

Charity Registration No. 1114653

Company Registration No 05639165

**FAIRFIELD RESIDENTIAL HOME
A COMPANY LIMITED BY GUARANTEE**

REPORT AND FINANCIAL STATEMENTS

For the year ended 30 September 2016

**Wenn Townsend
Chartered Accountants
Oxford**

FAIRFIELD RESIDENTIAL HOME A COMPANY LIMITED BY GUARANTEE

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FAIRFIELD RESIDENTIAL HOME A COMPANY LIMITED BY GUARANTEE

Charity information

The Management Committee who served during the year were:

Management Committee

Mr J Cole (Chairman)
Mrs C I Balme (appointed 24 March 2017)
Mrs H Bliss
Mrs R E Booth (appointed 24 March 2017)
Mrs J Carles (resigned 25 October 2016)
Dr C A Chivers (appointed 24 March 2017)
Mr C B Gardner
Dr N Livingstone (resigned 1 October 2016)
Mr K Minns
Mrs J Moir (resigned 24 March 2017)
Mrs W Robinson
Mr A O'Hickey
Dr T Stein (deceased 8 January 2017)

Secretary

Mr P T Reeves

Solicitors

Freeths Solicitors LLP
5000 Oxford Business Park South
Oxford
OX4 2BH

Auditors

Wenn Townsend
30 St Giles
Oxford
OX1 3LE

Bankers

Handelsbanken
Seacourt Tower
West Way
Oxford
OX2 0JJ

Investment advisors

CCLA Investment Management Limited
80 Cheapside
London
EC2V 6DZ

Registered Charity number

1114653

Company Number

05639165

Registered office

115 Banbury Road
Oxford
OX2 6LA

Manager

Mrs A Parry

FAIRFIELD RESIDENTIAL HOME A COMPANY LIMITED BY GUARANTEE

Management Committee's Annual Report

For the year ended 30 September 2016

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. All of the Management Committee on page 2 are directors.

Structure, governance and management

Governing Document

Fairfield Residential Home is a company limited by guarantee governed by its Memorandum and Articles of Association dated 29 November 2005. It is registered as a charity with the Charity Commission.

Appointment of trustees

As set out in the Articles of Association the chair of the trustees is appointed by the board of trustees. The trustees have appointed Mr J Cole as Chairman. In accordance with the Articles of Association Messrs Gardner and Minns, and Mrs Robinson retire at the annual general meeting and will be proposed for re-election.

Trustee induction and training

New trustees are given documentation containing information on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the recent financial performance and the future financial plans of the charity. Trustees are encouraged to attend appropriate training events that will facilitate the undertaking of their role, and from time to time members of the Management Committee attend seminars on their role as trustees.

Key management personnel

The Trustees have identified the Manager of Fairfield Residential Home, Mrs Alison Parry, as a key member of the management team. Mrs Parry's salary is fixed by reference to the salaries of comparable posts in care homes in Oxfordshire.

Organisation

The trustees delegate the management of the Charity to a Management Committee which includes all trustees. The Management Committee has meetings on seven or eight occasions each year. At the meetings of the Management Committee the broad strategy of the Trust is considered. This includes allocation of resources, investment in leasehold improvements to the Home, reserves and risk management, management of staff, charges to residents, compliance with all legal and charitable obligations as well as the requirements of the local authority and social care services. The management of the day to day operations are the responsibility of the Manager, Mrs A Parry. This includes decisions relating to the admission of new residents.

There are two sub-committees that make recommendations to the main Committee. They are the Health & Wellbeing subcommittee and the Buildings and Finance subcommittee.

FAIRFIELD RESIDENTIAL HOME A COMPANY LIMITED BY GUARANTEE

Management Committee's Annual Report

For the year ended 30 September 2016

Risk management

The trustees have a risk management strategy which comprises:

- A risk register has been compiled that categorises every identified perceived risk by reference to "Risk Impact" and "Risk Likelihood", and sets out proposed mitigating actions.
- The risk register is reviewed at every Trustees' Meeting, and the implementation of procedures designed to minimise any potential impact on the charity is reviewed at those meetings, alongside potential new risks which may have been identified.

