

ABBNEYFIELD LOUGHTON SOCIETY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED

31ST MARCH 2018

Registered Number: 758621

Registered Charity Number: 227729

ABBNEYFIELD LOUGHTON SOCIETY LIMITED

DIRECTORS AND TRUSTEES:

C M Franklin (acting Chairman)
C J Rawlinson (Treasurer)
P F Bundock
P Medway
L Richards
G Varughese

SECRETARY:

C M Franklin

PRESIDENT:

J Kennedy

ACCOUNTANTS:

Sterlings Accountancy Solutions Ltd
111 High Street
Billericay
Essex
CM12 9AJ

BANKERS:

Barclays Bank plc
Woodford Broadway
33 The Broadway
Woodford Green
Essex
IG8 0HJ

REGISTERED OFFICE:

121 High Road
Loughton
Essex
IG10 4LT

INVESTMENT MANAGERS:

CCLA Investment Management Limited
COIF Charity Funds
80 Cheapside
London EC2V 6DZ

Jupiter Unit Trust Managers Limited
1 Grosvenor Place
London SW1X 7JJ

ABBNEYFIELD LOUGHTON SOCIETY LIMITED**DIRECTORS' REPORT**

The directors present their annual report and the financial statements for the year ended 31st March 2018. This report is a Director's Report which as required by section 417 of the Companies Act 2006 and a Trustees' Annual Report as required under Part 8 of the Charities Act 2011.

The trustees confirm that the financial statements comply with the requirements of the company's governing documents, the Charities SORP (FRS 102) and the Companies Act 2006.

Moran Farnsworth

It is with great sadness we have to report that Moran Farnsworth died on 7 October 2017. Moran joined the Board of Abbeyfield as Treasurer in 1999 and held this position until 2016. He also assumed the role of Chairman in 2014. Moran developed a deep affection for Rider House and was very keen that the residents should be well looked after. His business acumen was a great asset to the Society and he played a major part in ensuring that Rider House had a good future. He is sorely missed by all.

Structure, Governance & Management

The Society is constituted by its Memorandum and Articles dated 24th April 1963 registered under the Companies Act 2006 (number 758621). It is also a registered charity (number 227729). The accounts have, therefore, been prepared to comply with the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and revised in May 2008. The Society is an affiliated member of The Abbeyfield Society.

The Society is a company limited by guarantee not having any share capital. Each member guarantees to contribute £1 towards the liabilities and costs on winding up.

The directors of the charity are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year and since the year end were as follows:

P F Bundock
M Farnsworth (deceased 7 October 2017)
C M Franklin
P Medway
C J Rawlinson
L Richards
G Varughese

Recruitment and Appointment

Potential new trustees are recruited in one of two ways. Either the trustees approach someone who they think may be interested and have time to commit to the organisation, or an interested, informed person approaches an executive committee member with a view to joining the committee.

The committee would then formally discuss the applicant's merits and skill sets. Following a formal screening process and a police check, if the committee consider that the applicant would enhance the committee's work, he or she is formally elected.

ABBEYFIELD LOUGHTON SOCIETY LIMITED**DIRECTORS' REPORT**

Induction and Training of Trustees

By way of formal introduction Trustees are given training on policies and procedure relative to the role.

The charity requires trustees and staff to attend mandatory, regular training courses on a variety of topics.

The trustees form The Executive Committee of the Society and are responsible for all decision-making. Trustees are appointed on a rotational basis by the members at the Annual General Meeting.

The trustees have identified the major risks to which the Society is exposed and those risks have been mitigated. The trustees are currently formalising their policies which have been in place for many years on an informal basis.

In accordance with the Articles of Association C J Rawlinson and L Richards retire from the Committee at the Annual General Meeting and offer themselves for re-election.

Risk Management

The main areas of risk to the charity are financial and physical. The trustees undertake a formal risk assessment on a frequent basis to ensure that physical risks such as loose carpet, which could pose a risk to residents, are identified and dealt with early.

Staff are subject to police screening and training for key areas in Health and Safety, Food Hygiene and prevention of abuse.

Fire drills and the regular testing of fire alarms are undertaken often to ensure staff and residents are aware of the emergency procedures. Each resident's room has displayed fire evacuation procedures and a panic button in case of emergency. In addition, residents are offered pendant personal alarm systems.

Investments are made with the ultimate aim of high liquidity, maximum yield with very low capital risk.

Objectives & Activities

The principal activity of the charity throughout the year was providing care and accommodation for elderly and lonely persons in accordance with the Memorandum and Articles of Association and the aims and principles of The Abbeyfield Society Limited.

The trustees regularly review the needs and the facilities provided for the residents with a view to carrying out such work as maybe required, to improve and enhance the residents' quality of life.

