

Registered number: 00675042
Charity number: 211934

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

COMMITTEE OF MANAGEMENT'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

CHARITY COMMISSION
FIRST CONTACT

13 MAR 2017

ACCOUNTS
RECEIVED

HillierHopkins

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

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

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

Committee of Management

Ms R L Boulton (appointed 18 January 2016)
Mr D J Farr
Mr K Faulkner, Chairman
Mr S J Gore
Mr R K Seaman
Mr S E Simpson (resigned 21 June 2016)
Mrs C Thomson (resigned 27 December 2016)
Mr J Thomson, Secretary and Treasurer

Company registered number

00675042

Charity registered number

211934

Registered office

Grace Muriel Abbeyfield House
Tavistock Avenue
Hertfordshire
AL1 2NW

Company secretary

Mr J Thomson

Independent auditor

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

Bankers

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

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

**COMMITTEE OF MANAGEMENT'S REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

The Committee of Management (members of which are also directors of the Company for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Abbeyfield St Albans Society Limited (the company) for the ended 30 September 2016. The Committee of Management confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a. CONSTITUTION

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

The Company is also a charity (Number 211934).

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

Ms Ruth Boulton (Co-opted 18 Jan 2016 - formally appointed at AGM Mar 2016)

Mr D J Farr

Mr K Faulkner (Chairman)

Mr S Gore

Mr R Seaman

Mr S E Simpson (Retired 21 June 2016)

Mrs C Thomson (Resigned 27 December 2016)

Mr J S Thomson (Secretary & Treasurer)

Steve Gore and Keith Faulkner are due to retire by rotation and may offer themselves for re-election at the Annual General Meeting to be held in March 2017.

b. METHOD OF APPOINTMENT OR ELECTION OF COMMITTEE OF MANAGEMENT

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

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

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

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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COMMITTEE OF MANAGEMENT'S REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2016

d. ORGANISATIONAL STRUCTURE AND DECISION MAKING

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

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

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

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

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

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

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

e. RISK MANAGEMENT

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

Objects and Activities

a. POLICIES AND OBJECTS

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

Achievements and performance

a. GOING CONCERN

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

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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COMMITTEE OF MANAGEMENT'S REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2016

b. REVIEW OF ACTIVITIES

We are pleased to report that the year to 30 September 2016 was again an operational success as may be gathered from the following:

1. Last year it was reported that we had been visited and assessed to ascertain if we met the Abbeyfield Core Standards. We were advised subsequently that we were fully compliant;
2. The Annual Statement re Compliance and Good Practice on Infection Prevention and Control was submitted Herts County Council Public Health in Nov 2015 together with the 2016 I P and C programme. We were advised subsequently that Grace Muriel House had been awarded level 5 "Excellent";
3. In late 2015 and the early weeks of 2016 four of our rooms were converted to three en-suite rooms;
4. The House was inspected by Hertfordshire County Council in January 2016 and was assessed as being "Good";
5. In September we obtained planning consent for the construction of an extension to the East wing to comprise eight en-suite rooms and also for an extension to our West wing lounge to enable us to improve the facilities for our residents. The planning consent is subject to conditions, which we anticipate being of a relatively minor nature, and we have yet to obtain the permission of the freeholder of the larger portion of our site, St Albans and District Council.
6. There has been a slight increase in staff numbers so that more time and attention may be given to residents on the engagement and wellbeing front, particularly to those with higher needs. We have seen a pleasing positive change in several residents as a result.

As to the property extensions, obviously there is much to be done before contractors can be appointed. We have yet to ascertain the cost of building and of the subsequent conversion of existing non-en-suite rooms and to arrange funding but this is major step forward.

The annual maintenance programme, including the upgrading of the Pinchbeck lounge, ensured that the premises were properly maintained and well presented. However, there were again some instances of leakages due to defective pipework which caused inconvenience both to residents and staff.

Void levels were expected to be high, particularly with four rooms "out of action" for conversion, and indeed they were until towards the end of the financial year. Obviously this adversely affected the financial outturn for the year as indicated below.

However, and most importantly, feedback from our residents, their relatives and sponsors (obtained via meetings, the food forum, questionnaires and the monthly directors' inspections) indicated a high level of satisfaction with the standard of care and service provided.

That this has been achieved is due to our caring and enthusiastic staff, management, our Friends, volunteers and Board members to whom grateful thanks for all they have done throughout the year to ensure the delivery of service and care of high standard in a caring and friendly environment.

