

Registered number: 00675042
Charity number: 211934

CHARITY COMMISSION
FIRST CONTACT
14 JUN 2018
ACCOUNTS
RECEIVED

CHARITY COMMISSION
FIRST CONTACT
14 JUN 2018
RECEIVED

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 2017

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 2017**

Committee of Management

Ms R L Boulton (resigned 30 October 2017)
Ms J Elek (appointed 21 August 2017)
Mr D J Farr
Mr K Faulkner, Chairman
Mr S Gore
Mr R Seaman (retired 20 March 2017)
Mr J S Thomson, Secretary and Treasurer
Mr M Wooster (appointed 4 December 2017)

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 auditors

Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
Radius House
51 Clarendon Road
Watford
Hertfordshire
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 2017

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 year ended 30 September 2017. The Committee of Management confirms 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 (Resigned 30 October, 2017)
Ms J Elek (Appointed 21 August, 2017)
Mr D J Farr
Mr K Faulkner (Chairman)
Mr S Gore
Mr R Seaman (Retired 20 March, 2017)
Mr J S Thomson (Secretary & Treasurer)
Mr M Wooster (Appointed 4 December, 2017)

Derek Farr is due to retire by rotation and is to offer himself for re-election at the Annual General Meeting to be held in March 2018.

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 2017

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 2017

b. KEY FINANCIAL PERFORMANCE INDICATORS

The Directors consider the following to be the Key Performance Indicators, which are reviewed regularly:

- The level of voids (unoccupied rooms),
- The ratio of full time staff to agency staff,
- The retained surplus for the year as a percentage of total income; suggested as 5% by the Abbeyfield Society.

c. REVIEW OF ACTIVITIES

The year ended 30 September 2017 was a successful one from an operational viewpoint thanks to our committed, caring and enthusiastic staff and management who continue to be our greatest asset. To them, our Friends, volunteers and Board sincere thanks for all they have done throughout the year to maintain high standards of care and friendly support as evidenced by opinions expressed by our residents, their relatives and sponsors in conversations, in meetings, during directors' monthly monitoring visits and through questionnaires.

This was achieved despite maintenance issues with boilers, water leaks and lifts all of which placed extra demands on staff and volunteers to minimise the effects on our residents.

The following should also be noted:

1. Hertfordshire County Council made an unexpected monitoring visit In November 2016 and assessed Grace Muriel House as being "Excellent" with a score of 96.4%;
2. The Annual Statement re Compliance and Good Practice on Infection Prevention and Control was submitted Herts County Council Public Health in October 2016 together with the 2017 I P and C programme. We were advised subsequently that Grace Muriel House had again been awarded level 5 "Excellent";
3. The Society progressed through to the finals of the Hertfordshire Care Providers' Association Awards in November 2016;
4. The time devoted to activities for residents was increased both during the week and at weekends, including more one-to-ones with residents using the West Wing lounge.
5. The Pinchbeck Lounge was refurbished in February 2017. New carpet, soft furnishings, new chairs and redecoration made this area a more comfortable and vibrant place to relax.
6. The Hearing LOOP system was replaced, in February 2017. The new system was installed in all lounges and a portable unit was made available in the Manager's office.

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.

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COMMITTEE OF MANAGEMENT'S REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2017

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

With occupancy a pleasing 94.9% for the year income was ahead of budget which was based on 8% Voids. However this was more than offset by:

- continued difficulties in recruiting suitable staff which resulted in significantly higher than projected Agency staff costs; and
 - higher than anticipated maintenance costs and equipment purchases.
- The outcome was an operating loss of some £38k before rental income and interest of £25k, donations and other income of £9k, giving a final deficit of £4.5k.

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, until such time as we are able to complete our extension project and have all rooms with an en-suite, void levels may well be higher than we would wish.

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COMMITTEE OF MANAGEMENT'S REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2017

Plans for future periods

a. FUTURE DEVELOPMENTS

Reference was made in last year's report to our receiving 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 improve the facilities for our less mobile residents. The consent was subject to certain conditions and our proposals for meeting those conditions have been accepted.

The West wing extension will be on land the freehold of which is owned by St Albans and District Council and, although the East wing extension will be on our own freehold land, the link will be on Council-owned land. Council permission is being sought.

Quantity surveyors have provided estimates for the various costs involved.

Once all estimates for significant capital expenditure items are assembled then financial projections will be compiled and consideration given to how the project may be financed.

b. PAY POLICY FOR SENIOR STAFF

The pay of senior staff is reviewed annually by the Directors.