During the year we continued to improve the existing facilities in the home and in turn the quality of care that we are able to provide for our residents. Costs of improvements during the year include £17,366 for replacement of bay windows and £3,600 for replacement of Velux windows and costs associated with their installation.

It is the charity's policy to cover its operating costs with income from residential charges. Any surplus on investments is set aside for future use to improve the building and facilities for residents.

Achievements & Performance

The aim of the trustees is to ensure full occupancy of the home. This was achieved for all the residential rooms during the financial year. Only the respite room was not occupied throughout the year, but this room is not available for permanent occupancy so that it is available for the purpose of respite care and use by residents' relatives.

Financial Review

Rental income has increased 30% over the previous year, this increase can be attributed to more rooms being occupied throughout the year. Overall expenditure has decreased from the previous financial year with a reduction in repairs and maintenance following extensive property repairs in previous years. Most operational costs are comparable with the prior year, but some have reduced because of legal and staff costs relating to staff redundancy in the previous year. There was a surplus of £42,469 before property and investment revaluations; the investments decreased in value by £37,115 resulting in an overall surplus of £5,354 for the year.

ABBEYFIELD LOUGHTON SOCIETY LIMITED**DIRECTORS' REPORT**

Reserves Policy

As at 31 March 2018, the total unrestricted reserves of the charity stands at £2,479,365 which includes the revaluation reserve of £1,182,457.

Income from residents covers all the general expenses of running a home including internal decorations and minor repairs. The investment income is generally used to fund capital expenditure or major work.

Short term investments are acquired and held at the discretion of the directors.

Plans For Future Periods

Care is taken to ensure that when any new resident is entered into the accommodation, it is newly cleaned, redecorated and, where necessary, re-carpeted. Every effort is made to ensure that the new resident integrates with the other residents. A one week trial is therefore mandatory, to ensure that the resident and home are compatible.

Trustees' responsibilities in relation to the financial statements

The trustees (who are also directors for the purpose of common law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must 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.

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

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 Charities Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

By Order of the Board of Trustees



C M Franklin
Trustee

Date: 27 June 2018

**INDEPENDENT EXAMINERS' REPORT TO THE TRUSTEES OF
ABBEYFIELD LOUGHTON SOCIETY LIMITED**

I report on the financial statements for the year ended 31 March 2018 set out on pages 5 to 11.

Respective responsibilities of trustees and examiner

The trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. I am qualified to undertake the examination by being a qualified member of The Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

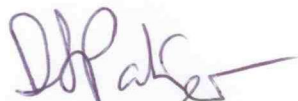
Independent examiners statement

In connection with my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in, any material respect the requirements:
 - to keep accounting records in accordance with section 386 of the companies Act 2006 and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of section 396 of the companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities.

have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



David Parker FCA

Institute of Chartered Accountants in England & Wales

Sterlings Accountancy Solutions Limited

111 High Street

Billericay

Essex

CM12 9AJ

Date: 28/06/18

ABBNEYFIELD LOUGHTON SOCIETY LIMITED
**STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE INCOME AND
EXPENDITURE ACCOUNT AND STATEMENT OF RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31ST MARCH 2018**

	Notes	Unrestricted £	2018 Restricted £	Total £	2017 Total £
Incoming resources					
Incoming resources from generated funds					
Voluntary					
Donations		770	-	770	180
Activities for generating funds					
Investment income	3	20,530	-	20,530	21,606
Incoming resources from charitable activities					
Income from residential charges		164,365	-	164,365	123,292
Other incoming resources		-	-	-	215
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Total incoming resources being net incoming resources available for charitable application		185,665	-	185,665	145,293
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Resources expended					
Charitable expenditure					
Costs of charitable activities	4	135,111	-	135,111	158,568
Governance costs	5	8,085	-	8,085	14,318
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Total resources expended		143,196	-	143,196	172,886
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Net incoming/(outgoing) resources for the year before transfers and investment gains and losses being the surplus/(deficit) for the year for Companies Act purposes		42,469	-	42,469	(27,593)
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Unrealised surplus/(deficit) on investments		(37,115)	-	(37,115)	36,517
<hr/>					
Other recognised gains and losses on fixed assets for the Society's use					
Unrealised gain on land and buildings		-	-	-	-
<hr/>					
Net movement in funds		5,354	-	5,354	8,924
Fund balance brought forward		2,474,011	-	2,474,011	2,465,087
<hr/>					
Fund balance carried forward		£ 2,479,365	£ -	£ 2,479,365	£ 2,474,011

- All transactions are derived from continuing activities
- There are no gains or losses for the year other than those recognised in the Statement of Financial Activities.

