

Company registration number 00784499 (England and Wales)

**THE ABBEYFIELD HOYLAKE & WEST KIRBY SOCIETY LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# THE ABBEYFIELD HOYLAKE & WEST KIRBY SOCIETY LIMITED

## COMPANY INFORMATION

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**Directors** Mr N J Farmer (Chairman)  
Mrs L Hitchcox  
Ms J Hyndman  
Ms S Leech  
Mr C Stringer  
Mr A Yarwood

**Company number** 00784499

**Charity number** 233269

**Registered office** Seafield House  
17 Darmonds Green  
West Kirby  
Wirral  
CH48 5DT

**Auditor** Lonsdale & Marsh  
7th Floor  
Cotton House  
Old Hall Street  
Liverpool  
L3 9TX

**Bankers** Barclays Bank plc  
22 Grange Road  
West Kirby  
Wirral  
CH48 4HE

**Solicitors** Oliver & Co  
Douglas House  
117 Foregate Street  
Chester  
CH1 1LE

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# THE ABBEYFIELD HOYLAKE & WEST KIRBY SOCIETY LIMITED

## CONTENTS

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	Page
Report of the executive committee	1 - 5
Independent auditor's report	6 - 8
Statement of income and retained earnings	9
Balance sheet	10
Notes to the financial statements	11 - 19

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# THE ABBEYFIELD HOYLAKE & WEST KIRBY SOCIETY LIMITED

## REPORT OF THE EXECUTIVE COMMITTEE

### FOR THE YEAR ENDED 31 MARCH 2022

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The Executive Committee, the members of which are also directors for the purposes of company law, submits its 58th annual report together with the audited financial statements for the year ended 31 March 2022.

#### **Objectives and activities for public benefit**

The principal activity of the Society, as determined by its memorandum of association, is to provide accommodation, care and companionship for lonely frail elderly people in accordance with the aims and principles of The Abbeyfield Society Limited. There has been no change in the activities of the Society during the year.

The Executive Committee refer to the Charity Commission's general guidance on public benefit when reviewing the Society's aims and objectives and in planning future activities. In particular the Committee consider how planned activities will contribute to the aims and objectives they have set and how these will benefit the recipients in accordance with the aims and principles of the Society.

#### **Status**

The Society is a company limited by guarantee (number 00784499), having no share capital, and with solely charitable objectives and is registered as a charity (number 233269).

It is registered with Homes England (formerly the Homes and Communities Agency) as a registered provider of social housing (number H2854).

The Society is governed by a Memorandum and Articles of Association and was incorporated on 13th December 1963.

#### **Organisation**

The Articles of Association govern the appointment of the executive committee, which is charged with the management of the Society in furtherance of its principal activity, fund management and financial affairs generally. The executive committee shall consist of not less than three and not more than twenty six members. The executive committee has the power to appoint executive committee members to fill a casual vacancy. One third of the executive committee members must retire by rotation each year but are eligible for re-election. There are sub-committees relating to Operations and Finance and at least one member of the executive committee is a member of each sub-committee. Sub-committees report to the executive committee where decisions are made

The Society is a member of The Abbeyfield Society to which it pays an annual affiliation fee.

#### **Executive committee**

The members who held office during the year and up to the date of signature of the financial statements were as follows:

Mrs L M Guratsky  
Mr N J Farmer (Chairman)  
Mrs L Hitchcox  
Ms J Hyndman  
Ms S Leech  
Mr C Stringer  
Mr A Yarwood

(Resigned 1 January 2022)

In accordance with the Society's Articles of Association Mr A Yarwood and Ms S Leech retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

# THE ABBEYFIELD HOYLAKE & WEST KIRBY SOCIETY LIMITED

## REPORT OF THE EXECUTIVE COMMITTEE (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### **Review of activities and achievements during the year**

The year proved, once again, to be particularly challenging, with Covid restrictions affecting all aspects of our work, but the Trustees are pleased to present a positive report.