The trustees are satisfied that the implementation of the risk register is the best way of remaining alert to the potential risks facing Fairfield Residential Home.

Objectives and activities

Object of the Charity

The objects of the Charity are the relief of elderly persons who have ceased to be, or are not fully, employed in particular through the provision of accommodation, food, care and other facilities. During the period of this report the Home has had 27 bedrooms, gardens, lounge, activity areas and a fully equipped dining area. Most residents are long stay residents.

Review of the Charity's activities for the public benefit

The Trustees confirm that they have paid due regard to the Charity Commission's guidance on public benefit in deciding what activities the Charity should undertake.

The number of residents during the year averaged 24 (2015 25).

In order that members of the public can benefit from the activities of the Home the Trustees keep the monthly charges for residence as low as is consistent with the continuance of activities. All applications from elderly persons who meet the Home's admission criteria for health are considered and equal merit is given to all such applicants. Applicants who are unable to meet the Home's residential charges are able to make application to the local authority to meet all or part of them.

The activities of the Home are published in the *Care in Oxfordshire, Oxfordshire Care Directory* and *Healthcare Media* publications.

Financial review, investment policy and reserves

The Charity made a surplus of £6,938,516 during the year (2015 £62,730). The surplus in 2016 was mainly attributable to a profit on sale of freehold property of £6,903,653 and the trustees are well advanced with plans to construct a new, purpose built facility on land contiguous with the former freehold land, that is subject to a long lease. At the end of the financial year the assets of the Charity were represented by leasehold property, furniture and fittings and cash and bank balances and money deposits with COIF, Handelsbanken and Clydesdale Bank Ltd. The Trustees consider that free reserves should be the equivalent of three months' expenditure excluding depreciation. At the end of the year free reserves were £6,810,764, reduced to £676,332 after taking account of budgeted future construction costs (2015 £227,823) and this is some £220,000 in excess of the free reserves target. The Trustees consider the position is satisfactory having regard to contingencies in the construction project.

FAIRFIELD RESIDENTIAL HOME A COMPANY LIMITED BY GUARANTEE

Management Committee's Annual Report

For the year ended 30 September 2016

Investment Policy

The Charity's money is held in deposit accounts with COIF, Clydesdale Bank Ltd and Handelsbanken. The Management Committee consider this to give an adequate return consistent with the need to keep funds available to meet future building costs, contingencies and due to the uncertain nature and inherent risk of the stock market.

Future plans

The Charity has embarked on a development project to build a new residential home of thirty nine bedrooms. The development contracts provide for a short term leaseback of the Charity's former property to allow for the construction of the new home on land contiguous with its former freehold property. The building contract anticipates a completion date of March 2018 after which CQC approval will be sought for occupancy as a residential home. During the construction period of the new home the charitable activities will continue as normal. The construction costs of c £7m will be entirely funded from the proceeds of sale of £7.5m. The Trustees are planning to use the surplus funds in accordance with the charitable objects of Fairfield Residential Home.

Trustees' responsibilities in relation to the financial statements

The Trustees (who are also directors of Fairfield Residential Home for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the Charity at the end of the financial period and of its income or expenditure for the financial period. In doing so the trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and the Statements of Recommended Practice have been followed, subject to any departures disclosed and explained in the accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to assume that the Charity will continue in operation.

The trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity, and to enable them to ensure that the accounts comply with the Companies Act 2006. The trustees are also responsible for safeguarding the charity's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

By order of the Management Committee
P T Reeves

Company Secretary
May 19 2017

FAIRFIELD RESIDENTIAL HOME

Independent Auditors' Report to the members of Fairfield Residential Home

Independent Auditor's Report to the members of Fairfield Residential Home

We have audited the financial statements of Fairfield Residential Home for the year ended 30 September 2016 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Practice), including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

This report is made solely to the charitable company'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 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual 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.

