

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the company, its Trustees and Directors and advisers	1 - 2
Chairman's statement	3
Trustees' report	4 - 10
Independent auditors' report on the financial statements	11 - 13
Statement of financial activities	14
Balance sheet	15 - 16
Statement of cash flows	17
Notes to the financial statements	18 - 38

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

Trustees and Directors	Dr A Wells, Chair Mr P Vreede (resigned 23 September 2019) Mr A G Davies Mrs J Jones Dr J Greenwell Mr M J Moon (resigned 6 April 2020) Canon P K Warren, President & Chaplain Mr R Richardson Mr S N Gibbs (resigned 4 July 2019) Dr J Martin Mr J W Robson, Vice Chair Mr M Casson Mr E Porcher Mrs S Caddy (appointed 15 April 2019) Mr M Rhodes (appointed 13 January 2020)
Company registered number	10845391
Charity registered number	1174376
Registered office	Cove House Cove Road Silverdale Carnforth Lancashire LA5 0SG
Company Secretary	Catherine Humphreys ACMA
Chief Executive Officer	Catherine Humphreys ACMA
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants and Statutory Auditors Fairview House Victoria Place Carlisle Cumbria CA1 1HP
Bankers	NatWest Business Centre 1st Floor 1 St Pauls Place 121 Norfolk Street Sheffield S1 2JF CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

Solicitors

Progression Solicitors
11 Queen Street
Ulverston
Lancashire
LA12 7AF

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020

The end of the financial year has been dominated by the coronavirus pandemic. We reacted very quickly to the threat of Covid-19 and locked down in early March some two weeks before the government's instructions reached us on 23rd. No members of the board have been able to visit Cove House since then. We have relied on the leadership of our CEO and our registered care manager, who have shown exemplary qualities both in maintaining the physical security of the premises and in fostering our caring and protective ethos. The staff have responded magnificently, and I would like, on behalf of the board, to pay tribute to their excellent work.

We suffered an outbreak of the virus and lost two residents to Covid-19 but now that we have adequate testing in place and full use of PPE where and when necessary we are coping very well. Our residents have borne the isolation extremely well and the Cove House community, as a whole, is, if anything, stronger as a result of our collective endeavour to stay safe and well. The board has been kept informed of what is happening via regular updates and we have held board meetings as video conferences via Zoom. It is unclear, at the time of writing, when we will be able to resume our normal practice of meeting in person. During the year membership of the board has changed with two new trustees and two resignations.

From the financial point of view the situation is stable with good levels of occupancy despite the coronavirus and we have again achieved an end of year surplus. We have been unable to hold any of the fundraising events that would happen in a normal year, but our reserves remain strong particularly after receiving a legacy from the estate of a resident.

The year has been marked by increasing cooperation and closer working with our sister Abbeyfield houses in Milnthorpe, Dalton in Furness, Barrow in Furness and Lancaster. Our CEO has continued her secondment to Hartland House in Milnthorpe, which has strengthened the relationship between our two Societies and we are in the process of formulating a memorandum of understanding which will provide the basis for further collaboration, including the societies in Dalton and Barrow in Furness.

I would like to thank every member of the Cove House community, both staff and residents, for their contribution to the life of our community. We are managing extremely well in what have been very difficult times and I am confident that we are in good shape to face whatever the coming year may hold.

.....
Dr. A Wells
Chairman

Date:

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

The Trustees present their annual report together with the audited financial statements of the company for the year 1 April 2019 to 31 March 2020. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable 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 (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

Since the company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The principal purpose of the Society is:

The relief and care of elderly persons suffering from the disabilities of old age or otherwise being in need, including by the provision and management of housing and/or residential care homes and/or hostels.

In the furtherance of these objects, but not otherwise, the Society may:

- (a) provide and maintain or assist in providing and maintaining housing and/or residential care homes and/or hostels for such elderly persons; and
- (b) provide or assist in providing care, support, amenities or services for the benefit of such elderly persons.

The Society operates a residential care home for 23 elderly people, one supported living unit and a retirement living complex, Cove Orchard, on its site in Silverdale, north Lancashire. This forms the basis of the Society's primary activities, which are to provide care and support to older people. The Abbeyfield Silverdale Society is a member of the Abbeyfield movement, whose purposes have been regarded as being for the public benefit for over 50 years. By providing accommodation and services the Society meets the needs of older people for accommodation and other services suited to their needs. These services are open to all older people in need regardless of their mental or physical frailty. These include, but are not limited to, people suffering from dementia, Parkinson's as well as those being supported at the end of their life.