We have continued to provide a holistic approach to care and a friendly, personal service meeting the needs of our residents, through the delivery of high-quality person-centred care and support. At Abbeyfield, we provide the best quality care with comfort, dignity, respect and the promotion of independence, always being at the heart of the service.

We are proud of the exceptional services and environment enjoyed by our residents and provided by our dedicated, committed and passionate staff, who are on duty 24 hours a day 7 days a week.

Building on our good relations with the local authority and our GPs, the Society has continued to operate at approximately 90% occupancy even during the later stages of the pandemic. With extremely strict adherence to Covid containment measures, the Society managed to avoid any deaths from the virus during the year. The Trustees once again wish to record their gratitude to all the staff for their unwavering commitment to the care of our residents during this difficult period.

Having a consistent and valued team who have a passion to deliver the highest of quality care and support, is incredibly important for Abbeyfield – not just because we want the residents to be happy and engaged within the care home but also because it helps us to build better relationships with our residents and the wider community. The experience of our team members enables them to understand the ethos and objectives of the care home and to better serve the needs of our residents.

We invest in our staff development with training and learning and development opportunities. Our team members have regular supervisions and an annual appraisal where management and team members can discuss the team member's needs, their objectives and what support or training is required to enable them to fulfill those objectives.

We are very proud to be 90% compliant with our training, ensuring that our teams are both engaged in the training we provide and fully understand our regulatory, environmental and operational requirements.

Team members are encouraged to take on additional roles and responsibilities. This can be anything that supports the further development of the team member, the resident or the care home - for instance being a 'Staff Lead or Champion' for safeguarding, health and safety, dementia or end of life care.

As we begin to move out of the pandemic, many of the restrictions on visiting Lear House have been lifted and we are moving back to pre-pandemic levels of activities and entertainments which has been welcomed by both the residents and their relatives.

We have a full-time activities coordinator to keep our residents busy every day. Activities can range from trips out to local attractions, gardening, shopping, coffee and quiz mornings, French lessons, arts and crafts, cocktail evenings and music events. We also celebrate national and local events such as the recent Platinum Jubilee where we enjoyed entertainment and afternoon tea in the garden. We cater for all tastes and we listen to suggestions from our residents, their families and our teams, so our list of activities is always adapting to meet the needs of the residents, their families and the local community.

At Abbeyfield we are constantly looking for ways to improve our environment and with the help of some much-appreciated donations, during the last year, we have refurbished our lounge and dining areas, also installing a new downstairs toilet. We have now started work refurbishing our communal bathrooms to ensure they meet the needs of our residents.

During the pandemic we worked incredibly hard to keep our residents in touch with their families by building a visiting pod and organising visits, along with numerous virtual calls, keeping everyone in touch on Facebook with regular updates on what was happening. This was extremely popular and important for both the morale of the residents and the team members. We conducted a residents' survey and were very pleased to score highly for resident satisfaction and how we managed the pandemic restrictions whilst enabling them to maintain contact with loved ones.

We have seen the use of technology increase by our residents, in order to keep in touch with families, so we are planning on upgrading our WiFi in order to provide the best service possible.

# **THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED**

## **REPORT OF THE EXECUTIVE COMMITTEE (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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With the pandemic hopefully now having a much lesser impact on care, the Trustees are looking to the future and to the potential to develop both Lear House and Elliot House to provide more opportunities to support older people. Following a selection process, the Trustees agreed to work with Paddock Johnson, a local firm of architects, and to develop plans to create more rooms for residential care and improve the long-term viability of the Society. The intention is to create a further ten residential rooms which will significantly increase the Society's potential income and provide greater sustainability, without compromising our extremely high standard of care to our residents. To date £7,767 has been spent on initial ground surveys. It is hoped that outline plans for development will be shown to the Executive Board later this year.

