

Registered number: 0701225  
Charity number: 233423

**THE ABBEYFIELD READING SOCIETY LIMITED**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**THE ABBEYFIELD READING SOCIETY LIMITED**  
**(A company limited by guarantee)**

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**THE ABBEYFIELD READING SOCIETY LIMITED**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2017**

**Trustees**

C Widdows, Chairman (appointed Chairman on 21 September 2016)  
A Murray, Chairman (resigned 21 September 2016)  
R J Symonds  
N M Pitcher  
C Dorman (resigned 21 September 2016)  
S M Tyers  
P A Barton  
D B Cox  
R Cummins

**Company registered number**

0701225

**Charity registered number**

233423

**Registered office and operations address**

11 Maitland Road  
Reading  
Berkshire  
RG1 6NL

**Company secretary**

R J Symonds

**Independent auditor**

James Cowper Kreston  
Chartered Accountants and Statutory Auditor  
Reading Bridge House  
George Street  
Reading  
Berkshire  
RG1 8LS

**Bankers**

Lloyds TSB Bank Plc  
Market Place  
Reading  
Berkshire  
RG1 2EQ

CCLA Investment Management Ltd  
St. Alphage House  
2 Fore Street  
London  
EC2Y 5AQ

**THE ABBEYFIELD READING SOCIETY LIMITED**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2017**

**Advisers (continued)**

**Solicitors**

Hewetts  
55-57 London Street  
Reading  
Berkshire  
RG1 4PS

**THE ABBEYFIELD READING SOCIETY LIMITED**  
(A company limited by guarantee)

**CHAIRMAN'S STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2017**

I am pleased to report that our financial position has improved since last year: net income was close to breakeven with a loss of £4,000 representing a £38,000 improvement on the previous year. We generated an operating cash flow of £42,000 in the year and this progress has continued in the four months to the end of July 2017 when we made an operating profit of £2,000 (£2,000 better than Budget) and a net profit (after donation income) of £12,000. Much of this improvement is due to a high level of occupancy and a fee increase of 5% in April 2017. We are fortunate in being supported by Spectrum, our fundraising team, who continually raise sufficient funds to pay for some of the capital and maintenance projects and help to boost the value of the Residents Support Fund. This year donation income increased by £20,000 to £58,000.


Our agency staff costs of £104,000 are much higher than we would like; it is difficult to employ permanent staff as Reading has an unemployment rate that of half the national average and Abbeyfield Reading is surrounded by many other care organisations. Advertising in the local press is expensive and yields a low response and job centre applicants are usually totally unsuitable.

The final instalment (£21,000) of the loan obtained from Abbeyfield Headquarters in St Albans to build Abbeyfield House in 1996 is due for payment in late October 2017. We will examine the cash flow position at that time and either draw down some of the £131,000 investments or request an advance from other sources. Fortunately, we remain adequately funded at our current level of cash generation.

We continue to search for a new Chairman after the resignation twelve months ago of the then current incumbent: several notable residents have been approached but all have declined the invitation.

I can do no better than to quote in part from the CQC report (overall rating Good) from July 2016:  
"The registered manager monitored the quality of the service and sought regular feedback from residents and other stakeholders. Residents were safe at Abbeyfield Reading Society; they enjoyed living in a calm and relaxed environment where interactions were seen to be friendly and caring; they were protected by staff who had the knowledge and skills to identify and report any safeguarding issues and they were protected from being cared for by unsuitable staff as the provider completed thorough recruitment checks. Risk assessments were completed and included those associated with individuals such as falls, skin integrity and nutrition as well as those related to the environment such as fire and legionella. When risks were identified guidance was provided to minimise the risk while still respecting residents' freedom and choice. The service was well maintained, clean and provided a safe environment for residents. The provider had an on-going development plan to maintain and improve the premises. We saw a recent project had resulted in a permanent gazebo and a sensory area in the garden which residents were enjoying. Residents had their right to make decisions protected. The registered manager understood her responsibility regarding the Mental Capacity Act 2005 and the Deprivation of Liberty Safeguards (DoLS). Residents enjoyed nutritious, freshly prepared food; staff monitored residents' nutrition and referred them to specialist healthcare professionals for advice when necessary. Residents were able to see their GP or other health professionals in order to maintain their health and well-being; their privacy and dignity were respected and staff were polite and friendly in their approach. Residents appeared relaxed and we saw examples of humour being shared between them and staff members. An activities co-ordinator managed a programme of activities which residents could choose to take part in if they wished. Where residents found it difficult to leave their rooms due to their condition, this was monitored and staff were encouraged to spend time with them to avoid social isolation."

