

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 2018

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 2018**

Trustees

C Widdows, Chairman
R J Symonds
N M Pitcher
S M Tyers
P A Barton
D B Cox (resigned 25 June 2018)
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 2018

Advisers (continued)

Solicitors

Hewetts
55-57 London Street
Reading
Berkshire
RG1 4PS

THE ABBEYFIELD READING SOCIETY LIMITED
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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018

The year was a difficult one for the Society and our net income declined from a small loss of £3,500 in the year to March 2017 to a loss of £94,000 in the current year to March 2018. The main reason for this was a much lower level of occupancy in the second half of the year. In the first half up to the end of September 2017 we were able to fill our vacant rooms and maintain a better level of occupancy than budgeted. Unfortunately, from October onwards we progressed from 4 vacancies to an average of 6 in the first quarter of 2018. Our revenues from residents' fees declined by £68,000 relative to the previous year despite a 5% increase in rates. We have increased fees by another 5% in the current year and have seen a slight improvement in occupancy but continue to be trading at an operating loss.

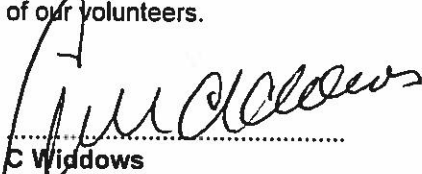
We have continued to pay attention to our operating costs whilst maintaining a high standard of care. These were £7,000 lower than in 2017 and we were able to reduce our agency costs.

We benefited from a sizeable donation income of £51,000, albeit £7,000 less than 2017 but very welcome. We are confident of financing any major capital expenditure via donations.

Our loan from The Abbeyfield Society was fully paid off in the year and we have no external debt other than to our sister charity Eventide and Watts who advanced £30,000 which helped us to repay this Abbeyfield loan. We remain soundly financed with £167,000 of investments in Charity unit trusts and funds. The freehold property at Maitland Road is unencumbered and we do not pay rent or leasehold charges unlike many of our competitors.

Our marketing activity will be increased with a view to returning to our budgeted void rate of two rooms as soon as possible. This will be done by regular advertising in the local press and by reaching a wider audience by making sure our website is kept up to date.

Our search for a new Chairman continues and for other trustees with human resources and legal knowledge. In the meantime, we have received advice and support from The Abbeyfield Society itself in St Albans. Despite this challenging situation we continue to provide excellent care for our residents, thanks largely to the high level of professionalism shown by the management team and by the care staff supported by the willingness of our volunteers.


.....
C Widdows
Chairman
Date: 19/9/18

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

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 company. The Abbeyfield (Reading) Society Limited (the company) for the year ended 31 March 2018. 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).

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 £1,090,777 v reserves £1,286,851). There are no plans to augment or decrease these reserves.

In addition to the reserves represented by investments within the Society amounting to £167,015 at 31st March 2018, additional liquidity can be provided by the transfer of expendable assets held as investments in the Eventide & Watts Charity amounting to £337,622 at that date. This has been consented to by the Charity Commission. The Society continues to follow an active donations policy to maintain its liquidity.

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 2018

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.

FUNDRAISING ACTIVITIES/INCOME GENERATION

The Society uses an external fundraiser, Spectrum Capital Revenue Fundraising Ltd, to raise donations for which it pays a commission fee. The performance of the fundraiser is monitored by quarterly reporting and biannual meetings. It has received no complaints with regard to its fundraising activity and fully complies with fundraising regulations.

INFORMATION ON FUNDRAISING PRACTICES

The Society uses an external fundraiser, Spectrum Capital Revenue Fundraising Ltd, to raise donations for which it pays a commission fee. The performance of the fundraiser is monitored by quarterly reporting and biannual meetings. It has received no complaints with regard to its fundraising activity and fully complies with fundraising regulations.

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 the report and to establish that the charitable company's auditor is aware of that information.

THE ABBEYFIELD READING SOCIETY LIMITED
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

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:

A handwritten signature in dark ink, appearing to read 'P A Barton', written over a dotted line.

.....
P A Barton
Trustee

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

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

OPINION

We have audited the financial statements of The Abbeyfield Reading Society Limited (the 'charitable company') for the year ended 31 March 2018 set out on pages 10 to 25. 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).

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 2018 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 Charities Act 2011.

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 United Kingdom, including the Financial Reporting Council'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.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

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 (Accounts and Reports) Regulations 2008 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
- sufficient accounting records have not been kept; 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 TRUSTEES

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, and for such internal control as the Trustees 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 Trustees 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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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 the Act and relevant regulations made or having effect thereunder.