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.

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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COMMITTEE OF MANAGEMENT'S REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2017

DISCLOSURE OF INFORMATION TO AUDITORS

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 auditors are 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 auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITORS

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

This report was approved by the Committee of Management, on 14 May 2018 and signed on their behalf by:



.....
Mr K Faulkner, Chairman

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED

(A company limited by guarantee)

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

OPINION

We have audited the financial statements of The Abbeyfield St. Albans Society Limited (the 'charitable company') for the year ended 30 September 2017 which comprise The Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED

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

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report¹, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the committee of management's report; or
- the charitable 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.

RESPONSIBILITIES OF COMMITTEE OF MANAGEMENT

As explained more fully in the committee of management's responsibilities statement set out on page 6 the committee of management (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, and for such internal control as the committee of management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the committee of management are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee of management either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED

(A company limited by guarantee)

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hillier Hopkins LLP

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date: *20th May 2017*

Hillier Hopkins LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Note	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:					
Donations and legacies	2	-	5,174	5,174	101,251
Charitable activities	4	-	1,508,895	1,508,895	1,416,478
Investments	3	-	25,514	25,514	16,451
Other income		-	4,177	4,177	3,996
TOTAL INCOME		-	1,543,760	1,543,760	1,538,176
EXPENDITURE ON:					
Charitable activities	6	-	1,548,310	1,548,310	1,488,790
TOTAL EXPENDITURE		-	1,548,310	1,548,310	1,488,790
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES					
Gains on revaluations of fixed assets	9	-	(4,550)	(4,550)	49,386
		-	160,000	160,000	60,000
NET MOVEMENT IN FUNDS		-	155,450	155,450	109,386
RECONCILIATION OF FUNDS:					
Total funds brought forward		135,416	2,687,457	2,822,873	2,713,487
TOTAL FUNDS CARRIED FORWARD		135,416	2,842,907	2,978,323	2,822,873

The notes on pages 15 to 28 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 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	9	1,680,126		1,724,727	
Investment property	10	535,000		375,000	
			<u>2,215,126</u>		<u>2,099,727</u>
Total tangible assets			2,215,126		2,099,727
CURRENT ASSETS					
Stocks	11	3,000		3,000	
Debtors	12	23,996		25,845	
Cash at bank and in hand		910,934		894,708	
		<u>937,930</u>		<u>923,553</u>	
CREDITORS: amounts falling due within one year	13	(74,283)		(86,257)	
NET CURRENT ASSETS			<u>863,647</u>		<u>837,296</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,078,773</u>		<u>2,937,023</u>
CREDITORS: amounts falling due after more than one year	14		(100,450)		(114,150)
NET ASSETS			<u>2,978,323</u>		<u>2,822,873</u>
CHARITY FUNDS					
Restricted funds	15		135,416		135,416
Unrestricted funds:	15				
Unrestricted funds	15	2,332,907		2,337,457	
Revaluation reserve		510,000		350,000	
			<u>2,842,907</u>		<u>2,687,457</u>
Total unrestricted funds			2,842,907		2,687,457
TOTAL FUNDS			<u>2,978,323</u>		<u>2,822,873</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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.

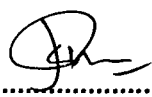
The Committee of Management acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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BALANCE SHEET (continued)
AS AT 30 SEPTEMBER 2017

The financial statements were approved and authorised for issue by the Committee of Management on 4th May 2018 and signed on their behalf, by:


.....
Mr K Faulkner, Chairman


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

The notes on pages 15 to 28 form part of these financial statements.

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	17	<u>46,444</u>	<u>90,068</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,434	2,876
Purchase of tangible fixed assets		<u>(17,952)</u>	<u>(50,090)</u>
Net cash used in investing activities		<u>(16,518)</u>	<u>(47,214)</u>
Cash flows from financing activities:			
Repayments of borrowings		<u>(13,700)</u>	<u>(13,700)</u>
Net cash used in financing activities		<u>(13,700)</u>	<u>(13,700)</u>
Change in cash and cash equivalents in the year		16,226	29,154
Cash and cash equivalents brought forward		<u>894,708</u>	<u>865,554</u>
Cash and cash equivalents carried forward	18	<u><u>910,934</u></u>	<u><u>894,708</u></u>

The notes on pages 15 to 28 form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 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 St. Albans 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 Committee of Management 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. 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 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

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.