In my own words, let me say that Abbeyfield Reading Society is run by a dedicated team of professional people (some of whom have been in place since the home was opened) and are backed up by volunteers who serve on committees, man the reception desk, provide musical and other kinds of entertainment, keep the residents nicely coiffured and provide transport for outings.

C Widdows  
Chairman  
  
20/8/17

**THE ABBEYFIELD READING SOCIETY LIMITED**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2017**

The Trustees (who are also directors of the charity for the purposes of Companies Act) present their annual report together with the audited financial statements of The Abbeyfield (Reading) Society Limited (the company) for the year ended 31 March 2017. The Trustees 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), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015). The Trustees confirm that the annual report and financial statements of the company comply with the Charities Act 2011, the Companies Act 2006, the requirements of the governing documents and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006.

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

#### **CONSTITUTION**

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 18 August 1961.

The company is constituted under a Memorandum of Association dated 18 August 1961 and is a registered charity number 233423

#### **CHARITABLE OBJECTS AND PRINCIPAL ACTIVITIES**

The objects of the Society and the principal activities of the Society are to provide accommodation for lonely and elderly people in accordance with the aims and principles of The Abbeyfield Society Limited. These activities fall wholly within hostel housing activities as defined in the Housing Act 1996.

#### **ORGANISATIONAL STRUCTURE**

The trustees who have served during the year are set out on page 1. The body of the trustees consist of the Executive Committee who are appointed by the members of the Society.

The Society is a member of the Abbeyfield Society of 55 Victoria Street, St. Albans, Herts., a federation of independent charities.

The Society acts as corporate trustee to the Eventide and Watts Charity.

#### **REVIEW OF ACTIVITIES**

See Chairman's Statement on page 3.

#### **RESERVES POLICY**

The Trustees have set reserves at a level to sustain the continued existence of the Society in the event of untoward circumstances necessitating closure to residents for a period of 12 months which may not be covered by insurance policies in force. These are set at the level of one years annual expenditure (in the current year £1,097,758 v reserves £1,380,929). There are no plans to augment or decrease these reserves.

#### **RISK MANAGEMENT**

The Trustees have considered the major risks which the Society faces and confirm that systems have been established to ensure that the necessary actions may be taken.

**THE ABBEYFIELD READING SOCIETY LIMITED**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**EXECUTIVE COMMITTEE**

The Members of the Executive Committee, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year are listed on page 1.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the charitable company in the event of a winding up. At the Balance Sheet date there were 10 members each guaranteeing to contribute £1.

**TRUSTEES' RESPONSIBILITIES STATEMENT**

The Trustees (who are also directors of The Abbeyfield (Reading) Society Limited for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 Trustees 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 Trustees 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 Trustees at the time when this Trustees' report is approved has confirmed that:

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

**AUDITOR**

The auditor, James Cowper Kreston, has indicated its willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

This report was approved by the Trustees, on \_\_\_\_\_ and signed on their behalf by:

  
.....  
**P Barton**  
Trustee

**THE ABBEYFIELD READING SOCIETY LIMITED**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD READING SOCIETY LIMITED**

We have audited the financial statements of The Abbeyfield Reading Society Limited for the year ended 31 March 2017 set out on pages 8 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 TRUSTEES AND AUDITOR**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The Trustees 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**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 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.