Through the provision of its services, the Society aims also to combat the loneliness and social isolation that is often associated with old age and improve the physical, mental and social wellbeing of residents through the provision of appropriate and inclusive activities, often carried out by volunteers.

The Society serves the local community but does not apply any form of restriction, geographical or otherwise to members of the public who would seek to make use of its services. The Society's residential care operations are regulated by the Care Quality Commission, which has rated its services as 'Good' for several years.

The services offered by the Trustees of the Society are deemed to be beneficial by their nature and are available to a large section of the public. In common with many charitable care homes, the Society charges for its services in order to provide sustainable, high-quality care for older people. The charges are in a broad range and considered affordable in the market. Beneficiaries need to be able to afford their accommodation and service costs either from their own means or from funders such as local authorities. The number of local authority funded residents varies from time to time and no limit is placed on the number accepted by the Society. Different styles of accommodation are offered at different rates in order to promote maximum inclusivity and access to the Society's services. In addition, some services provided by the Society are subsidised to ensure that they are widely affordable, for example when meals are provided to the residents of Cove Orchard this is done so at cost price.

ABBNEYFIELD SILVERDALE SOCIETY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Objectives and activities (continued)

b. Main activities undertaken to further the company's purposes for the public benefit

The Trustees have considered the guidance issued by the Charity Commission in respect of public benefit and confirm through their activities and objectives that they adhere to this guidance.

The views and opinions of our residents and their families are regularly sought about the activities that the Society undertakes. A record of these consultations are available for inspection.

Achievements and performance

a. Review of activities

The Society continues to experience high levels of demand for its residential care services at Cove House and day care services have remained steady throughout the year. Overall the occupancy level for the year was 95% and the Trustees feel that it has been a successful year serving the needs of older people in the area. The average age of the residents has increased again to 91 years from 89.5 years, with the youngest and oldest 74 and 101 years respectively. During the year a total of 31 residents were admitted to Cove House, of which 21 were women and 10 were men.

The Society began a review of its strategy at the beginning of the financial year focusing on two key goals, namely the provision of the highest quality service and financial stability through the growth and diversification of services. The Board of Trustees is ambitious to achieve an outstanding rating from CQC as well as develop its site in Silverdale to facilitate diversification of services to the elderly. To that end the Board has formed a working party to consider options for building development at the Cove House site. However, with the onset of the Covid-19 pandemic, strategic development has been paused in order to focus on the impact of Covid-19.

Prior to the onset of the pandemic, day to day activities for the residents continued, ensuring that the Society responds to residents' personal choices as well as creating a meaningful and interesting activities programme. Great emphasis is placed on the type and frequency of activities made available; some of the highlights of the year have been regular yoga sessions, a monthly music singalong, bingo and arts and crafts. In addition, there have been several outings to local places of interest and trips out for afternoon tea. The residents' spiritual needs continue to be met by the local parish churches.

The Society also supports the residents of its leasehold development, Cove Orchard. This year has seen a number of properties change hands and, whilst the Society does not provide direct personal care, the aging nature of the residents has meant that the Society's staff have become more involved in the lives of the Cove Orchard residents. The Society is proud to be one of the few organisations in this region to have developed housing specially designed for older people to enable them to successfully live independently into older age, with many of the Cove Orchard residents now in their nineties.

During the year 2019-20, the Society has continued with its close working relationship with the sister Abbeyfield society, the Lakeland (Extra Care) Society. The paid secondment of the Chief Executive Officer has continued throughout the financial year in question, for which the Society has received reimbursement.

b. Fundraising activities and income generation

The Charities Act 2011 requires charities to make a statement regarding fundraising activities. The Society does not undertake widespread fundraising from the general public but does hold events at Cove House to raise money for the benefit of residents which is used to support residents' activities. These amounts are presented in the accounts as voluntary income and includes legacies and grants.

ABBNEYFIELD SILVERDALE SOCIETY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance (continued)

c. Investment policy and performance

The Society does not currently hold an investment portfolio in stocks, shares or other investment vehicle.