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 building	-	over 50 years
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.

1.6 Revaluation of tangible fixed assets

The company has adopted the revaluation model to revalue items of property, plant and equipment whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. The fair value of items of plant and machinery is usually their market value determined by appraisal.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity.

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

1. ACCOUNTING POLICIES (continued)

1.7 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.

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

1.8 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.

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.

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.

1.9 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.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

1. ACCOUNTING POLICIES (continued)

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 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.

1.13 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.

1.14 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.

1.15 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.

1.16 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

2. INCOME FROM DONATIONS AND LEGACIES

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	-	5,174	5,174	101,251
<i>Total 2016</i>	-	101,251	101,251	

3. INVESTMENT INCOME

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Rental Income	-	24,080	24,080	13,575
Interest	-	1,434	1,434	2,876
	-	25,514	25,514	16,451
<i>Total 2016</i>	-	16,451	16,451	

4. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Residential fees and rent	-	1,508,895	1,508,895	1,416,478
<i>Total 2016</i>	-	1,416,478	1,416,478	

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**NOTES TO THE FINANCIAL STATEMENTS
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5. DIRECT COSTS

	General £	Total 2017 £	Total 2016 £
Repairs & general maintenance	100,989	100,989	90,241
Sundry	8,717	8,717	7,731
Equipment	29,252	29,252	38,074
Insurance	17,354	17,354	14,875
Loan interest	1,654	1,654	2,175
Legal fees	12,611	12,611	13,330
Agency staff	91,093	91,093	100,580
Contract cleaning	64,965	64,965	63,829
Telephone	5,242	5,242	5,501
Staff training	6,831	6,831	5,937
Advertising and recruitment	6,285	6,285	6,744
Printing, postage & stationery	5,427	5,427	6,709
Food and other household costs	146,564	146,564	143,775
Water rates and council tax	9,015	9,015	8,388
Rent	1,983	1,983	1,974
Travel	1,153	1,153	1,211
Wages and salaries	877,891	877,891	833,612
National insurance	69,403	69,403	66,168
Pension cost	5,955	5,955	5,597
Depreciation	62,553	62,553	51,008
	<u>1,524,937</u>	<u>1,524,937</u>	<u>1,467,459</u>
<i>At 30 September 2016</i>	<u>1,467,459</u>	<u>1,467,459</u>	

6. GOVERNANCE COSTS

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Auditors' remuneration	-	7,500	7,500	6,830
Abbeyfield affiliation Fee	-	10,294	10,294	9,269
Registration fees	-	5,579	5,579	5,232
	<u>-</u>	<u>23,373</u>	<u>23,373</u>	<u>21,331</u>

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

7. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	62,553	51,008
Auditors' remuneration - audit	7,500	6,830
	<u>62,553</u>	<u>51,008</u>

During the year, no Committee of Management received any remuneration (2016 - £NIL).

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

During the year, no Committee of Management received any reimbursement of expenses (2016 - £438).

8. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	877,891	833,612
Social security costs	69,403	66,168
Other pension costs	5,955	5,597
	<u>953,249</u>	<u>905,377</u>

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

2017 No.	2016 No.
50	52

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

9. TANGIBLE FIXED ASSETS

	Freehold £	Long Leasehold £	Furniture and fittings £	Total £
Cost or valuation				
At 1 October 2016	492,646	1,521,026	627,665	2,641,337
Additions	-	-	17,952	17,952
At 30 September 2017	<u>492,646</u>	<u>1,521,026</u>	<u>645,617</u>	<u>2,659,289</u>
Depreciation				
At 1 October 2016	51,124	289,729	575,757	916,610
Charge for the year	8,553	24,000	30,000	62,553
At 30 September 2017	<u>59,677</u>	<u>313,729</u>	<u>605,757</u>	<u>979,163</u>
Net book value				
At 30 September 2017	<u>432,969</u>	<u>1,207,297</u>	<u>39,860</u>	<u>1,680,126</u>
At 30 September 2016	<u>441,522</u>	<u>1,231,297</u>	<u>51,908</u>	<u>1,724,727</u>

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.

10. INVESTMENT PROPERTY

	Freehold property £
Valuation	
At 1 October 2016	375,000
Surplus/(deficit) on revaluation	160,000
At 30 September 2017	<u>535,000</u>

The 2017 valuations were made by Aitchison Rafety, on an open market value for existing use basis.

