

Company registration number 00784499 (England and Wales)

**THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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# THE ABBEYFIELD HOYLAKE & WEST KIRBY SOCIETY LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr N J Farmer (Chairman) Mrs L Hitchcox Ms S Leech Mr A Yarwood Ms K Pike (Appointed 18 January 2023)
<b>Company number</b>	00784499
<b>Charity number</b>	233269
<b>Registered office</b>	Seafield House 17 Darmonds Green West Kirby Wirral CH48 5DT
<b>Auditor</b>	Lonsdale & Marsh 509-510 Cotton Exchange Bixteth Street Liverpool L3 9LQ
<b>Bankers</b>	Barclays Bank plc 22 Grange Road West Kirby Wirral CH48 4HE

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# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

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# THE ABBEYFIELD HOYLAKE & WEST KIRBY SOCIETY LIMITED

## REPORT OF THE EXECUTIVE COMMITTEE

### FOR THE YEAR ENDED 31 MARCH 2023

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The Executive Committee, the members of which are also directors for the purposes of company law, submits its 59th annual report together with the audited financial statements for the year ended 31 March 2023.

#### **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:

Mr N J Farmer (Chairman)

Mrs L Hitchcox

Ms J Hyndman

(Resigned 1 September 2022)

Ms S Leech

Mr C Stringer

(Resigned 29 March 2023)

Mr A Yarwood

Ms K Pike

(Appointed 18 January 2023)

In accordance with the Society's Articles of Association Mr N J Farmer and Mrs L Hitchcox retire by rotation and Ms K Pike in her capacity as a new member. All members, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

## REPORT OF THE EXECUTIVE COMMITTEE (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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

With all Covid restrictions lifted, we have been able to open Lear House fully and to welcome friends and relatives back to the home. The improvement in morale for both our residents and the staff has been very noticeable and it has been an enormous pleasure to see the way everyone has responded to the return to normality.

The Trustees wish, once again, to express their gratitude to all the staff for their commitment to maintaining the highest standards of care for our residents. Lear House continues to have the highest reputation in the area for the friendly, safe, and welcoming environment it provides. This is reflected in the numbers of enquiries received and an occupancy level which was more than 95% throughout the year. Our CQC rating remains "Good".

Resident activity has increased with greater freedom and with the support of our activities coordinator we can keep our residents, and in increasing numbers, friends and relatives entertained and interested in everything going on in the home.

As reported last year we continue to plan for the amalgamation of Lear and Elliot House to create a further ten rooms which will significantly improve the viability of the Society. The trustees have approved the plans and we are hopeful that full planning approval will be achieved by the end of 2023 and that building work may begin in 2024. A full cost analysis of the plans is currently under way.

Considerable improvements are planned for our electronic systems in all areas of activity. In particular, the development of electronic care reporting systems is being developed in conjunction with the local authority which should further improve our ability to deliver person centered care to our residents. Improvements in our wi-fi connectivity will not only improve our administrative efficiency but will also allow more opportunities for residents to connect electronically with relatives and friends.

The maintenance and improvement of the building environment is essential to the well-being of staff and residents. During the year we completed the upgrade of the bathrooms on the ground floor.

To support our staff in delivering the best possible care, we have continued with our training programmes. The improved wi-fi has enabled more opportunities for the use of electronic training aids. All staff continue to receive regular supervision and support in setting out their goals and being able to achieve them.

Financially, the Society performed well during the year reporting income of £1,154,939 (2022 £1,071,703) with a surplus £44,027 (2022 £225,229). The surplus includes a decrease in the value of the investments at the year end of £69,227 (2022 increase in value of £27,666).

In January we were pleased to welcome Ms. Kate Pike as a trustee. Kate brings an in-depth understanding of personal care provision and we look forward to her contribution to the further development of the Society.

There is an increasing demand for Lear House and the need for respite accommodation has begun to show signs of growth over the last few months. The reputation of Lear House as a friendly, safe, and interesting place to stay and visit continues to grow and we view the future with some confidence.

#### **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 (2022 - £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.

# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

## REPORT OF THE EXECUTIVE COMMITTEE (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **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.

### **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.

# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

## REPORT OF THE EXECUTIVE COMMITTEE (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

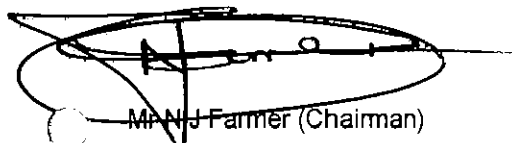
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### **Statement of disclosure to auditor**

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

A handwritten signature in black ink, appearing to read 'Mr N J Farmer', is written over a horizontal line. The signature is stylized and somewhat cursive.