FAIRFIELD RESIDENTIAL HOME

Independent Auditors' Report to the members of Fairfield Residential Home

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 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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 trustees 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 Trustees' Annual Report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Graham Cole BA, FCA
Senior Statutory Auditor
For and on behalf of Wenn Townsend, Statutory Auditor
Oxford

May 23 2017

FAIRFIELD RESIDENTIAL HOME

A COMPANY LIMITED BY GUARANTEE

Statement of Financial Activities Including income and expenditure account

For the year ended 30 September 2016

| | Note | Unrestricted Funds £ | Restricted Funds £ | Total 2016 £ | Unrestricted Funds £ | Restricted Funds £ | Total 2015 £ |
|--|------|----------------------------|--------------------------|--------------------|----------------------------|--------------------------|--------------------|
| Income | | | | | | | |
| <i>Income from charitable activities</i> | | | | | | | |
| Residents' and visitors' fees | | 896,213 | - | 896,213 | 888,511 | - | 888,511 |
| <i>Income from generated funds</i> | | | | | | | |
| Investment income | | 14,576 | - | 14,576 | 939 | - | 939 |
| Donations | | - | 7,745 | 7,745 | - | 3,230 | 3,230 |
| <i>Other income</i> | | | | | | | |
| Sale of freehold property | 4 | 6,903,653 | - | 6,903,653 | - | - | - |
| Total income | | <u>7,814,442</u> | <u>7,745</u> | <u>7,822,187</u> | <u>889,450</u> | <u>3,230</u> | <u>892,680</u> |
| Expenditure | | | | | | | |
| Cost of raising funds | 1 | 22,759 | - | 22,759 | 2,531 | - | 2,531 |
| <i>Charitable expenditure</i> | | | | | | | |
| Costs of operating Home | 2 | 856,465 | 4,447 | 860,912 | 823,197 | 4,222 | 827,419 |
| Total expenditure | | <u>879,224</u> | <u>4,447</u> | <u>883,671</u> | <u>825,728</u> | <u>4,222</u> | <u>829,950</u> |
| Net income | | 6,935,218 | 3,298 | 6,938,516 | 63,722 | (992) | 62,730 |
| Total funds brought forward | | <u>856,977</u> | <u>108</u> | <u>857,085</u> | <u>793,255</u> | <u>1,100</u> | <u>794,355</u> |
| Total funds carried forward | | <u>7,792,195</u> | <u>3,406</u> | <u>7,795,601</u> | <u>856,977</u> | <u>108</u> | <u>857,085</u> |

FAIRFIELD RESIDENTIAL HOME A COMPANY LIMITED BY GUARANTEE

Balance Sheet

30 September 2016

| | Note | 2016 £ | 2015 £ |
|--|------|-----------|-----------|
| Fixed assets | | | |
| Leasehold property, furniture and fittings | 6 | 984,837 | 32,808 |
| Current assets | | | |
| Freehold property | | - | 596,346 |
| Cash at bank and in hand | | 6,882,829 | 267,714 |
| Debtors | 6 | 22,783 | 27,091 |
| | | 6,905,612 | 891,151 |
| Deduct: Current Liabilities | | | |
| Creditors - amounts falling due within one year | 7 | (64,363) | (36,863) |
| Net current assets | | 6,841,249 | 854,288 |
| Total assets less current liabilities | | 7,826,086 | 887,096 |
| Creditors - amounts falling due after more than one year | 8 | (30,485) | (30,011) |
| Net assets | | 7,795,601 | 857,085 |
| Represented by: | | | |
| Unrestricted general funds | | 697,495 | 856,977 |
| Unrestricted designated funds | | | |
| - Building Reserve | 10 | 7,094,700 | - |
| Restricted funds | 9 | 3,406 | 108 |
| | | 7,795,601 | 857,085 |

The accounts have been prepared in accordance with the special provisions part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

These financial statements were approved by the Management Committee on May 19 2017 and signed on its behalf by:

Mr J Cole
Chairman

Company registration number 05639165 (England and Wales)