11. STOCKS

	2017 £	2016 £
Finished goods and goods for resale	<u>3,000</u>	<u>3,000</u>

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

12. DEBTORS

	2017 £	2016 £
Trade debtors	3,503	7,436
Other debtors	20,493	18,409
	<u>23,996</u>	<u>25,845</u>

13. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	13,700	13,700
Trade creditors	15,137	26,684
Other taxation and social security	16,337	19,139
Other creditors	8,537	6,569
Accruals and deferred income	20,572	20,165
	<u>74,283</u>	<u>86,257</u>

14. CREDITORS: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	100,450	114,150

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

	2017 £	2016 £
Repayable by instalments	45,650	59,350

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

15. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 October 2016 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 30 September 2017 £
Designated funds					
Repairs fund	30,000	-	-	-	30,000
Small projects fund	30,000	-	-	-	30,000
Lift fund	70,948	12,004	(1,952)	-	81,000
Gift Aid	12,266	-	-	-	12,266
Legacies	212,328	4,000	-	-	216,328
Friends of Grace Muriel House	938	-	-	-	938
Investment income	160,849	29,500	-	-	190,349
Milligan Society	90,740	-	-	-	90,740
	<u>608,069</u>	<u>45,504</u>	<u>(1,952)</u>	<u>-</u>	<u>651,621</u>
General funds					
General Fund	1,729,388	1,498,256	(1,546,358)	-	1,681,286
Revaluation reserve	350,000	-	-	160,000	510,000
	<u>2,079,388</u>	<u>1,498,256</u>	<u>(1,546,358)</u>	<u>160,000</u>	<u>2,191,286</u>
Total Unrestricted funds	<u>2,687,457</u>	<u>1,543,760</u>	<u>(1,548,310)</u>	<u>160,000</u>	<u>2,842,907</u>
Social Housing Grant	<u>135,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,416</u>
Total of funds	<u><u>2,822,873</u></u>	<u><u>1,543,760</u></u>	<u><u>(1,548,310)</u></u>	<u><u>160,000</u></u>	<u><u>2,978,323</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

15. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 October 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 30 September 2016 £</i>
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>
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>
 Social Housing Grant	 135,416	 -	 -	 -	 135,416
	<u>135,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,416</u>
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>

THE ABBEYFIELD ST. ALBANS SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 October 2016 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 30 September 2017 £
Designated funds	608,069	45,504	(1,952)	-	651,621
General funds	2,079,388	1,498,256	(1,546,358)	160,000	2,191,286
	<u>2,687,457</u>	<u>1,543,760</u>	<u>(1,548,310)</u>	<u>160,000</u>	<u>2,842,907</u>
Restricted funds	135,416	-	-	-	135,416
	<u>2,822,873</u>	<u>1,543,760</u>	<u>(1,548,310)</u>	<u>160,000</u>	<u>2,978,323</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 October 2015 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 30 September 2016 £
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 2017**

16. 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	135,416	1,544,709	1,680,125
Investment property	-	535,000	535,000
Current assets	-	937,931	937,931
Creditors due within one year	-	(74,283)	(74,283)
Creditors due in more than one year	-	(100,450)	(100,450)
	<u>135,416</u>	<u>2,842,907</u>	<u>2,978,323</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

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

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(4,550)	49,386
Adjustment for:		
Depreciation charges	62,553	51,008
Dividends, interest and rents from investments	(1,434)	(2,876)
Decrease/(increase) in debtors	1,849	(3,432)
Decrease in creditors	(11,974)	(4,018)
Net cash provided by operating activities	<u>46,444</u>	<u>90,068</u>

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

	2017	2016
	£	£
Cash in hand	910,934	894,708
Total	910,934	894,708

19. PENSION COMMITMENTS

The Society contributed £5,955 (2016: £5,597) towards the workplace contribution scheme pension during the year. There was no amounts owed on the balance sheet at year end.

20. OPERATING LEASE COMMITMENTS

At 30 September 2017 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2017	2016
	£	£
Amounts payable:		
Within 1 year	458	458
Between 1 and 5 years	458	954
Total	916	1,412

21. RELATED PARTY TRANSACTIONS

During the year K Faulkner, a director, was reimbursed expenses of £nil, (2016: £438).

Key Management Personnel

The key management personnel is considered to be the Directors, Manager and Head of Care. Total remuneration in respect of these individuals is £86,750 (2016: £120,595).

22. FIRST TIME ADOPTION OF FRS 102

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.