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.

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

USE OF OUR REPORT

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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



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: 10 October 2018

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
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
(Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2018

	Note	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:					
Donations and legacies	2	48,174	3,100	51,274	58,112
Charitable activities	4	-	943,801	943,801	1,014,069
Investments	3	-	-	-	1,371
TOTAL INCOME		48,174	946,901	995,075	1,073,552
EXPENDITURE ON:					
Raising funds		-	16,135	16,135	17,184
Charitable activities	6	3,323	1,071,319	1,074,642	1,080,574
TOTAL EXPENDITURE	7	3,323	1,087,454	1,090,777	1,097,758
NET BEFORE INVESTMENT GAINS		44,851	(140,553)	(95,702)	(24,206)
Net gains on investments	11	-	1,624	1,624	20,638
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		44,851	(138,929)	(94,078)	(3,568)
Gains on revaluations of fixed assets	10	-	-	-	302,527
NET MOVEMENT IN FUNDS		44,851	(138,929)	(94,078)	298,959
RECONCILIATION OF FUNDS:					
Total funds brought forward		66,673	1,314,256	1,380,929	1,081,970
TOTAL FUNDS CARRIED FORWARD		111,524	1,175,327	1,286,851	1,380,929

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

The notes on pages 13 to 25 form part of these financial statements.

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 0701225

BALANCE SHEET
AS AT 31 MARCH 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	10		1,223,716		1,243,271
Investments	11		133,058		131,434
			<u>1,356,774</u>		<u>1,374,705</u>
CURRENT ASSETS					
Debtors	12	43,548		30,244	
Investments	13	33,957		33,957	
Cash at bank and in hand		25,295		70,852	
		<u>102,800</u>		<u>135,053</u>	
CREDITORS: amounts falling due within one year	14	(172,723)		(128,829)	
NET CURRENT (LIABILITIES)/ASSETS			<u>(69,923)</u>		<u>6,224</u>
NET ASSETS			<u>1,286,851</u>		<u>1,380,929</u>
CHARITY FUNDS					
Restricted funds	15		111,524		66,673
Unrestricted funds	15		1,175,327		1,314,256
TOTAL FUNDS			<u>1,286,851</u>		<u>1,380,929</u>

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

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:



 P Barton, Trustee



 R J Symonds, Secretary

The notes on pages 13 to 25 form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	<u>(61,416)</u>	<u>42,268</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(18,947)	(24,138)
Purchase of investments		-	(1,371)
Net cash used in investing activities		<u>(18,947)</u>	<u>(25,509)</u>
Cash flows from financing activities:			
New borrowings		30,414	11,995
Repayments of borrowings		(21,701)	(21,325)
Net cash provided by/(used in) financing activities		<u>8,713</u>	<u>(9,330)</u>
Change in cash and cash equivalents in the year		<u>(71,650)</u>	<u>7,429</u>
Cash and cash equivalents brought forward		<u>70,852</u>	<u>63,423</u>
Cash and cash equivalents carried forward	19	<u><u>(798)</u></u>	<u><u>70,852</u></u>

The notes on pages 13 to 25 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 2018

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 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 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.

1.3 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.

1.4 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.

THE ABBEYFIELD READING SOCIETY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

1.5 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.

1.6 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.

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

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

1. ACCOUNTING POLICIES (continued)

1.7 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.

1.8 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.

1.9 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 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.

1.11 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.

1.12 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.

THE ABBEYFIELD READING SOCIETY LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. ACCOUNTING POLICIES (continued)

1.13 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.

1.14 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.

1.15 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. INCOME FROM DONATIONS AND LEGACIES

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	48,174	3,100	51,274	58,112
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2017	51,250	6,862	58,112	
	<u> </u>	<u> </u>	<u> </u>	

3. INVESTMENT INCOME

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	-	-	-	1,371
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2017	-	1,371	1,371	
	<u> </u>	<u> </u>	<u> </u>	

4. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations and grants	-	943,801	943,801	1,014,069
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2017	-	1,014,069	1,014,069	
	<u> </u>	<u> </u>	<u> </u>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