FAIRFIELD RESIDENTIAL HOME A COMPANY LIMITED BY GUARANTEE

Cash Flow Statement

30 September 2016

Reconciliation of operating result to net cash outflow from operating activities

| | 2016 £ | 2015 £ |
|----------------------------------|-----------|-----------|
| Operating surplus (see below) | 20,287 | 61,791 |
| Depreciation | 8,239 | 8,317 |
| Decrease/(increase) in debtors | 4,308 | (3,819) |
| Increase/(decrease) in creditors | 27,973 | (582) |

Net cash inflow from operating activities

| | |
|--------|--------|
| 60,807 | 65,707 |
|--------|--------|

Cash flow statement

| | | |
|---|-----------|---------|
| Net inflow from operating activities | 60,807 | 65,707 |
| Returns on investments and servicing of finance | | |
| Interest received | 14,576 | 939 |
| Capital receipt | 7,500,000 | - |
| Capital expenditure | (960,268) | (3,937) |
| Increase in cash | 6,615,115 | 62,709 |

Reconciliation of net cash flow to movement in net debt

| | | |
|---------------------------------------|------------------|----------------|
| Net funds at 1 October 2015 | 267,714 | 205,005 |
| Increase in cash | 6,615,115 | 62,709 |
| Net funds at 30 September 2016 | 6,882,829 | 267,714 |

Reconciliation of net movement in funds to operating surplus

| | | |
|--------------------------------|---------------|---------------|
| Net movement in funds per SOFA | 6,938,516 | 62,730 |
| Less: Interest receivable | (14,576) | (939) |
| Gain on sale of property | (6,903,653) | - |
| Operating surplus | 20,287 | 61,791 |

FAIRFIELD RESIDENTIAL HOME A COMPANY LIMITED BY GUARANTEE

Accounting policies

For the year ended 30 September 2016

The following accounting policies have been used consistently in dealing with items which are considered material to the Home's financial statements.

Basis of preparation

The accounts are prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 no restatement of comparative items was needed.

Income

Income is included in the accounts when entitlement is reasonably certain, receipt is probable and the amount can be measured reliably.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under appropriate headings. Expenditure is recognised when a liability is incurred and a legal or constructive obligation arises.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

Fixed assets and depreciation

Fixed assets are deemed to represent the original value of the Home's property and contents, together with major additions to buildings at cost. In accordance with charity rules, all items of a capital nature have been classified as additions to fixed assets. The buildings are subject to regular refurbishment and maintenance, and, in light of the foregoing, no depreciation is provided because any charge is considered by the trustees to be immaterial. Depreciation of the other fixed assets is provided as follows:

| | |
|-----------------------|-------------------|
| Heating system | 5% straight line |
| Fixtures and fittings | 25% straight line |
| Double glazing | 5% straight line |

In all cases depreciation is calculated on the historic cost to the Charity including, where appropriate, the assets transferred from the old charity of the Home at net book value on 15 July 2006.

FAIRFIELD RESIDENTIAL HOME A COMPANY LIMITED BY GUARANTEE

Accounting policies

For the year ended 30 September 2016

Charity funds

- The Charity's unrestricted funds may be spent for the furtherance of the Charity's objects at the discretion of the trustees.
- The Charity's restricted funds may be used in accordance with specific restrictions imposed by donors.

Pensions

The Home contributes to personal defined contribution pension schemes on behalf of certain of its employees. The employer's contributions are charged against the income and expenditure account in the year in which they are made.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity.

Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Irrecoverable VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

