,255,196</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**17. Summary of funds**

**Summary of funds - current year**

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
General funds	1,131,242	1,160,539	(1,159,371)	24,223	(20,546)	1,136,087
Restricted funds	123,954	28,785	(92)	(24,223)	-	128,424
	<u>1,255,196</u>	<u>1,189,324</u>	<u>(1,159,463)</u>	<u>-</u>	<u>(20,546)</u>	<u>1,264,511</u>

**Summary of funds - prior year**

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2019 £
General funds	1,175,327	985,202	(1,062,751)	24,418	9,046	1,131,242
Restricted funds	111,524	45,550	(8,702)	(24,418)	-	123,954
	<u>1,286,851</u>	<u>1,030,752</u>	<u>(1,071,453)</u>	<u>-</u>	<u>9,046</u>	<u>1,255,196</u>

**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	16,848	1,136,365	1,153,213
Fixed asset investments	-	121,558	121,558
Current assets	111,576	37,527	149,103
Creditors due within one year	-	(159,363)	(159,363)
<b>Total</b>	<u>128,424</u>	<u>1,136,087</u>	<u>1,264,511</u>

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**18. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior period**

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	16,940	1,168,277	1,185,217
Fixed asset investments	-	142,104	142,104
Current assets	107,014	4,634	111,648
Creditors due within one year	-	(183,773)	(183,773)
<b>Total</b>	<u>123,954</u>	<u>1,131,242</u>	<u>1,255,196</u>

**19. Reconciliation of net movement in funds to net cash flow from operating activities**

	2020 £	2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	<u>9,315</u>	<u>(31,655)</u>
<b>Adjustments for:</b>		
Depreciation charges	37,297	38,953
Gains/(losses) on investments	20,546	(9,046)
Decrease in debtors	9,598	3,930
Increase/(decrease) in creditors	(25,310)	29,606
<b>Net cash provided by operating activities</b>	<u>51,446</u>	<u>31,788</u>

**20. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	<u>119,043</u>	<u>71,172</u>

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**21. Analysis of changes in net debt**

	At 1 April 2019	Cash flows	At 31 March 2020
	£	£	£
Cash at bank and in hand	71,172	47,871	119,043
Debt due within 1 year	(111,606)	(900)	(112,506)
Liquid investments	858	(818)	40
	<u>(39,576)</u>	<u>46,153</u>	<u>6,577</u>

**22. Pension commitments**

During the year the charity operated a defined contribution scheme for its employees. Total contributions during the year were £14,558 (2019: £13,740). At the year end £2,792 (2019: £3,458) was outstanding and included in creditors.

**23. Operating lease commitments**

At 31 March 2020 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Not later than 1 year	1,005	1,340
Later than 1 year and not later than 5 years	-	1,005
	<u>1,005</u>	<u>2,345</u>

**24. Related party transactions**

The charity Eventide & Watts Charity is connected by common trustees. At the year end The Abbeyfield (Reading) Society Limited owed Eventide & Watts £112,506 (2019: £111,606).

**25. Controlling party**

The ultimate controlling party is the trustees as detailed on page 1.