Financial review

a. Going concern

The purpose of the Society's reserves is to provide sufficient protection for the Society against changing financial circumstances and to support future business development to enable the Society to continue to fulfil its principal purpose. The level of general reserves as reflected in Note 17 to the financial statements is represented by tangible assets and net current assets and is considered sufficient for the Society to meet its short to medium term expenditure obligations. The Society's cash reserves significantly outweigh its short term and long term liabilities.

The Trustees have a reasonable expectation that the Society 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. Reserves policy

The Society's reserves are made up of both cash reserves and physical assets and the Trustees have structured the reserves into designated funds in order to meet the needs of both its strategic plans and its operational activities. The main physical asset of the Society is Cove House for which the Maintenance Fund is designated to cover ongoing repairs and renovations to the house to ensure it meets the needs of the residents the Society cares for.

ABBNEYFIELD SILVERDALE SOCIETY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Financial review (continued)

c. Financial review

The financial year 2019-20 has seen the continuation of one of the Society's key strategic objectives, which is to deliver financial stability through the generation of a surplus, thereby increasing the level of reserves available to the Trustees to use in the furtherance of the Society's objects.

The main income source for the Society comes from its residential fees and the Trustees are always mindful of the cost of residential care and the impact of fee increases. In 2019-20, the Trustees were able to limit the increase to an average of 4% and its fees remain in line with other providers in the area.

During the financial year, the Society received a substantial legacy from a previous resident. The total value of the legacy was £675,917, which contributed significantly to the surplus at the year end. Excluding the legacy, the Society achieved a surplus of £48,000 or 5% of total turnover at 31 March 2020, which met one of its key performance indicators. Combined with the legacy, the overall surplus on the income and expenditure account was £723,424 bringing the total funds available to the Society to £2,011,527. Excluding the legacy, the Society also generated cash reserves of over £60,000 again further underpinning its financial stability.

The Society continues to invest in the fabric of its buildings and grounds and to address legacy maintenance issues. During the year £96,000 was spent on maintaining and improving Cove House primarily on internal decoration and renovation. Capital investment was limited during the year to the development of a new website, which was launched in March 2020.

The most significant cost to the Society is wage costs, which reduced to the target figure of 60% of turnover for the year. The Society is a Living Wage Organisation accredited employer and enjoys low turnover in staff and low levels of staff sickness. The Trustees remain committed to high levels of staff training.

The Society's financial resources consist mainly of cash reserves and bank deposits, which are sufficient to meet its day to day requirements. The statement of cashflows on page 17 of the financial statements shows that during the year the Society generated a net cash inflow from operating activities of £736,124 of which £60,207 relates to ongoing charitable activities after excluding the legacy.

d. Covid-19 pandemic

The Coronavirus pandemic began at the end of the 2019-20 financial year with the most significant impact felt post year end. Stocks of PPE had been increased as a precautionary measure prior to the year end and the Society has not experienced a significant drop in income with residential admissions continuing. Day care has been suspended and may not resume until the 2021-22 financial year. The Trustees are confident that the Society is able to continue its operations during the current phase of the Covid-19 pandemic.

Structure, governance and management

a. Constitution

The company is registered as a members' limited liability company number 10845391 and was set up by Memorandum of Association on 30 June 2017.

The Society is also registered with and regulated by the Charity Commission for England and Wales, registration number 1174376.

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. The composition of the Board, the method of appointment of Trustees and the retirement or removal of Trustees is covered in detail in clauses 19 and 20 of the Articles of Association of the Society.

c. Organisational structure and decision making policies

All operational decision making is delegated by the Board of Trustees to the Chief Executive Officer as head of staff. Financial delegation is documented in the Society's Financial Standing Orders.

The Board of Trustees currently meets ten times per annum and receives detailed financial and operational reports from the Chief Executive Officer and the Registered Care Manager, which enables the Trustees to discharge their statutory and governance duties.

d. Policies adopted for the induction and training of Trustees

All Trustees receive documents published by the Charity Commission relating to the role of a Trustee. In addition Trustees are able to attend The Abbeyfield Society induction course for new Trustees. New Trustees spend time with the Chief Executive Officer and the Registered Care Manager in order to get a detailed understanding of the financial position and other operational issues affecting the Society, although this has not been possible during 2020 as a result of the Covid-19 pandemic.

e. Pay policy for key management personnel

The Remuneration committee, a sub-committee of the Board of Trustees, meets on an annual basis to consider the salaries of the Chief Executive Officer and the Registered Care Manager. The Remuneration committee makes a recommendation to the Board of Trustees for approval. The Remuneration committee is chaired by a Trustee other than the Chair of the Society.

f. Financial risk management

The Chief Executive Officer presents the Society's corporate risk register to the Trustees for consideration and review. The corporate risk register evaluates the major risks to which the Society is exposed, in particular those relating to finance, governance and operations and the Trustees are satisfied that there are systems and procedures in place to mitigate the Society's exposure to the most significant risks.

g. Trustees and Directors' indemnities

Trustees are indemnified by a Trustee indemnity insurance policy provided by The Abbeyfield Society as part of the membership agreement.