ABBNEYFIELD LOUGHTON SOCIETY LIMITED
BALANCE SHEET
AS AT 31ST MARCH 2018

		2018		2017	
	Notes	£	£	£	£
Tangible Fixed Assets					
Housing properties	7		1,700,000		1,700,000
Investments	8		550,355		591,209
			<u>2,250,355</u>		<u>2,291,209</u>
Current Assets					
Debtors	9	1,791		1,662	
Cash at bank and in hand		232,355		184,684	
		<u>234,146</u>		<u>186,346</u>	
Creditors: amounts falling due within one year	10	5,136		3,544	
Net Current Assets			<u>229,010</u>		<u>182,802</u>
Total Assets Less Liabilities			<u>£ 2,479,365</u>		<u>£ 2,474,011</u>
Financed by:					
Unrestricted reserves:					
Retained surplus	11		1,296,908		1,291,554
Revaluation reserve	11		1,182,457		1,182,457
	11		<u>£ 2,479,365</u>		<u>£ 2,474,011</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2018.


The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the financial reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the board of directors on the date shown below and were signed on its behalf by:


C M Franklin - acting Chairman


C J Rawlinson - Treasurer

Date: 27 June 2018

The notes on pages 7 to 11 form part of these financial statements

ABBEYFIELD LOUGHTON SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

1. STATUS OF SOCIETY

The Society is registered under the Companies Act 2006 (number 758621) and is a registered charity (number 227729).

2. ACCOUNTING POLICIES

Accounting Basis

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for Charities applying FRS 102, the companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from January 2015. The Company is a Public Benefit Entity as defined by FRS 102.

These are the first financial statements prepared by the charitable company under FRS 102. The date of transition in 1 April 2016. There are no adjustments required on transition.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Under Companies Act 2006 s454, on a voluntary basis, the trustees can amend these financial statements if they subsequently prove to be defective.

Incoming Resources

Income from donations is included in incoming resources when these are receivable.

Income from residential charges is accounted for on a straight line and accruals basis.

Investment income is accounted for on an accruals basis.

Resources Expended

All resources expended can be separately identified between different classes of expenditure. There is no need for apportionment.

Housing Land and Buildings

The cost of property is the purchase price plus costs of developing the property to enable it to be occupied.

All invoices and architect's certificates relating to capital expenditure are included in the financial statements at gross value provided that the expenditure incurred or the architect's certificate was completed by the end of the accounting year.

Expenditure on any scheme aborted is written-off in the year in which it is recognised that the scheme will not be developed to completion.

Where the directors consider that a property has fallen below recoverable amount, the carrying value of the property is written down directly to the Statement of Financial Activities to estimated open market value for existing use. When the directors consider the property value has increased, the carrying value is increased with the surplus being credited directly to the revaluation reserve.

Depreciation

Freehold property is carried at cost/valuation and is not depreciated. It is company policy to maintain its freehold property to a high standard, because of this the property maintains a residual disposal value in aggregate at least equal to the book value and accordingly no provision for depreciation is made. This represents a departure from the Companies Act 2006 which requires depreciation to be charged on tangible fixed assets. The directors consider this departure to be necessary to give a true and fair view.

If this departure from the Act had not been made, the profit for the year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

ABBNEYFIELD LOUGHTON SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

2. ACCOUNTING POLICIES - Continued

Future Cyclical Repairs and Maintenance

Provision is made for major repairs or cyclical maintenance only where they represent legally binding commitments or obligations at the balance sheet date.

Corporation Tax and VAT

The Society has charitable status and is exempt from corporation tax on the income it has received. The Society is not registered for VAT. Accordingly no VAT is charged to residents, and expenditure in the income and expenditure account includes the relevant VAT.

Investments

Investments held are stated at bid price value at the balance sheet date. Purchases and sales include transaction fees. Realised and unrealised gains and losses are credited/charged to the Statement of Financial Activities.

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.

Funds

The Society has no Restricted or Endowment Funds. All funds are credited to the General Fund held for the future running of the Society.

3. INVESTMENT INCOME

	2018 £	2017 £
Bank and short term deposit interest	163	418
Dividends	20,136	21,188
Disposal of investments	231	-
	£ 20,530	£ 21,606

4. COSTS OF CHARITABLE ACTIVITIES

	2018 £	2017 £
Repairs and maintenance	35,595	48,223
Staff salaries and costs	65,178	63,327
National Insurance	668	402
Pension contributions	497	261
Redundancy and termination costs	-	17,705
Food and other household costs	9,029	10,308
Garden maintenance	9,600	4,391
Rent and rates	3,622	2,746
Heating and lighting	6,685	7,113
Telephone	1,362	1,391
Television licence	147	146
Insurance	2,260	2,123
Advertising	468	432
	£ 135,111	£ 158,568

ABBEYFIELD LOUGHTON SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

5. GOVERNANCE COSTS

	2018	2017
	£	£
Affiliation fee: The Abbeyfield Society	2,676	2,596
Accountancy	3,831	3,862
Legal and professional	702	4,530
Printing, postage and stationery	134	1,930
Computer expenses	200	545
General expenses	542	855
	<u>£ 8,085</u>	<u>£ 14,318</u>

6. EMPLOYEES

The Society had 5 (2017 - 5) employees, amounting to one full-time equivalent employee, who run the accommodation unit. No employee earns more than £60,000 per annum.