**THE ABBEYFIELD READING SOCIETY LIMITED**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD READING 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 Trustees' 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; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Alexander Peal BSc(Hons) FCA DChA (Senior Statutory Auditor)

for and on behalf of

**James Cowper Kreston**

Chartered Accountants and Statutory Auditor

Reading Bridge House  
George Street  
Reading  
Berkshire  
RG1 8LS

Date: 18 October 2017

James Cowper Kreston is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**THE ABBEYFIELD READING SOCIETY LIMITED**  
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**  
(Incorporating Income and Expenditure Account)  
FOR THE YEAR ENDED 31 MARCH 2017

	Note	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>					
Donations and legacies	2	51,250	6,862	58,112	38,095
Charitable activities	4	-	1,014,069	1,014,069	965,963
Investments	3	-	1,371	1,371	-
<b>TOTAL INCOME</b>		<u>51,250</u>	<u>1,022,302</u>	<u>1,073,552</u>	<u>1,004,058</u>
<b>EXPENDITURE ON:</b>					
Raising funds		-	17,184	17,184	4,128
Charitable activities	6	12,477	1,068,097	1,080,574	1,039,781
<b>TOTAL EXPENDITURE</b>	7	<u>12,477</u>	<u>1,085,281</u>	<u>1,097,758</u>	<u>1,043,909</u>
<b>NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)</b>					
Net gains/(losses) on investments	11	38,773	(62,979)	(24,206)	(39,851)
		-	20,638	20,638	(1,759)
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>					
		38,773	(42,341)	(3,568)	(41,610)
Gains on revaluations of fixed assets	10	-	302,527	302,527	-
<b>NET MOVEMENT IN FUNDS</b>		<u>38,773</u>	<u>260,186</u>	<u>298,959</u>	<u>(41,610)</u>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		27,900	1,054,070	1,081,970	1,123,580
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>66,673</u></u>	<u><u>1,314,256</u></u>	<u><u>1,380,929</u></u>	<u><u>1,081,970</u></u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 11 to 23 form part of these financial statements.

**THE ABBEYFIELD READING SOCIETY LIMITED**

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REGISTERED NUMBER: 0701225

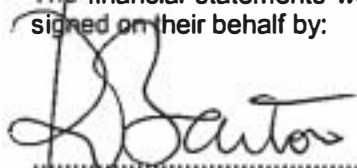
**BALANCE SHEET  
AS AT 31 MARCH 2017**

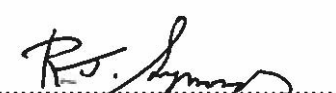
	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	10		1,243,271		948,439
Investments	11		131,434		110,796
			<u>1,374,705</u>		<u>1,059,235</u>
<b>CURRENT ASSETS</b>					
Debtors	12	30,244		70,694	
Investments	13	33,957		32,586	
Cash at bank and in hand		70,852		83,335	
		<u>135,053</u>		<u>186,615</u>	
<b>CREDITORS: amounts falling due within one year</b>	14		<u>(128,829)</u>	<u>(142,555)</u>	
<b>NET CURRENT ASSETS</b>			<u>6,224</u>		<u>44,060</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,380,929</u>		<u>1,103,295</u>
<b>CREDITORS: amounts falling due after more than one year</b>	15		<u>-</u>		<u>(21,325)</u>
<b>NET ASSETS</b>			<u>1,380,929</u>		<u>1,081,970</u>
<b>CHARITY FUNDS</b>					
Restricted funds	16		66,673		27,900
Unrestricted funds	16		1,314,256		1,054,070
<b>TOTAL FUNDS</b>			<u>1,380,929</u>		<u>1,081,970</u>

The Trustees 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 Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

  
.....  
F Barton, Trustee

  
.....  
R J Symonds, Secretary

The notes on pages 11 to 23 form part of these financial statements.