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

Plans for future periods

The Society's initial five year strategic plan from 2014-2020 has come to its end and the Trustees have begun work on the next five year phase, with two principal strategic goals:

1. To provide the highest quality of care, and;
2. To deliver financial stability

The Trustees will be developing a number of options that support these two goals and focusing only on plans that deliver a positive outcome for the Society's residents, including those of Cove Orchard as well as its staff. This may include the formation of a formal cooperative agreement with the other member societies in the Morecambe Bay area to support governance and business operations as well as developing Cove House to facilitate wider community engagement.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the company 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 company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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 charity's auditors are 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 relevant audit information and to establish that the charity's auditors are aware of that information.

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

Auditors

The auditors, Armstrong Watson Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

.....
Mrs C M Humphreys ACMA
Secretary

Date:

ABBEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ABBEYFIELD SILVERDALE SOCIETY

Opinion

We have audited the financial statements of Abbeyfield Silverdale Society (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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ABBNEYFIELD SILVERDALE SOCIETY
(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 Auditors' 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.

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ABBNEYFIELD SILVERDALE SOCIETY
(CONTINUED)

Auditors' 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 Auditors' 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. This description forms part of our Auditors' 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 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 Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Karen Rae FCCA
Armstrong Watson Audit Limited

Chartered Accountants and Statutory Auditors
Carlisle

Date:

Armstrong Watson Audit Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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

	Note	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:				
Donations and legacies	4	675,917	675,917	4,065
Charitable activities	5	977,366	977,366	901,397
Other trading activities	6	651	651	1,762
Investments	7	1,451	1,451	977
Total income		1,655,385	1,655,385	908,201
Expenditure on:				
Charitable activities	8	931,961	931,961	900,875
Total expenditure		931,961	931,961	900,875
Net movement in funds		723,424	723,424	7,326
Reconciliation of funds:				
Total funds brought forward as restated		1,288,103	1,288,103	1,280,777
Net movement in funds		723,424	723,424	7,326
Total funds carried forward		2,011,527	2,011,527	1,288,103

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 18 to 38 form part of these financial statements.

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)
REGISTERED NUMBER: 10845391

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	<i>As restated</i> 2019 £
Fixed assets			
Tangible assets	13	588,875	618,974
		<hr/> 588,875	<hr/> 618,974
Current assets			
Debtors	14	116,300	45,140
Cash at bank and in hand		1,445,946	709,822
		<hr/> 1,562,246	<hr/> 754,962
Creditors: amounts falling due within one year	15	(139,594)	(85,833)
		<hr/> 1,422,652	<hr/> 669,129
Total assets less current liabilities		<hr/> 2,011,527	<hr/> 1,288,103
Total net assets		<hr/> 2,011,527 <hr/>	<hr/> 1,288,103 <hr/>

ABBNEYFIELD SILVERDALE SOCIETY

(A company limited by guarantee)

REGISTERED NUMBER: 10845391

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2020

		2020	<i>As restated</i>
	Note	£	2019
			£
Charity funds			
Restricted funds	17	-	-
Unrestricted funds	17	2,011,527	1,288,103
Total funds		2,011,527	1,288,103

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

.....
Dr A Wells

Chair

.....
Mr J W Robson

Vice Chair

Date:

The notes on pages 18 to 38 form part of these financial statements.

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	<i>As restated</i> 2019 £
Cash flows from operating activities		
Net cash used in operating activities	757,999	57,950
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends, interests and rents from investments	1,451	977
Purchase of tangible fixed assets	(23,326)	(23,421)
	<hr/>	<hr/>
Net cash used in investing activities	(21,875)	(22,444)
	<hr/>	<hr/>
Cash flows from financing activities		
Repayments of borrowing	-	(152,558)
	<hr/>	<hr/>
Net cash provided by/(used in) financing activities	-	(152,558)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	736,124	(117,052)
Cash and cash equivalents at the beginning of the year	709,822	826,874
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	1,445,946	709,822
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 18 to 38 form part of these financial statements

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

1. General information

Abbeyfield Silverdale Society is a charitable company without share capital, incorporated in England and Wales. The registered office is Cove House, Cove Road, Silverdale, Carnforth, Lancashire, LA5 0SG and the company number is 10845391.