Mr N J Farmer (Chairman)

Director

30 August 2023

# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE ABBEYFIELD HOYLAKES & 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 2023 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 2023 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 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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#### **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 intends 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**

30 August 2023

**Chartered Accountants  
Statutory Auditor**

509-510 Cotton Exchange  
Bixteth Street  
Liverpool  
L3 9LQ

# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
<b>Income</b>	<b>3</b>	1,154,939	1,071,703
House operating costs		(813,361)	(763,234)
Administrative expenses		(270,539)	(293,246)
Other operating income		17,945	165,279
<b>Operating surplus</b>	<b>4</b>	88,984	180,502
Interest receivable and similar income		26,531	18,984
Increase/(decrease) in fair value of investments		(71,488)	25,743
<b>Surplus before taxation</b>		44,027	225,229
Tax on surplus		-	-
<b>Surplus for the financial year</b>		44,027	225,229
Retained earnings brought forward		3,534,668	3,309,439
Retained earnings carried forward		3,578,695	3,534,668

# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

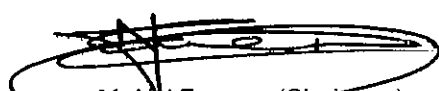
## BALANCE SHEET

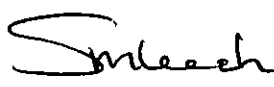
AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	6	2,082,792		2,049,927	
Investments	7	954,423		1,008,032	
		<u>3,037,215</u>		<u>3,057,959</u>	
<b>Current assets</b>					
Debtors	8	31,256		139,119	
Cash at bank and in hand		698,440		553,701	
		<u>729,696</u>		<u>692,820</u>	
<b>Creditors: amounts falling due within one year</b>	9	(47,887)		(73,437)	
<b>Net current assets</b>			681,809		619,383
<b>Total assets less current liabilities</b>			3,719,024		3,677,342
<b>Creditors: amounts falling due after more than one year</b>	10		(140,329)		(142,674)
<b>Net assets</b>			<u>3,578,695</u>		<u>3,534,668</u>
<b>Reserves</b>					
Income and expenditure account			<u>3,578,695</u>		<u>3,534,668</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 30 August 2023 and are signed on its behalf by:

  
Mr NU Farmer (Chairman)  
Director

  
Ms S Leech  
Director

Company Registration No. 00784499

# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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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 2023

### 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 HOYLAKE & WEST KIRBY SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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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 HOYLAKE & WEST KIRBY SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 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

	2023	2022
Potential residential income	1,213,500	1,144,808
Losses arising from vacancies etc.	(58,561)	(73,105)
	<u>1,154,939</u>	<u>1,071,703</u>

Whilst pursuing the plans to amalgamate Elliot House with Lear House, as mentioned in the Executive Committee's Report, 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 HOYLAKE & WEST KIRBY SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 4 Operating surplus

	2023 £	2022 £
Operating surplus for the year is stated after charging/(crediting):		
Government grants	(2,825)	(50,509)
Fees payable to the company's auditor for the audit of the company's financial statements	6,240	6,360
Depreciation of owned tangible fixed assets	10,590	7,695
Loss on disposal of tangible fixed assets	2,711	596
Operating lease charges	23,286	20,938

### 5 Employees

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

	2023 Number	2022 Number
Housing, support and care	34	32
Administration	5	5
	39	37

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	671,792	601,915
Social security costs	47,150	40,339
Pension costs	11,211	10,028
	730,153	652,282

Redundancy payments made or committed	-	-
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# THE ABBEYFIELD HOYLAKE & WEST KIRBY SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 6 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 1 April 2022	2,010,431	142,590	2,153,021
Additions	32,606	13,560	46,166
Disposals	-	(45,486)	(45,486)
At 31 March 2023	2,043,037	110,664	2,153,701
<b>Depreciation and impairment</b>			
At 1 April 2022	-	103,094	103,094
Depreciation charged in the year	-	10,590	10,590
Eliminated in respect of disposals	-	(42,775)	(42,775)
At 31 March 2023	-	70,909	70,909
<b>Carrying amount</b>			
At 31 March 2023	2,043,037	39,755	2,082,792
At 31 March 2022	2,010,431	39,496	2,049,927

### 7 Fixed asset investments

	2023 £	2022 £
Investments	954,423	1,008,032

#### 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 £973,338 (2022 £954,674).

# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 7 Fixed asset investments (Continued)

#### Movements in fixed asset investments

	Investments other than loans £
<b>Cost or valuation</b>	
At 1 April 2022	1,008,032
Additions	109,147
Valuation changes	(69,227)
Disposals	(72,940)
Movement on income and capital accounts	(20,589)
At 31 March 2023	954,423
<b>Carrying amount</b>	
At 31 March 2023	954,423
At 31 March 2022	1,008,032

### 8 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Rent outstanding	1,844	3,239
Other debtors	29,412	135,880
	31,256	139,119

### 9 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	19,752	34,322
Taxation and social security	9,990	10,623
Other creditors	18,145	28,492
	47,887	73,437