**THE ABBEYFIELD READING SOCIETY LIMITED**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	19	<u>42,268</u>	<u>(69,599)</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(24,138)	(25,127)
Purchase of investments		(1,371)	-
<b>Net cash used in investing activities</b>		<u>(25,509)</u>	<u>(25,127)</u>
<b>Cash flows from financing activities:</b>			
New/repayments of borrowings		(9,330)	62,063
<b>Net cash (used in)/provided by financing activities</b>		<u>(9,330)</u>	<u>62,063</u>
<b>Change in cash and cash equivalents in the year</b>		<b>7,429</b>	<b>(32,663)</b>
Cash and cash equivalents brought forward		<u>63,423</u>	<u>96,086</u>
<b>Cash and cash equivalents carried forward</b>	<b>20</b>	<u><u>70,852</u></u>	<u><u>63,423</u></u>

The notes on pages 11 to 23 form part of these financial statements.

**THE ABBEYFIELD READING SOCIETY LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Abbeyfield Reading Society Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**1.2 Reconciliation with previous Generally Accepted Accounting Practice**

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

**1.3 Company status**

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

**1.4 Fund accounting**

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

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.

**THE ABBEYFIELD READING SOCIETY LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.5 Income**

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Resident fees are included in the Statement of financial activities on an accruals basis. Income is accrued or deferred as required depending on the timing of the receipts to ensure that fees are included in the correct period.

**1.6 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

All expenditure is inclusive of irrecoverable VAT.

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

# THE ABBEYFIELD READING SOCIETY LIMITED

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### 1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Fixtures & fittings	-	10% -15% straight line

#### 1.8 Housing properties

Housing properties are properties available for rent and properties subject to shared ownership leases.

The property is periodically professionally valued and depreciated in the intervening years.

Housing properties under construction are stated at cost less related social housing grant and other capital grants.

Cost includes the cost of acquiring land and buildings, developments costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Improvements are works which result in an increase in the net rental income, such as an increase in rental income, a reduction in future maintenance costs, or results in a significant extension of the useful economic life of the property in the business. Only the direct overhead costs associated with the new developments or improvements are capitalised.

#### 1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

#### 1.10 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

#### 1.11 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

#### 1.12 Debtors

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

**THE ABBEYFIELD READING SOCIETY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.13 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.14 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.15 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

**1.16 Critical accounting estimates and areas of judgment**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment have been carefully considered to ensure compliance with the requirements under FRS 102.



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**NOTES TO THE FINANCIAL STATEMENTS  
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**2. INCOME FROM DONATIONS AND LEGACIES**

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	51,250	6,862	58,112	38,095
<i>Total 2016</i>	27,900	10,195	38,095	

**3. INVESTMENT INCOME**

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	-	1,371	1,371	-

**4. INCOME FROM CHARITABLE ACTIVITIES**

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations and grants	-	1,014,069	1,014,069	965,963
<i>Total 2016</i>	-	965,963	965,963	

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**5. CHARITABLE ACTIVITIES**

	Total funds 2017 £	Total funds 2016 £
Catering costs	68,094	65,254
Household supplies, medical and laundry	38,535	40,528
Temporary staff costs and staff welfare	104,384	109,936
Recruitment, training and clothing	8,238	8,930
Water charges	5,225	8,410
Rates	1,735	1,748
Light and heat	25,995	27,417
Insurance	5,709	4,997
Maintenance, repairs and renewals	71,818	62,957
Cleaning and waste disposal	16,069	13,165
Office costs	15,319	15,902
Equipment leasing costs	4,249	3,156
Abbeyfield affiliation fees	8,076	7,949
Professional fees and bookkeeping	9,730	4,704
Loan interest	670	788
Miscellaneous expenses	12,946	12,506
Resident entertaining	2,337	2,485
Wages and salaries	586,717	564,175
Social security	48,959	46,675
Pension cost	8,528	6,963
Depreciation	31,833	25,886
	<u>1,075,166</u>	<u>1,034,531</u>
<i>At 31 March 2016</i>	<u>1,034,531</u>	

**6. GOVERNANCE COSTS**

	Unrestricted funds 2017 £	Total funds 2016 £
Auditors' remuneration	<u>5,408</u>	<u>5,250</u>