The Charity's principal business activity is the provision of residential care to the elderly.

2. Accounting policies

2.1 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) and the Companies Act 2006.

Abbeyfield Silverdale Society 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.

2.2 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.

2.3 Going concern

The Trustees have indicated that they believe that the charity is a going concern. When making this assessment, the Trustees have considered the financial impact the Covid-19 pandemic will have on the charity for a period beyond 12 months from the date of signing the financial statements. Net assets at the balance sheet date were £2,012k and cash reserves were £1,445k, and the charity entered the pandemic in surplus.

The Trustees believe the level of liquid reserves held by the charity are sufficient to allow the charity to meet its liabilities as they fall due and so consider the charity a going concern.

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.4 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.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the company, can be reliably measured.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably.

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.5 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.

Support costs are those costs incurred directly in support of expenditure on the objects of the company.

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

All expenditure is inclusive of irrecoverable VAT.

2.6 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.

2.7 Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives,

Depreciation is provided on the following bases:

Freehold property	- 1-2% straight line
Care equipment	- 10-33% straight line
Fixtures and fittings	- 10-33% straight line
Office equipment	- 10-33% straight line

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 Operating leases

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

2.14 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.

2.15 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.

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

Investment income, gains and losses are allocated to the appropriate fund.

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

3. Critical accounting estimates and areas of judgement

Estimates and judgements 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.

Critical areas of judgement:

a) Establishing useful economic lives

Establishing useful economic lives for depreciation purposes of property, plant and equipment comprise a significant portion of the total fixed assets. The annual depreciation charge depends primarily on the estimated useful economic lives of each type of asset and estimates of residual values. The directors regularly review these assets useful economic lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset useful lives can have a significant impact on depreciation charges for the period. Details of the depreciation policies based on estimated useful economic lives are included in accounting policies note 2.8.

b) Providing for doubtful debts

The company makes an estimate of the recoverable value of trade and other debtors. The company uses estimates based on historical experience in determining the level of debts, which the company believes, will not be collected. These estimates include such factors as the credit rating of the debtor, the ageing profile of debtors and historical experience. Any significant change in the level of customers that default on payments or other significant improvements that resulted in a change in the level of bad debt provision would have an impact on the operating results. The level of provision required is reviewed on an on-going basis.

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

4. Income from donations and legacies

	Unrestricted funds 2020 £	Total funds 2020 £
Donations	-	-
Legacies	675,917	675,917
Total 2020	<u>675,917</u>	<u>675,917</u>
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	4,065	4,065

5. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £
Provision of residential care at Cove House	929,871	929,871
Independent living at Cove Orchard	47,495	47,495
Total 2020	<u>977,366</u>	<u>977,366</u>
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Provision of residential care at Cove House	862,952	862,952
Independent living at Cove Orchard	38,445	38,445
Total 2019	<u>901,397</u>	<u>901,397</u>

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2020 £	Total funds 2020 £
Fundraising	651	651

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Fundraising	1,762	1,762

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Investment income	1,451	1,451

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Investment income	977	977

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Total funds 2020 £
Provision of residential care at Cove House	899,852	899,852
Independent living at Cove Orchard	32,109	32,109
Total 2020	<u>931,961</u>	<u>931,961</u>

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Provision of residential care at Cove House	861,976	861,976
Independent living at Cove Orchard	38,899	38,899
<i>Total 2019</i>	<u>900,875</u>	<u>900,875</u>

Summary by expenditure type

	Staff costs 2020 £	Depreciation 2020 £	Other costs 2020 £	Total funds 2020 £
Provision of residential care at Cove House	568,827	43,311	287,714	899,853
Independent living at Cove Orchard	10,783	4,782	16,544	32,109
	<u>579,610</u>	<u>48,093</u>	<u>304,258</u>	<u>931,961</u>

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

8. Analysis of expenditure on charitable activities (continued)

Summary by expenditure type (continued)