FAIRFIELD RESIDENTIAL HOME

A COMPANY LIMITED BY GUARANTEE

Notes to the accounts

For the year ended 30 September 2016

| | | | | |
|---|---------------------|-------------------|----------------|----------------|
| 1. Cost of raising funds | | | 2016 | 2015 |
| | | | £ | £ |
| Advertising and marketing | | | <u>22,759</u> | <u>2,531</u> |
| 2. Costs of operating Home | Unrestricted | Restricted | 2016 | 2015 |
| | £ | £ | £ | £ |
| Provisions | 50,621 | | 50,621 | 53,245 |
| Rent, water and Council Tax | 16,222 | | 16,222 | 9,271 |
| Light and heat | 20,037 | | 20,037 | 21,461 |
| Insurance | 3,556 | | 3,556 | 3,924 |
| Repairs and renewals - Furnishing | 18,356 | | 18,356 | 44,054 |
| - Buildings | 6,790 | | 6,790 | - |
| Laundry and household | 25,420 | | 25,420 | 21,342 |
| Amenities | 11,109 | | 11,109 | 12,276 |
| Wages and national insurance | 624,260 | 4,447 | 628,707 | 588,530 |
| Pension | 15,537 | | 15,537 | 14,459 |
| Staff costs and temporary staff | 13,763 | | 13,763 | 11,327 |
| Postage and stationery | 4,491 | | 4,491 | 4,301 |
| Telephone | 2,216 | | 2,216 | 1,819 |
| Software licences and publications | 6,642 | | 6,642 | 7,367 |
| Registration fees | 3,761 | | 3,761 | 3,450 |
| Professional services | 16,001 | | 16,001 | 17,119 |
| Depreciation | 8,239 | | 8,239 | 8,317 |
| | <u>847,021</u> | <u>4,447</u> | <u>851,468</u> | <u>822,262</u> |
| Governance Costs (all unrestricted) | | | | |
| Audit fees | | | 2,640 | 2,652 |
| Other professional fees | | | 5,898 | 1,657 |
| Bank charges | | | 906 | 848 |
| | | | <u>9,444</u> | <u>5,157</u> |
| | | | <u>860,912</u> | <u>827,419</u> |
| 3. Wages and salaries | | | | |
| Average number of employees (full time equivalent): | | | | |
| Care and domestic | | | 22 | 21 |
| Catering | | | 2 | 2 |
| Maintenance | | | 1 | 1 |
| Administration | | | 3 | 3 |
| | | | <u>28</u> | <u>27</u> |
| Staff costs were as follows: | | | £ | £ |
| Wages and salaries | | | 583,692 | 546,160 |
| Social security costs | | | 45,015 | 42,370 |
| Pension costs | | | 15,537 | 14,459 |
| | | | <u>644,244</u> | <u>602,989</u> |

No employee was paid more than £60,000 in the current or preceding year.

FAIRFIELD RESIDENTIAL HOME A COMPANY LIMITED BY GUARANTEE

Notes to the accounts

For the year ended 30 September 2016

4. Exceptional item

In February 2016 the Charity simultaneously signed contracts for the sale of the freehold premises, a building lease on land contiguous with the former freehold premises and a short term leaseback of the Charity's former property to allow for the construction of the new home under the building lease.

5. Fixed assets

| | Assets under construction | Double Glazing | Heating System | Fixtures and fittings | Total |
|-----------------------|--|---------------------------|---------------------------|--------------------------------------|------------------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 October 2015 | - | 17,389 | 77,358 | 28,154 | 122,901 |
| Additions | 960,268 | - | - | - | 960,268 |
| At 30 September 2016 | <u>960,268</u> | <u>17,389</u> | <u>77,358</u> | <u>28,154</u> | <u>1,083,169</u> |
| Depreciation | | | | | |
| At 1 October 2015 | - | 11,867 | 53,280 | 24,946 | 90,093 |
| Charge for the year | - | 1,282 | 5,736 | 1,221 | 8,239 |
| At 30 September 2016 | <u>-</u> | <u>13,149</u> | <u>59,016</u> | <u>26,167</u> | <u>98,332</u> |
| Net book value | | | | | |
| At 30 September 2016 | <u>960,268</u> | <u>4,240</u> | <u>18,342</u> | <u>1,987</u> | <u>984,837</u> |
| At 30 September 2015 | <u>-</u> | <u>5,522</u> | <u>24,078</u> | <u>3,208</u> | <u>32,808</u> |

The assets under construction relate to leasehold property with a term of 199 years which commenced on 4 February 2016.