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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COMMITTEE OF MANAGEMENT'S REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2016

Financial review

a. RESERVES POLICY

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

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

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

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

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

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

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

The reserves policy is reviewed at the Annual General Meeting.

b. OUTCOME OF THE YEAR

As mentioned under "Review of Activities", void levels remained quite high for much of the year due, in part, to four rooms being converted to three en-suites. Occupancy levels improved in the last quarter but, although voids were lower than projected, operating losses of some £67k were higher than anticipated due primarily to difficulties in recruiting new staff resulting in substantially higher use of expensive agency staff than was envisaged.

Additionally we elected to spend in excess of the budget figure for general maintenance and new equipment.

Investment income of £16.5k plus donations of £101.25k, including £90.7k from the Milligan Society – and grateful thanks for the donations – resulted in a final surplus of £49.4k.

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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COMMITTEE OF MANAGEMENT'S REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2016

The net assets of the Society remain substantial, as do cash balances, and the Trustees are of the opinion that the financial position of the Society remains strong. Nevertheless we are aware that, despite the conversion of some rooms to en-suite, void levels may well continue to be higher than we would wish until such time as we are able to complete the extension and further conversions.

Plans for the future

a. FUTURE DEVELOPMENTS

Having received planning consent quantity surveyors have been appointed to ascertain building and conversion costs. Thereafter financial projections will be compiled to ascertain the total project costs and feasibility when consideration will be given to funding possibilities.

Specific consent will be sought from the freeholder of the major portion of our site, St Albans and District Council, for the linking of the main extension proposed to the existing buildings and for the west wing extension.

COMMITTEE OF MANAGEMENT' RESPONSIBILITIES STATEMENT

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

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

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

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

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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COMMITTEE OF MANAGEMENT'S REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2016

AUDITOR

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

In preparing this report, the Committee of Management have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Committee of Management on 20th June 2017 and signed on their behalf by:


.....
Mr K Faulkner, Chairman

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED

We have audited the financial statements of The Abbeyfield St. Albans Society Limited for the year ended 30 September 2016 set out on pages 10 to 23. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF COMMITTEE OF MANAGEMENT AND AUDITOR

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Committee of Management; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Committee of Management's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Committee of Management's report is inconsistent in any material respect with the financial statements; or
- the company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Hillier Hopkins LLP

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Date: 6 MARCH 2017

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Note	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	-	101,251	101,251	2,334
Investment income	3	-	16,451	16,451	20,531
Incoming resources from charitable activities	4	-	1,416,479	1,416,479	1,318,841
Other incoming resources	5	-	3,996	3,996	3,687
TOTAL INCOMING RESOURCES		-	1,538,177	1,538,177	1,345,393
RESOURCES EXPENDED					
Charitable activities	6	-	1,467,459	1,467,459	1,342,249
Governance costs	7	-	21,331	21,331	22,189
TOTAL RESOURCES EXPENDED		-	1,488,790	1,488,790	1,364,438
NET INCOMING / (OUTGOING) RESOURCES BEFORE REVALUATIONS		-	49,387	49,387	(19,045)
Gains and losses on revaluations of fixed assets for the charity's own use	12	-	60,000	60,000	-
NET MOVEMENT IN FUNDS FOR THE YEAR		-	109,387	109,387	(19,045)
<i>Total funds at 1 October 2015</i>		135,416	2,578,070	2,713,486	2,732,531
TOTAL FUNDS AT 30 SEPTEMBER 2016		135,416	2,687,457	2,822,873	2,713,486

The notes on pages 13 to 23 form part of these financial statements.

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

BALANCE SHEET
AS AT 30 SEPTEMBER 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	11		1,724,727		1,725,645
Investment property	12		375,000		315,000
			<u>2,099,727</u>		<u>2,040,645</u>
CURRENT ASSETS					
Stocks	13	3,000		3,000	
Debtors	14	25,845		22,412	
Cash at bank and in hand		894,708		865,554	
		<u>923,553</u>		<u>890,966</u>	
CREDITORS: amounts falling due within one year	15	(86,257)		(90,275)	
NET CURRENT ASSETS			<u>837,296</u>		<u>800,691</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,937,023</u>		<u>2,841,336</u>
CREDITORS: amounts falling due after more than one year	16		(114,150)		(127,850)
NET ASSETS			<u>2,822,873</u>		<u>2,713,486</u>
CHARITY FUNDS					
Restricted funds	17		135,416		135,416
Unrestricted funds:					
Unrestricted income funds	17	2,337,457		2,288,070	
Revaluation reserve		<u>350,000</u>		<u>290,000</u>	
Total unrestricted funds			<u>2,687,457</u>		<u>2,578,070</u>
TOTAL FUNDS			<u>2,822,873</u>		<u>2,713,486</u>

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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BALANCE SHEET (continued)
AS AT 30 SEPTEMBER 2016

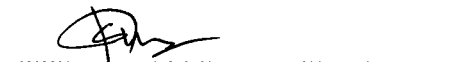
The Committee of Management consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section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

The Committee of Management acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 30 September 2016 and of its net incoming resources for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Committee of Management on
20 February 2017 and signed on their behalf, by:


.....
Mr K Faulkner, Chairman


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

The notes on pages 13 to 23 form part of these financial statements.