	<i>Staff costs 2019 £</i>	<i>Depreciation 2019 £</i>	<i>Other costs 2019 £</i>	<i>Total funds 2019 £</i>
Provision of residential care at Cove House	534,260	46,532	281,184	861,976
Independent living at Cove Orchard	18,519	4,782	15,598	38,899
	<u>552,779</u>	<u>51,314</u>	<u>296,782</u>	<u>900,875</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Provision of residential care at Cove House	780,922	118,930	899,852
Independent living at Cove Orchard	22,093	10,016	32,109
	<u>803,015</u>	<u>128,946</u>	<u>931,961</u>

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Provision of residential care at Cove House	754,994	106,982	861,976
Independent living at Cove Orchard	28,023	10,876	38,899
	<u>783,017</u>	<u>117,858</u>	<u>900,875</u>

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Provision of residential care at Cove House 2020 £	Independ't living at Cove Orchard 2020 £	Total funds 2020 £
Staff costs	489,495	3,907	493,402
Depreciation	43,311	4,782	48,093
Staff training	3,239	-	3,239
Hotels, travel and subsistence	2,775	-	2,775
Printing and stationery	3,328	1,050	4,378
Telephone and fax	3,035	370	3,405
Advertising and promotion	7,688	-	7,688
Legal and professional, regulation costs (incl. DBS)	15,647	-	15,647
Equipment hire	562	-	562
Bank charges	1,335	-	1,335
Rates and water	9,141	921	10,062
Light and heat	28,836	1,598	30,434
Cleaning	8,702	1,268	9,970
Repairs and maintenance	99,056	6,875	105,931
Residents' comforts & welfare	4,046	-	4,046
Food costs	51,508	-	51,508
Sundry expenses	3,887	1,322	5,209
Loss on disposal of fixed assets	5,331	-	5,331
Total 2020	780,922	22,093	803,015

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Provision of residential care at Cove House 2019 £</i>	<i>Independent living at Cove Orchard 2019 £</i>	<i>Total funds 2019 £</i>
Staff costs	461,431	10,783	472,214
Depreciation	46,532	4,782	51,314
Staff training	4,681	-	4,681
Hotels, travel and subsistence	2,576	-	2,576
Printing and stationery	2,740	1,050	3,790
Telephone and fax	8,957	730	9,687
Advertising and promotion	7,702	-	7,702
Legal and professional, regulation costs (incl. DBS)	13,098	-	13,098
Equipment hire	9,034	-	9,034
Bank charges	5,860	-	5,860
Rates and water	7,651	18	7,669
Light and heat	26,837	1,598	28,435
Cleaning	7,028	1,268	8,296
Repairs and maintenance	95,702	7,777	103,479
Residents' comforts & welfare	4,564	-	4,564
Food costs	48,398	17	48,415
Sundry expenses	1,983	-	1,983
Loss on disposal of fixed assets	220	-	220
<i>Total 2019</i>	<u>754,994</u>	<u>28,023</u>	<u>783,017</u>

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Provision of residential care at Cove House 2020 £	Independ't living at Cove Orchard 2020 £	Total funds 2020 £
Staff costs	79,332	6,876	86,208
Telephone and fax	360	360	720
Computer costs	17,718	-	17,718
Legal and professional, regulation costs (incl. DBS)	11,008	-	11,008
Auditors' remuneration	5,100	900	6,000
Insurance	5,212	1,880	7,092
Sundry expenses	200	-	200
Total 2020	118,930	10,016	128,946

	<i>Provision of residential care at Cove House 2019 £</i>	<i>Independent living at Cove Orchard 2019 £</i>	<i>Total funds 2019 £</i>
Wages and salaries	72,830	7,736	80,566
Hotels, travel and subsistence	962	-	962
Telephone and fax	360	360	720
Computer costs	15,165	-	15,165
Legal and professional, regulation costs (incl. DBS)	6,508	-	6,508
Auditors' remuneration	5,400	900	6,300
Bank charges	1,284	-	1,284
Insurance	4,473	1,880	6,353
Total 2019	106,982	10,876	117,858

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

10. Auditors' remuneration

	2020	2019
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	4,500	3,100
Fees payable to the company's auditor in respect of:		
All non-audit services not included above	1,000	1,020
	=====	=====

11. Staff costs

	2020	2019
	£	£
Wages and salaries	538,490	514,658
Social security costs	32,848	32,531
Contribution to defined contribution pension schemes	8,272	5,591
	=====	=====
	579,610	552,780
	=====	=====

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

	2020	2019
	No.	No.
Management and administration	5	5
Catering and housekeeping	2	2
Care staff	19	18
	=====	=====
	26	25
	=====	=====

The average headcount expressed as full-time equivalents was 20.