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

	2023 £	2022 £
Other creditors	140,329	142,674

# THE ABBEYFIELD HOYLAKE & WEST KIRBY SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 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	2023	2022
Housing accommodation - number of bed spaces		
Units under development	-	-
	<u>          </u>	<u>          </u>
Units in management	33	33
	<u>          </u>	<u>          </u>

### 12 Members' liability

The Society is a company is 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 and the sub-committees. The total number of members at 31 March 2023 was 6 (2022 - 7)

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

	2023 £	2022 £
Fees, remuneration or expenses payable to:		
Members of the Society who were neither members of the Executive Committee nor employees of the Society	-	-
	<u>          </u>	<u>          </u>
Members of the Executive Committee of the Society who were neither officers nor employees of the Society	-	-
	<u>          </u>	<u>          </u>
Officers of the Society who were not employees	-	-
	<u>          </u>	<u>          </u>

# THE ABBEYFIELD HOYLAKES & WEST KIRBY SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 14 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:

2023	2022
£	£
67,129	88,532
<u>67,129</u>	<u>88,532</u>

### 15 Capital commitments

There were no financial commitments at the year end (2022 nil).

### 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 HOYLAKE & WEST KIRBY SOCIETY LIMITED

## DETAILED INCOME AND EXPENDITURE ACCOUNT UNAUDITED

FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
£	£	£
<b>Income</b>		
Residents' fees	1,139,889	1,057,865
Respite fees	15,050	13,838
	<u>1,154,939</u>	<u>1,071,703</u>
<b>Other operating income</b>		
Rent receivable	-	400
Donations	10,120	110,370
Government grants receivable and released	2,345	2,345
Other Coronavirus funding - WBC	480	48,164
Employment allowance	5,000	4,000
	<u>17,945</u>	<u>165,279</u>
<b>House operating expenses</b>		
Wages and salaries	570,286	514,682
Social security costs	40,042	34,036
Staff training	7,028	7,131
Staff pension costs defined contribution	9,593	8,517
Agency caring services and nursing	9,543	-
Food	41,157	38,545
Rent re operating leases	19,924	16,519
Water rates and council tax	11,182	11,062
Cleaning inc. PPE costs	16,529	27,181
Gardening costs	2,998	2,677
Power, light and heat	25,835	27,361
Property repairs and maintenance	24,131	44,379
Insurance	11,281	10,571
Telecommunications	2,125	2,369
Residents' entertaining	3,791	4,520
Sundry expenses	538	1,346
CQC subscription	5,023	5,023
Depreciation on household furniture and equipment	9,644	6,719
Loss on obsolete tangible assets	2,711	596
	<u>(813,361)</u>	<u>(763,234)</u>
Balance carried forward	359,523	473,748

# THE ABBEYFIELD HOYLAKE & WEST KIRBY SOCIETY LIMITED

## DETAILED INCOME AND EXPENDITURE ACCOUNT UNAUDITED(CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
£	£	£
Balance brought forward	359,523	473,748
<b>Administrative expenses</b>		
Wages and salaries	91,963	87,233
Social security costs	7,108	6,303
Staff pension costs defined contribution	1,618	1,511
Health insurance	3,056	2,955
Rent re operating leases	3,362	4,419
Computer running costs	9,411	6,631
Travelling expenses	116	378
National affiliation fee	7,739	10,736
Legal and professional - Ellis Whittam	5,445	5,000
Legal and professional - Financial Planning	1,500	2,625
Legal and professional - re Elliot House	6,510	7,768
Legal and professional - employment matters	504	-
Legal and professional - Acton health & safety	6,284	5,847
Rathbones management fees	7,659	6,987
Non audit remuneration paid to auditors	1,080	-
Audit fees	6,240	6,360
Bank charges	260	245
Bad and doubtful debts	(4,698)	10
Contributions towards residents' fees	100,006	122,251
Printing and stationery	2,665	3,685
Advertising	9,110	7,350
Telecommunications	297	428
Sundry expenses	2,358	3,548
Depreciation	946	976
	(270,539)	(293,246)
<b>Operating surplus</b>	<b>88,984</b>	<b>180,502</b>
<b>Investment revenues</b>		
Bank interest received	1,003	507
Dividends from investments measured at fair value	25,528	18,477
	26,531	18,984
Balance carried forward	115,515	199,486

# THE ABBEYFIELD HOYLAKE & WEST KIRBY SOCIETY LIMITED

## DETAILED INCOME AND EXPENDITURE ACCOUNT UNAUDITED(CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

	£	2023 £	£	2022 £
Balance brought forward		115,515		199,486
<b>Other gains and losses</b>				
Increase/(decrease) in value of investments measured at fair value	(69,227)		27,666	
Profit/(Loss) on disposal of investments measured at fair value	(2,261)		(1,923)	
		(71,488)		25,743
<b>Surplus for the year</b>		44,027		225,229