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015), the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

1.2 Company status

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

1.3 Fund accounting

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

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

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

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

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

1. ACCOUNTING POLICIES (continued)

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold building	-	zero depreciation
L/Term Leasehold Property	-	over period of lease - expires 2070
Furniture and fittings	-	3 - 6 years straight line

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

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

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

Freehold buildings are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the Committee of Management, necessary in order to give a true and fair view of the financial position of the company. The Freehold is reviewed annually for impairment.

1.5 Revaluation of tangible fixed assets

As permitted by the transitional provisions of the Financial Reporting Standard for Smaller Entities (effective January 2015) the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, previously revalued at 30 September 2006 and will not update that valuation.

1.6 Incoming resources

All incoming resources are included in the Statement of financial activities when the company has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

1. ACCOUNTING POLICIES (continued)

1.7 Resources expended

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

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

1.8 Investment properties

Investment properties are included in the Balance sheet at their open market value in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the Committee of Management, necessary in order to give a true and fair view of the financial position of the company.

1.9 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

1.10 Stocks

Stocks relate to household provisions and are held at cost.

2. VOLUNTARY INCOME

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Donations	-	101,251	101,251	2,334

3. INVESTMENT INCOME

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Rental Income	-	13,575	13,575	18,011
Interest	-	2,876	2,876	2,520
	-	16,451	16,451	20,531

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Residential fees and rent	-	1,416,479	1,416,479	1,318,841

5. OTHER INCOMING RESOURCES

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Other incoming resources	-	3,996	3,996	3,687

6. DIRECT COSTS

	General £	Total 2016 £	Total 2015 £
Repairs & general maintenance	90,241	90,241	95,437
Sundry	7,731	7,731	6,387
Equipment	38,074	38,074	23,661
Insurance	14,875	14,875	12,553
Loan interest	2,175	2,175	2,400
Legal fees	13,330	13,330	11,263
Agency staff	100,580	100,580	42,085
Contract cleaning	63,829	63,829	61,624
Telephone	5,501	5,501	5,328
Staff training	5,937	5,937	5,501
Advertising and recruitment	6,744	6,744	4,718
Printing, postage & stationery	6,709	6,709	5,759
Food and other household costs	143,775	143,775	129,706
Water rates and council tax	8,388	8,388	8,797
Rent	1,974	1,974	1,965
Travel	1,211	1,211	788
Wages and salaries	833,612	833,612	803,765
National insurance	66,168	66,168	61,097
Pension cost	5,597	5,597	-
Depreciation	51,008	51,008	59,415
	1,467,459	1,467,459	1,342,249

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

7. GOVERNANCE COSTS

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Auditors' remuneration	-	6,830	6,830	6,650
Abbeyfield affiliation Fee	-	9,269	9,269	10,954
Registration fees	-	5,232	5,232	4,585
	<u>-</u>	<u>21,331</u>	<u>21,331</u>	<u>22,189</u>

8. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	51,008	59,415
Auditor's remuneration	6,830	6,650
Pension costs	5,597	-
	<u>51,008</u>	<u>59,415</u>

During the year, no Committee of Management member received any remuneration (2015 - £NIL).
During the year, no Committee of Management member received any benefits in kind (2015 - £NIL).
1 Committee of Management member received reimbursement of expenses amounting to £438 in the current year, (2015 - 1 Committee of Management member - £227).

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

9. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	833,612	803,765
Social security costs	66,168	61,097
Other pension costs	5,597	-
	<u>905,377</u>	<u>864,862</u>

The average monthly number of employees during the year was as follows:

	2016 No.	2015 No.
	<u>50</u>	<u>52</u>

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

10. TAXATION

Factors affecting tax charge for the year

The Society has charitable status and is therefore not subject to corporation tax.

11. TANGIBLE FIXED ASSETS

	Freehold £	Long Leasehold £	Furniture and fittings £	Total £
Cost or valuation				
At 1 October 2015	492,646	1,477,938	620,663	2,591,247
Additions	-	43,088	7,002	50,090
At 30 September 2016	<u>492,646</u>	<u>1,521,026</u>	<u>627,665</u>	<u>2,641,337</u>
Depreciation				
At 1 October 2015	51,124	265,229	549,249	865,602
Charge for the year	-	24,500	26,508	51,008
At 30 September 2016	<u>51,124</u>	<u>289,729</u>	<u>575,757</u>	<u>916,610</u>
Net book value				
At 30 September 2016	<u>441,522</u>	<u>1,231,297</u>	<u>51,908</u>	<u>1,724,727</u>
At 30 September 2015	<u>441,522</u>	<u>1,212,709</u>	<u>71,414</u>	<u>1,725,645</u>

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

11. TANGIBLE FIXED ASSETS (continued)

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

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

12. INVESTMENT PROPERTY

	Freehold property £
Valuation	
At 1 October 2015	315,000
Surplus/(deficit) on revaluation	60,000
	<u>375,000</u>
At 30 September 2016	<u>375,000</u>

The property was valued by Aitchison Rafaty, in February 2014 on an open market value for existing use basis.