	2020	2019
	No.	No.
Management and administration	5	5
Catering and housekeeping	2	2
Care staff	13	13
	=====	=====
	20	20
	=====	=====

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

Key management personnel comprise the senior managers of the Society. Their aggregate remuneration was £101,436 (2019 - £95,714).

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

12. Trustees' remuneration and expenses

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

During the year ended 31 March 2020, expenses totaling £96 were reimbursed or paid directly to one Trustee (2019 - £94 to one Trustee).

13. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 April 2019	740,499	86,674	29,546	58,758	915,477
Additions	5,724	-	-	17,602	23,326
Disposals	(17,021)	-	-	-	(17,021)
At 31 March 2020	<u>729,202</u>	<u>86,674</u>	<u>29,546</u>	<u>76,360</u>	<u>921,782</u>
Depreciation					
At 1 April 2019	180,975	69,506	17,716	28,306	296,503
Charge for the year	35,690	3,834	2,139	6,430	48,093
On disposals	(11,689)	-	-	-	(11,689)
At 31 March 2020	<u>204,976</u>	<u>73,340</u>	<u>19,855</u>	<u>34,736</u>	<u>332,907</u>
Net book value					
At 31 March 2020	<u><u>524,226</u></u>	<u><u>13,334</u></u>	<u><u>9,691</u></u>	<u><u>41,624</u></u>	<u><u>588,875</u></u>
At 31 March 2019	<u><u>559,524</u></u>	<u><u>17,168</u></u>	<u><u>11,830</u></u>	<u><u>30,452</u></u>	<u><u>618,974</u></u>

The cost of land and buildings is stated net of the Social Enterprise Investment Fund grant received in January 2012. The value of this grant was £149,961 and was spent entirely on improvements to residential accommodation at Cove House.

The Trustees are aware that the value of the freehold property is in excess of the cost included within the financial statements however have decided not to adopt a policy of revaluation of its properties.

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

14. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	96,722	24,941
Other debtors	4,355	3,035
Prepayments and accrued income	15,223	17,164
	<u>116,300</u>	<u>45,140</u>

Due to a timing difference on the invoicing of residents fee's a significant variance has arisen within trade debtors. The effect of this timing difference has been to increase trade debtors by £60,150 and deferred income by an equal amount.

15. Creditors: Amounts falling due within one year

	2020 £	<i>As restated</i> 2019 £
Trade creditors	16,850	17,389
Other taxation and social security	15,496	5,832
Pension fund creditor	2,356	1,366
Other creditors	-	17,292
Accruals and deferred income	104,892	43,954
	<u>139,594</u>	<u>85,833</u>

	2020 £	2019 £
Deferred income at 1 April 2019	6,496	9,116
Resources deferred during the year	65,861	6,496
Amounts released from previous periods	(6,496)	(9,116)
	<u>65,861</u>	<u>6,496</u>

Due to a timing difference on the invoicing of residents fees a significant variance has arisen within deferred income. The effect of this timing difference has been to increase deferred income by £60,150 and trade debtors by an equal amount.

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

16. Prior year adjustments

A prior year adjustment was posted to restate the year end payroll accrual. Whilst immaterial, management deemed this adjustment necessary to ensure the financial statements provided a true and fair view of the Charity's financial position.

The effect of the adjustment was to decrease accruals by £10,553, and increase brought forward general funds by £10,553.

17. Statement of funds

Statement of funds - current year

	As restated Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Unrestricted funds					
Designated funds					
Residents' Funds	558	811	(3,508)	2,139	-
Cove Orchard Sinking Fund	9,387	6,938	-	-	16,325
Future Projects Fund	500,000	-	-	704,390	1,204,390
Maintenance Fund	126,792	-	(112,121)	135,329	150,000
	<u>636,737</u>	<u>7,749</u>	<u>(115,629)</u>	<u>841,858</u>	<u>1,370,715</u>
General funds					
General Fund	<u>651,366</u>	<u>1,647,636</u>	<u>(816,332)</u>	<u>(841,858)</u>	<u>640,812</u>
Total Unrestricted funds	<u><u>1,288,103</u></u>	<u><u>1,655,385</u></u>	<u><u>(931,961)</u></u>	<u><u>-</u></u>	<u><u>2,011,527</u></u>