Financial performance for the year was strong with an income of £1,017,703 (2020/21 £881,239) with a surplus of £225,229 (2020/21 £124,673).

Throughout the pandemic restrictions the Trustees continued to maintain close contact and financial oversight with regular remote meetings via Zoom. They would particularly like to express their gratitude to the Society's General Manager, Ailsa Wright, and her team, for their professional and caring management of the Society during these challenging times.

In December 2021 Lesley Guratsky announced her retirement from the Society. Lesley has volunteered for the Society for nearly thirty years and was appointed a Director and Trustee in 2005. Lesley has been a driving force in pursuing the highest possible standards of care and support for our residents. Extremely popular with staff, residents, visitors and her fellow Trustees, Lesley will be greatly missed and we wish her a long, happy, and healthy retirement.

Jane Hyndman, who joined as a Director and Trustee in 2014, and always expressed an intention to serve for only six years, has also given notice of her intention to resign in 2022. Jane has provided invaluable support on both legal and governance matters in particular. The Trustees are incredibly grateful for her support through a particularly challenging period. The Society is now actively looking to recruit additional Trustees.

Demand for rooms in Lear house remains strong. As a charity, any profits made by Abbeyfield feed directly back into the care home to allow constant improvement of our environment, our teams and the care of the residents.

We manage this very successfully and the engagement between our team members, our residents, their families and the wider community means we are well known and have become a desirable place to stay and live for our elderly residents, not just within the Wirral, but across the country. We promote our services and activities via social channels while our residents and their families ensure that our reputation is promoted via word of mouth. We would like to thank everyone who contributes to Abbeyfield and Lear House being a great place to live and work.

# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

## REPORT OF THE EXECUTIVE COMMITTEE (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### **Reserves and investment policies**

The Society has always used its surplus free reserves - being funds not comprised of fixed assets or other designated reserves - to help fund the cost of improvements to the services and support provided to residents including helping to fund, in the past, the implementation and completion of housing property projects.

The aim of the Society is to have day to day running costs which will be funded by amounts received in respect of residents' charges.

The Executive Committee continues to review its reserves policy and has concluded that a level of free reserves of £370,000 (2021 - £370,000) is appropriate. This amount equates to approximately four months of normal expenditure requirements. The Committee considers that the level of free reserves is satisfactory.

#### **Internal financial control**

The Executive Committee acknowledges that it is responsible for the Society's system of internal financial control, which can only provide reasonable and not absolute assurance against material misstatement or loss.

All expenditure is controlled by the General Manager with the exception of specialist health care supplies which are authorised by the Care Manager. The General Manager, with the help of the bookkeeper, consolidates all the expenditure into monthly reports to produce internal management information. The management information and underlying data are reviewed regularly by the Executive Committee at their meetings and compared to budgets prepared at the beginning of each financial year.

Before the end of each year the management information is utilised to provide updated projected figures for the year and also to provide projected figures for the following year. These projections are prepared by management and reviewed by the Executive Committee. The Executive Committee monitors the actual expenditure and compares this to the budgeted expenditure. All major items of expenditure, whether or not anticipated by the Society's budgets, are approved by the Executive Committee and dealt with by the Society's Head Office. The Executive Committee meets at least quarterly to manage the running of the Society and to ensure that we pursue developments in our services which will continue to meet the needs of older people, both now and in the future. The Executive Committee reviews its procedures on an annual basis.

#### **Risk management**

The Executive Committee has overall responsibility for ensuring that the Society has appropriate systems of controls, financial and otherwise. The systems of financial controls are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include an annual budget, approved by the Executive Committee, monthly reviews of actual results and variances from budget, and delegation of authority and segregation of duties as far as possible given staffing levels.

The Executive Committee has assessed the major risks to which the Society is exposed, in particular those related to the operations, finances and strategies of the Society, and is satisfied that systems are in place to mitigate exposure to the major risks.

# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

## REPORT OF THE EXECUTIVE COMMITTEE (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### Statement of Executive Committee responsibilities

The Executive Committee are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Executive Committee to prepare financial statements for each financial year. Under that law the Executive Committee have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Executive Committee 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 Society and of the surplus or deficit of the Society for that period. In preparing these financial statements, the Executive Committee are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 company will continue in business.

The Executive Committee are responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Housing and Regeneration Act 2008. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditor

In accordance with the Society's articles, a resolution proposing that Lonsdale & Marsh be reappointed as auditor of the Society will be put at a General Meeting.

### Statement of disclosure to auditor

So far as each person who was a Trustee at the date of approving this report is aware, there is no relevant audit information of which the Society's auditor is unaware. Additionally, the Trustees individually have taken all the necessary steps that they ought to have taken as Trustees in order to make themselves aware of all relevant audit information and to establish that the Society's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Mr N.J. Farmer (Chairman)  
Director

1 September 2022



# THE ABBEYFIELD HOYLAKE & WEST KIRBY SOCIETY LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE ABBEYFIELD HOYLAKE & WEST KIRBY SOCIETY LIMITED

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#### Opinion

We have audited the financial statements of The Abbeyfield Hoylake & West Kirby Society Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of income and retained earnings, the balance sheet and notes to the financial statements, including 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 company's affairs as at 31 March 2022 and of its surplus 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 Companies Act 2006.

#### 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The Executive Committee 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, except to the extent otherwise explicitly stated in our report, 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.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Executive Committee's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Executive Committee's report has been prepared in accordance with applicable legal requirements.

# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Executive Committee's report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Executive Committee were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Executive Committee's report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

As explained more fully in the Executive Committee's responsibilities statement, the Trustees 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 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 company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# THE ABBEYFIELD HOYLAKE & WEST KIRBY SOCIETY LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE ABBEYFIELD HOYLAKE & WEST KIRBY SOCIETY LIMITED

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We obtained an understanding of the legal and regulatory frameworks that are applicable to the Society and determined that the most significant are those that relate to the Care Quality Commission requirements and those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, included the following:

- the engagement partner ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- discussions with senior management;
- identified laws and regulations were communicated within the audit team who remained alert to instances of non-compliance throughout the audit.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including override of controls) and addressed the risk through:

- making enquires of those charged with governance as to their knowledge of actual, suspected and alleged instances of fraud;
- considering the internal controls in place to mitigate the risks of fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed our audit procedures which included, but was not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing the minutes of meetings of those charged with governance;
- reviewing correspondence with professional advisors;
- reviewing for any transactions undertaken with related parties such as those charged with governance and/or directors;
- checking expenses are bona fide transactions of the Society.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulations. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 Society's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Society's members 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 Society and the Society's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Elaine Frances McElroy (Senior Statutory Auditor)**  
For and on behalf of Lonsdale & Marsh

1 September 2022

**Chartered Accountants**  
**Statutory Auditor**

7th Floor  
Cotton House  
Old Hall Street  
Liverpool  
L3 9TX

# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
<b>Income</b>	<b>3</b>	1,071,703	881,239
House operating costs		(763,234)	(786,772)
Administrative expenses		(293,246)	(234,938)
Other operating income		165,279	173,926
<b>Operating surplus</b>	<b>4</b>	180,502	33,455
Interest receivable and similar income		18,984	13,494
Increase/(decrease) in fair value of investments		25,743	77,724
<b>Surplus before taxation</b>		225,229	124,673
Tax on surplus		-	-
<b>Surplus for the financial year</b>		225,229	124,673
Retained earnings brought forward		3,309,439	3,184,766
Retained earnings carried forward		3,534,668	3,309,439

# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	6	2,049,927		2,017,708	
Investments	7	1,008,032		570,797	
		<u>3,057,959</u>		<u>2,588,505</u>	
<b>Current assets</b>					
Debtors	8	139,119		38,813	
Cash at bank and in hand		553,701		894,133	
		<u>692,820</u>		<u>932,946</u>	
<b>Creditors: amounts falling due within one year</b>	9	(73,437)		(66,993)	
<b>Net current assets</b>			619,383		865,953
<b>Total assets less current liabilities</b>			<u>3,677,342</u>		<u>3,454,458</u>
<b>Creditors: amounts falling due after more than one year</b>	10		(142,674)		(145,019)
<b>Net assets</b>			<u>3,534,668</u>		<u>3,309,439</u>
<b>Reserves</b>					
Income and expenditure account			<u>3,534,668</u>		<u>3,309,439</u>

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

The financial statements were approved by the Executive Committee and authorised for issue on 1 September 2022 and are signed on its behalf by:

Ms S Leech   
Director

Mr C Stringer  
Director



Company Registration No. 00784499

# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

#### Company Information

The Abbeyfield Hoylake & West Kirby Society Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Seaford House, 17 Darmonds Green, West Kirby, Wirral, CH48 5DT.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Turnover

The Society's turnover principally comprises residents' charges receivable from houses, donations received from third parties and investment income.

#### 1.3 Income and expenditure

Income and expenses are included in the financial statements as they become receivable or due.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	100 years but see below
Land and buildings Leasehold	all land - nil
Fixtures, fittings & equipment	20% and 30% reducing balance

Freehold land is not depreciated on account of its indefinite useful life.

Financial Reporting Standard 102 states that all assets must be depreciated. The depreciable amount of an asset is calculated as cost less residual value. Under FRS 102 residual values are based on the price which an entity would currently obtain if it were to dispose of the asset less the estimated costs of disposal. The Committee have reviewed the policy on depreciation and consider that the current residual value of the properties is in excess of the costs and as such a provision for depreciation is not required.

# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

(Continued)

Housing properties acquired (including land) on the open market are stated at cost less depreciation and impairment where applicable.

The cost of housing freehold land and property represents their purchase price and any directly attributable costs of acquisition. All invoices and architect's certificates relating to capital expenditure are included in the financial statements at the gross value provided that the expenditure incurred on the architect's certificates was completed by the end of the accounting year.

Directly attributable costs of construction includes capitalised interest calculated, on a proportional basis, using finance costs on borrowing which has been drawn in order to finance the relevant construction or acquisition.

Expenditure on major refurbishment to properties is capitalised where the works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the net rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property.

All other repair and replacement expenditure is charged to the Statement of Income.

#### 1.5 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### 1.8 Financial Instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, less any impairment.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### 1.9 Taxation

The company is exempt from corporation tax, it being a company not carrying on a business for the purposes of making a profit.

#### 1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

If material the cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

The Society operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable. The assets of the scheme are held separately from those of the Society in an independently administered fund.

#### 1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.



# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### 1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

#### 1.14 Monetary donations

Income from donations and legacies is accounted for on a receivable basis when it is more likely than not that the economic benefits will flow to the Society and the amount of the income can be measured reliably.

#### 1.15 Cash flows

The Society has taken advantage of the disclosure exemption in FRS 102 not to prepare a cash flow statement.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Income from residential charges

	2022	2021
Potential residential income	1,144,808	1,261,956
Losses arising from vacancies etc.	(73,105)	(380,717)
	<u>1,071,703</u>	<u>881,239</u>

Whilst undertaking investigation work with Paddock Johnson, on the possible development and linking of Elliot House with Lear House, the Trustees have decided not to use the rooms within Elliot House for the foreseeable future. The potential residential income, as stated above, does not include income from these rooms. The units in management, disclosed in Note 11, do include these rooms as they are registered with CQC,

# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 4 Operating surplus

	2022 £	2021 £
Operating surplus for the year is stated after charging/(crediting):		
Government grants	(50,509)	(61,624)
Fees payable to the company's auditor for the audit of the company's financial statements	6,360	6,000
Depreciation of owned tangible fixed assets	7,695	4,586
Loss on disposal of tangible fixed assets	596	653
Operating lease charges	20,938	21,662
	<u>          </u>	<u>          </u>