13. STOCKS

	2016 £	2015 £
Finished goods and goods for resale	<u>3,000</u>	<u>3,000</u>

14. DEBTORS

	2016 £	2015 £
Trade debtors	7,436	-
Other debtors	18,409	22,412
	<u>25,845</u>	<u>22,412</u>

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

15. CREDITORS:

Amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	13,700	13,700
Trade creditors	32,201	37,766
Other taxation and social security	19,139	14,948
Other creditors	1,052	1,111
Accruals and deferred income	20,165	22,750
	<u>86,257</u>	<u>90,275</u>

16. CREDITORS:

Amounts falling due after more than one year

	2016 £	2015 £
Bank loans	<u>114,150</u>	<u>127,850</u>

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

	2016 £	2015 £
Repayable by instalments	<u>114,150</u>	<u>127,850</u>

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

17. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
Designated funds					
Repairs fund	30,000	-	-	-	30,000
Small projects fund	30,000	-	-	-	30,000
Lift fund	64,000	12,000	(5,052)	-	70,948
Gift Aid	12,266	-	-	-	12,266
Legacies	212,328	-	-	-	212,328
Friends of Grace Muriel House	938	-	-	-	938
Investment income	134,682	26,167	-	-	160,849
Milligan Society	-	90,740	-	-	90,740
	<u>484,214</u>	<u>128,907</u>	<u>(5,052)</u>	<u>-</u>	<u>608,069</u>

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

17. STATEMENT OF FUNDS (continued)

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
General funds					
General Fund	1,803,856	1,409,270	(1,483,738)	-	1,729,388
Revaluation reserve	290,000	-	-	60,000	350,000
	<u>2,093,856</u>	<u>1,409,270</u>	<u>(1,483,738)</u>	<u>60,000</u>	<u>2,079,388</u>
Total Unrestricted funds	<u>2,578,070</u>	<u>1,538,177</u>	<u>(1,488,790)</u>	<u>60,000</u>	<u>2,687,457</u>
Restricted funds					
Social Housing Grant	135,416	-	-	-	135,416
Total of funds	<u>2,713,486</u>	<u>1,538,177</u>	<u>(1,488,790)</u>	<u>60,000</u>	<u>2,822,873</u>

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
Designated funds	484,214	128,907	(5,052)	-	608,069
General funds	2,093,856	1,409,270	(1,483,738)	60,000	2,079,388
	<u>2,578,070</u>	<u>1,538,177</u>	<u>(1,488,790)</u>	<u>60,000</u>	<u>2,687,457</u>
Restricted funds	135,416	-	-	-	135,416
	<u>2,713,486</u>	<u>1,538,177</u>	<u>(1,488,790)</u>	<u>60,000</u>	<u>2,822,873</u>

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

18. CAPITAL COMMITMENTS

There were no capital commitments at the balance sheet date.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	135,416	1,589,312	1,724,728	1,725,645
Investment property	-	375,000	375,000	315,000
Current assets	-	923,552	923,552	890,967
Creditors due within one year	-	(86,257)	(86,257)	(90,276)
Creditors due in more than one year	-	(114,150)	(114,150)	(127,850)
	<u>135,416</u>	<u>2,687,457</u>	<u>2,822,873</u>	<u>2,713,486</u>

20. CONTINGENT LIABILITIES

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

21. PENSION COMMITMENTS

The Society contributed £5,597 towards the workplace contribution scheme pension during the year. There was no amounts owed on the balance sheet at year end.

22. OPERATING LEASE COMMITMENTS

At 30 September 2016 the company had annual commitments under non-cancellable operating leases as follows:

	2016 £	2015 £
Expiry date:		
Within 1 year	458	458
Between 2 and 5 years	954	1,411
	<u> </u>	<u> </u>

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

23. RELATED PARTY TRANSACTIONS

During the year K Faulkner, a director, was reimbursed expenses of £438, (2015: £nil).

During the year D J Farr, a director, was reimbursed expenses of £nil, (2015: £227).

Key Management Personnel

The key management personnel is considered to be the Manager, Deputy Manager and Head of Care. Total remuneration in respect of these individuals is £120,595.

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