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**7. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE**

	Staff costs 2017 £	Depreciation 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising voluntary income	-	-	17,184	17,184	4,128
<b>Costs of generating funds</b>	-	-	17,184	17,184	4,128
Donations and grants	644,204	31,833	399,129	1,075,166	1,034,531
Expenditure on governance	-	-	5,408	5,408	5,250
	644,204	31,833	421,721	1,097,758	1,043,909
<i>Total 2016</i>	617,813	25,886	400,210	1,043,909	

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned by the charity	31,833	25,886
Auditor's remuneration - audit	5,408	5,250
Loan interest	670	788
Operating leases	965	965
Pension costs	8,528	6,963

During the year, no Trustees received any remuneration (2016 - £NIL).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2016 - £NIL).

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**9. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	586,717	564,175
Social security costs	48,959	46,675
Other pension costs	8,528	6,963
	<b>644,204</b>	<b>617,813</b>

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

	2017 No.	2016 No.
	29	28

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

**10. TANGIBLE FIXED ASSETS**

	Freehold property £	Fixtures & fittings £	Total £
<b>Cost or valuation</b>			
At 1 April 2016	1,074,488	218,005	1,292,493
Additions	-	24,138	24,138
Revaluation surplus/(deficit)	302,527	-	302,527
At 31 March 2017	<b>1,377,015</b>	<b>242,143</b>	<b>1,619,158</b>
<b>Depreciation</b>			
At 1 April 2016	170,571	173,483	344,054
Charge for the year	18,489	13,344	31,833
At 31 March 2017	<b>189,060</b>	<b>186,827</b>	<b>375,887</b>
<b>Net book value</b>			
At 31 March 2017	<b>1,187,955</b>	<b>55,316</b>	<b>1,243,271</b>
At 31 March 2016	<b>903,917</b>	<b>44,522</b>	<b>948,439</b>

Included in land and buildings is freehold land at valuation of £150,000 (2016: £150,000) which is not depreciated.

The property has been revalued during the year by the trustees.

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If housing property held for letting had not been revalued it would have been included at the following historical cost.

	2017 £	2016 £
	<b>1,744,509</b>	<b>1,744,509</b>

During the year ended 31 March 2006, the Housing Corporation converted a loan of £51,192 into Social Housing Grants.

**FIXED ASSETS REVALUATION**

The trustees revalued the freehold property at the 31st March 2017. The property was last revalued in 2005. The current year value reflects the current market value.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2017 £	2016 £
Cost	<b>1,074,488</b>	1,074,488
Accumulated depreciation	<b>(189,060)</b>	(170,571)
Net book value	<b>885,428</b>	<b>903,917</b>

**11. FIXED ASSET INVESTMENTS**

	Listed securities £
<b>Market value</b>	
At 1 April 2015	<b>110,796</b>
Revaluations	<b>20,638</b>
At 31 March 2017	<b>131,434</b>

**12. DEBTORS**

	2017 £	2016 £
Trade debtors	<b>1,576</b>	34,260
Other debtors	<b>6,244</b>	6,257
Prepayments and accrued income	<b>22,424</b>	30,177
	<b>30,244</b>	<b>70,694</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. CURRENT ASSET INVESTMENTS**

	2017 £	2016 £
COIF Investments	33,957	32,586
	<u>33,957</u>	<u>32,586</u>

**14. CREDITORS: Amounts falling due within one year**

	2017 £	2016 £
Bank overdraft and loans	95,356	103,273
Trade creditors	4,098	3,783
Other taxation and social security	14,169	15,866
Other creditors	697	753
Accruals and deferred income	14,509	18,880
	<u>128,829</u>	<u>142,555</u>