7. FIXED ASSETS

	Land and buildings held for letting
	£
Freehold Land and Buildings	
Valuation	
At 1st April 2017	1,700,000
Revaluation surplus	-
	<u>£ 1,700,000</u>
At 31st March 2018	<u>£ 1,700,000</u>

The property valued on 23 July 2014 by Heather Thirtle F.R.I.C.S. on the basis of the open market value for existing use.

The original cost of the property, including improvements, was £517,543.

ABBEYFIELD LOUGHTON SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

8. INVESTMENTS

	2018	2017
	£	£
Valuation brought forward	591,209	554,692
Disposals	(3,769)	-
Revaluation surplus/(deficit)	(37,085)	36,517
	<u>£ 550,355</u>	<u>£ 591,209</u>

	2018	2017
	£	£
UK Listed investments	550,355	591,209
	<u>£ 550,355</u>	<u>£ 591,209</u>

The historical costs of investments is £429,939.

Investments comprising greater than 5% of investments are as follows:-

	2018	2017
	£	£
Jupiter UK Alpha Fund	78,092	83,124
Lloyds Banking	45,240	42,800
BT Group Plc (based on 2017)	22,750	31,600
Land Securities Group	28,544	33,475
Legal & General Group	38,670	36,750
National Grid plc	33,091	45,225
Unilever plc	71,199	71,964
United Utilities	35,770	49,700

9. DEBTORS

	2018	2017
	£	£
Prepayments and accrued income	1,791	1,662
	<u>£ 1,791</u>	<u>£ 1,662</u>

10. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Other creditors	94	161
Accruals and deferred income	5,042	3,383
	<u>£ 5,136</u>	<u>£ 3,544</u>

ABBEYFIELD LOUGHTON SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

11. RESERVES

	Freehold Revaluation Reserve £	Investments Revaluation Reserve £	Unrestricted Reserve £	Total £
At 1 April 2017	1,182,457	-	1,291,554	2,474,011
Operating Surplus for the year	-	-	42,469	42,469
Revaluation surplus in the year	-	-	(37,115)	(37,115)
At 31 March 2018	<u>£ 1,182,457</u>	<u>£ -</u>	<u>£ 1,296,908</u>	<u>£ 2,479,365</u>

12. SHARE CAPITAL AND CONTROLLING PARTY

The Society is a company limited by guarantee not having any share capital.

There is considered to be no controlling party.

13. PAYMENT TO MEMBERS, COMMITTEE MEMBERS, OFFICERS, ETC.

Payments to members of the Society for travel and sundry expenses reimbursed and ex gratia payments are as follows:-

	2018 £	2017 £
C Rawlinson (includes ex gratia payment of £2,200)	2,358	-
M Farnsworth	-	3,668
P Bundock	-	500
	<u>2,358</u>	<u>4,168</u>

The ex gratia payments made to C Rawlinson are in respect of accounting and secretarial duties performed, respectively, for the charity in the year.

The trustees did not receive any remuneration during the year.

ABBNEYFIELD LOUGHTON SOCIETY LIMITED
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2018

	2018		2017	
	£	£	£	£
Income				
Income from residential charges		164,365		123,292
Donations		770		180
Deposit interest		163		418
Dividends		20,136		21,188
Other income		231		215
		<u>£ 185,665</u>		<u>£ 145,293</u>
Expenditure				
Affiliation fee: The Abbeyfield Society	2,676		2,596	
Audit and accountancy	3,831		3,862	
Legal and professional	702		4,530	
Printing, postage and stationery	134		1,930	
Computer expenses	200		545	
General expenses	542		855	
		<u>8,085</u>		<u>14,318</u>
Repairs and maintenance		35,595		48,223
Employee costs	66,343		81,695	
Food and other household costs	9,029		10,308	
		<u>75,372</u>		<u>92,003</u>
Garden maintenance	9,600		4,391	
Rent and rates	3,622		2,746	
Heating and lighting	6,685		7,113	
Telephone	1,362		1,391	
Television licence and rental	147		146	
Insurance	2,260		2,123	
Advertising	468		432	
		<u>24,144</u>		<u>18,342</u>
Total Expenditure		<u>£ 143,196</u>		<u>£ 172,886</u>
Operating surplus/(deficit) for the year		42,469		(27,593)
Revaluation of land and buildings		-		-
Revaluation of investments		(37,115)		36,517
		<u>5,354</u>		<u>8,924</u>
Surplus at beginning of year		2,474,011		2,465,087
Surplus at end of year		<u>£ 2,479,365</u>		<u>£ 2,474,011</u>