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

17. Statement of funds (continued)

Statement of funds - prior year

	<i>As restated Balance at 1 April 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>As restated Balance at 31 March 2019 £</i>
Unrestricted funds					
Designated funds					
Residents' fund	2,012	2,002	(3,456)	-	558
Cove Orchard sinking fund	5,937	3,450	-	-	9,387
Future projects fund	500,000	-	-	-	500,000
Maintenance fund	-	-	(23,208)	150,000	126,792
	<u>507,949</u>	<u>5,452</u>	<u>(26,664)</u>	<u>150,000</u>	<u>636,737</u>
General funds					
Unrestricted fund	<u>772,828</u>	<u>902,749</u>	<u>(874,211)</u>	<u>(150,000)</u>	<u>651,366</u>
Total Unrestricted funds	<u>1,280,777</u>	<u>908,201</u>	<u>(900,875)</u>	<u>-</u>	<u>1,288,103</u>

18. Summary of funds

Summary of funds - current year

	As Restated Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Designated funds	636,737	7,749	(115,629)	841,858	1,370,715
General funds	651,366	1,647,636	(816,332)	(841,858)	640,812
	<u>1,288,103</u>	<u>1,655,385</u>	<u>(931,961)</u>	<u>-</u>	<u>2,011,527</u>

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

18. Summary of funds (continued)

Summary of funds - prior year

	<i>As restated Balance at 1 April 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2019 £</i>
Designated funds	507,949	5,452	(26,664)	150,000	636,737
General funds	772,828	902,749	(874,211)	(150,000)	651,366
	<u>1,280,777</u>	<u>908,201</u>	<u>(900,875)</u>	<u>-</u>	<u>1,288,103</u>

Unrestricted funds

General funds are the 'free reserves' after allowing for all designated funds.

Designated funds

Residents' fund receives income from fundraising events and makes expenditure on activities for the direct benefit of the residents of Cove House.

Cove Orchard sinking fund - The purpose of this fund is to build up a reserve to cover significant expenditure relating to the external fabric of the Cove Orchard properties. Income is collected from every resident on an annual basis through the estate service charge as laid out in the lease agreement.

The Future Projects fund designates reserves identified for the development of services to be provided in the future by the Society, in accordance with its objects and purposes. These funds may be used to support capital or revenue investment in line with the strategic plan developed by the Society's Trustees and officers.

The Maintenance Fund has been designated by the Society's Trustees to address some of the legacy maintenance issues associated with the upkeep of Cove House residential care home.

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	588,875	588,875
Current assets	1,562,246	1,562,246
Creditors due within one year	(139,594)	(139,594)
Total	2,011,527	2,011,527

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	618,974	618,974
Current assets	754,963	754,963
Creditors due within one year	(85,832)	(85,832)
Total	1,288,105	1,288,105

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

	2020 £	<i>As restated 2019 £</i>
Net income for the period (as per Statement of Financial Activities)	723,424	7,326
Adjustments for:		
Depreciation charges	48,093	51,382
Dividends, interests and rents from investments	(1,451)	(977)
Loss on the sale of fixed assets	5,332	220
Increase in debtors	(71,159)	(19,978)
Increase in creditors	53,760	19,977
Net cash provided by operating activities	757,999	57,950

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

21. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,445,946	709,822
Total cash and cash equivalents	1,445,946	709,822

22. Analysis of changes in net debt

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	709,822	736,124	1,445,946
Debt due within 1 year	(1,366)	(990)	(2,356)
	708,456	735,134	1,443,590

23. Contingent liabilities

A grant received from The Abbeyfield Society Limited in 2016 amounting to £17,000 may require repayment in part or in full if conditions set out in the grant agreement are not met.

24. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £8,272 (2019 - £5,591). Contributions totaling £2,356 (2019 - £1,366) were payable to the fund at the balance sheet date and are included in creditors.

25. 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	2,783	5,566
Later than 1 year and not later than 5 years	-	2,783
	2,783	8,349

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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

26. Related party transactions

Dr June Greenwell and her husband are residents of Cove Orchard and pay the standard service fee to the Society.

27. Controlling party

The ultimate controlling party for all the financial affairs of the Society, as laid out in the Society's Articles of Association is the Executive Committee of the Board of Trustees.