**15. CREDITORS: Amounts falling due after more than one year**

	2017 £	2016 £
Loan	-	21,325
	<u>-</u>	<u>21,325</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 April 2016 £	Incoming Resources £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2017 £
<b>Unrestricted funds</b>					
General Funds	1,054,070	1,022,302	(1,085,281)	20,638	1,011,729
Property revaluation	-	-	-	302,527	302,527
	<u>1,054,070</u>	<u>1,022,302</u>	<u>(1,085,281)</u>	<u>323,165</u>	<u>1,314,256</u>
<b>Restricted funds</b>					
Resident support fund	10,500	39,100	-	-	49,600
Garden project	17,400	12,150	(12,477)	-	17,073
	<u>27,900</u>	<u>51,250</u>	<u>(12,477)</u>	<u>-</u>	<u>66,673</u>
<b>Total of funds</b>	<u><u>1,081,970</u></u>	<u><u>1,073,552</u></u>	<u><u>(1,097,758)</u></u>	<u><u>323,165</u></u>	<u><u>1,380,929</u></u>

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 April 2015 £	Incoming Resources £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2016 £
<b>Unrestricted funds</b>					
General Funds	1,115,140	976,158	(1,035,469)	(1,759)	1,054,070
	<u>1,115,140</u>	<u>976,158</u>	<u>(1,035,469)</u>	<u>(1,759)</u>	<u>1,054,070</u>
<b>Restricted funds</b>					
Resident support fund	3,000	10,500	(3,000)	-	10,500
Daybed fund	1,140	-	(1,140)	-	-
Dementia funding	3,800	-	(3,800)	-	-
Garden project	500	17,400	(500)	-	17,400
	<u>8,440</u>	<u>27,900</u>	<u>(8,440)</u>	<u>-</u>	<u>27,900</u>
<b>Total of funds</b>	<u><u>1,123,580</u></u>	<u><u>1,004,058</u></u>	<u><u>(1,043,909)</u></u>	<u><u>(1,759)</u></u>	<u><u>1,081,970</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	17,261	1,226,010	1,243,271
Fixed asset investments	-	131,434	131,434
Current assets	49,412	85,641	135,053
Creditors due within one year	-	(128,829)	(128,829)
	<u>66,673</u>	<u>1,314,256</u>	<u>1,380,929</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	948,439	948,439
Fixed asset investments	-	110,796	110,796
Current assets	27,900	158,715	186,615
Creditors due within one year	-	(142,555)	(142,555)
Creditors due in more than one year	-	(21,325)	(21,325)
	<u>27,900</u>	<u>1,054,070</u>	<u>1,081,970</u>

**18. RELATED PARTY TRANSACTIONS**

The charity Eventide & Watts Charity is connected by common trustees. At the year end The Abbeyfield (Reading) Society Limited owed Eventide & Watts £73,655 (2016: £73,405).

**19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(3,568)	(41,610)
<b>Adjustment for:</b>		
Depreciation charges	31,833	25,886
(Losses)/gains on investments	(20,638)	1,759
Decrease/(increase) in debtors	40,450	(45,549)
Decrease in creditors	(5,809)	(10,085)
<b>Net cash provided by/(used in) operating activities</b>	<u>42,268</u>	<u>(69,599)</u>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017	2016
	£	£
Cash in hand	70,852	83,335
Overdraft facility repayable on demand	-	(19,912)
	70,852	63,423
<b>Total</b>	<b>70,852</b>	<b>63,423</b>

**21. PENSION COMMITMENTS**

During the year the charity operated a defined contribution scheme for its employees. Total contributions during the year were £8,528 (2016: £6,963). At the year end £697 (2016: £753) was outstanding and included in creditors.

**22. OPERATING LEASE COMMITMENTS**

At 31 March 2017 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2017	2016
	£	£
<b>Amounts payable:</b>		
Within 1 year	1,340	1,340
Between 1 and 5 years	3,685	5,025
	5,025	6,365
<b>Total</b>	<b>5,025</b>	<b>6,365</b>

**23. CONTROLLING PARTY**

The ultimate controlling party is the trustees as detailed on page 1.

**24. FIRST TIME ADOPTION OF FRS 102**

It is the first year that the company has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 March 2016 and the date of transition to FRS 102 and SORP 2015 was therefore 1 April 2015. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the company's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.