6. Debtors

| | 2016 | 2015 |
|---|----------------------|---------------|
| | £ | £ |
| Fees and other payments recoverable | 14,973 | 3,848 |
| Assets under construction – prepaid costs | - | 15,887 |
| Prepayments | 7,810 | 7,356 |
| | <u>22,783</u> | <u>27,091</u> |

7. Creditors – amounts falling due within one year

| | 2016 | 2015 |
|------------------------------|----------------------|---------------|
| | £ | £ |
| Trade creditors | 43,307 | 16,877 |
| PAYE and national insurance | 14,901 | 10,820 |
| Other creditors and accruals | 6,155 | 9,166 |
| | <u>64,363</u> | <u>36,863</u> |

FAIRFIELD RESIDENTIAL HOME A COMPANY LIMITED BY GUARANTEE

Notes to the accounts

For the year ended 30 September 2016

8. Creditors – amounts falling due after more than one year

| | 2016 | 2015 |
|---------------------|---------------|---------------|
| | £ | £ |
| Residents' deposits | <u>30,485</u> | <u>30,011</u> |

9. Restricted funds

| | Unexpended Donation | Staff Fund | Total |
|------------------------------|------------------------|--------------|--------------|
| | £ | £ | £ |
| Balance at 1 October 2015 | - | 108 | 108 |
| Income for the year | 4,000 | 3,745 | 7,745 |
| Expenditure for the year | - | (4,447) | (4,447) |
| Balance at 30 September 2016 | <u>4,000</u> | <u>(594)</u> | <u>3,406</u> |

The staff fund represents restricted funds that have been donated to provide benefits paid to staff within HM Revenue and Customs limits. The fund was overdrawn at 30 September 2016 and the overdrawn balance was refunded in December 2016.

The donation received in the year has been earmarked, at the donors' request, for furnishing costs of the staff accommodation in the new home.

10. Unrestricted designated funds

The Building Reserve represents funds set aside for the construction of a new residential home (see note 5 above).

11. Taxation status

The Home is exempt from taxation on its charitable activities as a registered charity.

12. Trustees' remuneration

The trustees received no remuneration or reimbursement of expenses in the current or preceding year under review.

13. Related Parties

A construction and project management contract was signed on 6 December 2016 between the Charity and New Fairfield Development Company Limited. New Fairfield Development Company Limited is a wholly owned subsidiary of the Charity and was formed on 15 November 2016.

FAIRFIELD RESIDENTIAL HOME

A COMPANY LIMITED BY GUARANTEE

Notes to the accounts

For the year ended 30 September 2016

13. Related Parties (continued)

Mr J Cole has been an employed consultant at Blake Morgan LLP since 1 July 2014. Blake Morgan LLP has provided trustee training and invoiced an amount of £750 during the year for this. Mr Cole withdrew from the trustees' meeting when it was decided who would do this work. The trustees considered that to use Blake Morgan LLP for this advice was in the best interests of the charity. Blake Morgan LLP was chosen after submitting a quotation at commercial rates. Mr K Minns is also a director of Minns Estates Limited who have provided project management services in relation to the intended development project. An amount of £20,200 was invoiced during the year for this. Mr Minns withdrew from the trustees' meeting when it was decided who would do this work. The trustees considered that to use Minns Estates Limited for this advice was in the best interests of the charity. Minns Estates Limited was chosen after submitting a quotation that the trustees consider to be at significantly less than commercial rates. Mr A O'Hickey is also a partner in Ridge and Partners LLP who have provided quantity surveying, and mechanical and electrical services to the intended development project. An amount of £87,540 was invoiced during the year for this. Mr O'Hickey withdrew from the trustees' meetings when it was decided who would do this work. The trustees considered that to use Ridge and Partners LLP was in the best interests of the charity and they were chosen after submitting quotations at commercial rates. Ridge and Partners LLP were chosen after comparing tenders from other providers of these services.

14. Capital commitments

At 30 September 2016 the Charity had approved, but not committed to, expenditure of £6 million.

15. Legal status

Fairfield Residential Home is a charitable company limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to £10.