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Housing, support and care	37	36
Administration	5	5
	<u>          </u>	<u>          </u>
	42	41
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	601,915	655,270
Social security costs	40,339	48,412
Pension costs	10,028	12,093
	<u>          </u>	<u>          </u>
	652,282	715,775
	<u>          </u>	<u>          </u>
Redundancy payments made or committed	-	-
	<u>          </u>	<u>          </u>

# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 6 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 1 April 2021	1,994,988	126,571	2,121,559
Additions	15,443	25,067	40,510
Disposals	-	(9,048)	(9,048)
At 31 March 2022	2,010,431	142,590	2,153,021
<b>Depreciation and Impairment</b>			
At 1 April 2021	-	103,851	103,851
Depreciation charged in the year	-	7,695	7,695
Eliminated in respect of disposals	-	(8,452)	(8,452)
At 31 March 2022	-	103,094	103,094
<b>Carrying amount</b>			
At 31 March 2022	2,010,431	39,496	2,049,927
At 31 March 2021	1,994,988	22,720	2,017,708

### 7 Fixed asset investments

	2022 £	2021 £
Investments	1,008,032	570,797

#### Fixed asset investments revalued

The listed investments are included in the financial statements at market value. The investment portfolio is managed by Rathbones Investment Management. The portfolio has been constructed in accordance with the Trustees' instructions regarding investment objectives and risk level. At the year end the cost of the investments was £954,674 (2021 £546,331).

# THE ABBEYFIELD HOYLAKE & WEST KIRBY SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

<b>7</b>	<b>Fixed asset investments</b>	<b>(Continued)</b>	
	<b>Movements in fixed asset investments</b>		
			<b>Investments other than loans £</b>
	<b>Cost or valuation</b>		
	At 1 April 2021		570,797
	Additions		504,752
	Valuation changes		27,666
	Disposals		(101,852)
	Movement on income and capital accounts		6,669
	At 31 March 2022		1,008,032
	<b>Carrying amount</b>		
	At 31 March 2022		1,008,032
	At 31 March 2021		570,797
<b>8</b>	<b>Debtors</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	<b>Amounts falling due within one year:</b>		
	Rent outstanding	3,239	6,006
	Other debtors	135,880	32,807
		139,119	38,813
<b>9</b>	<b>Creditors: amounts falling due within one year</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	Trade creditors	34,322	40,982
	Taxation and social security	10,623	9,864
	Other creditors	28,492	16,147
		73,437	66,993
<b>10</b>	<b>Creditors: amounts falling due after more than one year</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	Other creditors	142,674	145,019

# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 10 Creditors: amounts falling due after more than one year (Continued)

In accordance with the requirements of FRS 102 grants received from Homes England (previously the Homes and Communities Agency) are held within creditors as deferred grants and amortised over the useful life of the properties.

11 Housing stock	2022	2021
Housing accommodation - number of bed spaces		
Units under development	-	-
Units in management	33	33

#### 12 Members' liability

The Society is a company limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

The members of the Society are the Executive Committee, the sub-committees and the house committees. The total number of members at 31 March 2022 was 6 (2021 - 7)

#### 13 Payments to members, committee members, officers etc

	2022 £	2021 £
Fees, remuneration or expenses payable to:		
Members of the Society who were neither members of the Executive Committee nor employees of the Society	-	-
Members of the Executive Committee of the Society who were neither officers nor employees of the Society	-	-
Officers of the Society who were not employees	-	-

#### 14 Capital commitments

There were no financial commitments at the year end (2021 nil).

# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 15 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2022	2021
£	£
88,532	121,182
<u>88,532</u>	<u>121,182</u>

### 16 Non-audit services provided by auditor

In common with many businesses of our size and nature we use our auditor to assist with the preparation of the financial statements.

# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

## DETAILED INCOME AND EXPENDITURE ACCOUNT UNAUDITED

FOR THE YEAR ENDED 31 MARCH 2022

		2022		2021
	£	£	£	£
<b>Income</b>				
Residents' fees		1,057,865		865,096
Respite fees		13,838		1,000
NHS contract - Elliot House		-		15,143
		<u>1,071,703</u>		<u>881,239</u>
<b>Other operating income</b>				
Rent receivable	400		3,730	
Donations	110,370		104,572	
Government grants receivable and released	2,345		2,345	
Coronavirus job retention scheme grant	-		15,589	
Other Coronavirus funding - WBC	48,164		43,690	
Employment allowance	4,000		4,000	
		<u>165,279</u>		<u>173,926</u>
<b>House operating expenses</b>				
Wages and salaries	514,682		559,938	
Social security costs	34,036		41,005	
Staff training	7,131		3,393	
Staff pension costs defined contribution	8,517		10,549	
Food	38,545		33,953	
Rent re operating leases	16,519		16,078	
Water rates and council tax	11,062		13,443	
Cleaning inc. PPE costs	27,181		28,283	
Gardening costs	2,677		3,152	
Power, light and heat	27,361		27,925	
Property repairs and maintenance	44,379		22,742	
Insurance	10,571		12,318	
Telecommunications	2,369		2,135	
Residents' entertaining	4,520		2,747	
Sundry expenses	1,346		680	
CQC subscription	5,023		4,186	
Depreciation on household furniture and equipment	6,719		3,592	
Loss on obsolete tangible assets	596		653	
		<u>(763,234)</u>		<u>(786,772)</u>
Balance carried forward		473,748		268,393

# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

## DETAILED INCOME AND EXPENDITURE ACCOUNT UNAUDITED(CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

	£	2022 £	£	2021 £
Balance brought forward		473,748		268,393
<b>Administrative expenses</b>				
Wages and salaries	87,233		95,332	
Social security costs	6,303		7,407	
Staff pension costs defined contribution	1,511		1,544	
Health insurance	2,955		2,144	
Rent re operating leases	4,419		5,584	
Computer running costs	6,631		6,658	
Travelling expenses	378		289	
National affiliation fee	10,736		10,630	
Legal and professional - Ellis Whittam	5,000		5,545	
Legal and professional - Financial Planning	2,625		375	
Legal and professional - Smith & Sons	-		775	
Legal and professional - re Elliot House	7,768		-	
Legal and professional - employment matters	-		300	
Legal and professional - Acton health & safety	5,847		5,864	
Rathbones management fees	6,987		4,496	
Audit fees	6,360		6,000	
Bank charges	245		251	
Bad and doubtful debts	10		-	
Contributions towards residents' fees	122,251		68,574	
Printing and stationery	3,685		3,720	
Advertising	7,350		6,036	
Telecommunications	428		621	
Sundry expenses	3,548		1,799	
Depreciation	976		994	
		(293,246)		(234,938)
<b>Operating surplus</b>		180,502		33,455
<b>Investment revenues</b>				
Bank interest received	507		691	
Dividends from investments measured at fair value	18,477		12,803	
		18,984		13,494
Balance carried forward		199,486		46,949



# THE ABBEYFIELD HOYLAKE & WEST KIRBY SOCIETY LIMITED

## DETAILED INCOME AND EXPENDITURE ACCOUNT UNAUDITED(CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

	£	2022 £	£	2021 £
Balance brought forward		199,486		46,949
<b>Other gains and losses</b>				
Gain on sale of Hoyle Road	-		10,715	
Increase/(decrease) in value of investments measured at fair value	27,666		65,764	
Profit/(Loss) on disposal of investments measured at fair value	(1,923)		1,245	
		<u>25,743</u>		<u>77,724</u>
<b>Surplus for the year</b>		<u>225,229</u>		<u>124,673</u>