5. CHARITABLE ACTIVITIES

	Total funds 2018 £	Total funds 2017 £
Catering costs	65,191	68,094
Household supplies, medical and laundry	31,262	38,535
Temporary staff costs and staff welfare	100,918	104,384
Recruitment, training and clothing	8,975	8,238
Water charges	6,908	5,225
Rates	1,399	1,735
Light and heat	28,178	25,995
Insurance	5,481	5,709
Maintenance, repairs and renewals	72,632	71,818
Cleaning and waste disposal	14,261	16,069
Office costs	13,332	15,319
Equipment leasing costs	4,000	4,249
Abbeyfield affiliation fees	8,326	8,076
Professional fees and bookkeeping	11,379	9,730
Loan interest	58	670
Miscellaneous expenses	11,791	12,946
Resident entertaining	1,933	2,337
Wages and salaries	583,387	586,717
Social security	50,631	48,959
Pension cost	9,886	8,528
Depreciation	38,504	31,833
	<u>1,068,432</u>	<u>1,075,166</u>
Total 2017	<u>1,075,166</u>	

6. GOVERNANCE COSTS

	Unrestricted funds 2018 £	Total funds 2017 £
Auditors' remuneration	<u>6,210</u>	<u>5,408</u>

THE ABBEYFIELD READING SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

7. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income	-	-	16,135	16,135	17,184
Costs of raising funds	-	-	16,135	16,135	17,184
Donations and grants	643,904	38,504	386,024	1,068,432	1,075,166
Expenditure on governance	-	-	6,210	6,210	5,408
	643,904	38,504	408,369	1,090,777	1,097,758
Total 2017	644,204	31,833	421,721	1,097,758	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	38,503	13,344
Auditor's remuneration - audit	6,210	5,408
Loan interest	415	670
Operating leases	1,340	965
Pension costs	9,886	8,528

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

9. STAFF COSTS

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	583,387	586,717
Social security costs	50,631	48,959
Other pension costs	9,886	8,528
	<u>643,904</u>	<u>644,204</u>

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

	2018 No.	2017 No.
	30	29

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

10. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures & fittings £	Total £
Cost or valuation			
At 1 April 2017	1,377,015	242,143	1,619,158
Additions	7,201	11,747	18,948
At 31 March 2018	<u>1,384,216</u>	<u>253,890</u>	<u>1,638,106</u>
Depreciation			
At 1 April 2017	189,060	186,827	375,887
Charge for the year	24,624	13,879	38,503
At 31 March 2018	<u>213,684</u>	<u>200,706</u>	<u>414,390</u>
Net book value			
At 31 March 2018	<u>1,170,532</u>	<u>53,184</u>	<u>1,223,716</u>
At 31 March 2017	<u>1,187,955</u>	<u>55,316</u>	<u>1,243,271</u>

Included in land and buildings is freehold land at valuation of £150,000 (2017: £150,000) which is not depreciated.

THE ABBEYFIELD READING SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

FIXED ASSETS REVALUATION

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

	2018 £	2017 £
Cost	2,100,211	2,093,010
Accumulated depreciation	(703,534)	(703,390)
Net book value	<u>1,396,677</u>	<u>1,389,620</u>

11. FIXED ASSET INVESTMENTS

	Listed securities £
Market value	
At 1 April 2015	131,434
Revaluations	1,624
At 31 March 2018	<u>133,058</u>

12. DEBTORS

	2018 £	2017 £
Trade debtors	9,561	1,576
Other debtors	4,158	6,244
Prepayments and accrued income	29,829	22,424
	<u>43,548</u>	<u>30,244</u>

13. CURRENT ASSET INVESTMENTS

	2018 £	2017 £
COIF Investments	<u>33,957</u>	<u>33,957</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

14. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Bank overdraft and loans	26,093	21,701
Other loans	104,070	73,655
Trade creditors	16,614	4,098
Other taxation and social security	13,420	14,169
Other creditors	2,674	697
Accruals and deferred income	9,852	14,509
	<u>172,723</u>	<u>128,829</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

15. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2017 £	Incoming Resources £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2018 £
Unrestricted funds					
General Funds	1,011,729	946,901	(1,087,454)	1,624	872,800
Property revaluation	302,527	-	-	-	302,527
	<u>1,314,256</u>	<u>946,901</u>	<u>(1,087,454)</u>	<u>1,624</u>	<u>1,175,327</u>
Restricted funds					
Resident Support Fund	49,600	46,674	(284)	-	95,990
Garden project	17,073	-	(3,039)	-	14,034
Training	-	1,500	-	-	1,500
	<u>66,673</u>	<u>48,174</u>	<u>(3,323)</u>	<u>-</u>	<u>111,524</u>
Total of funds	<u>1,380,929</u>	<u>995,075</u>	<u>(1,090,777)</u>	<u>1,624</u>	<u>1,286,851</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2016 £	Incoming Resources £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2017 £
General funds					
General Funds	1,054,070	1,022,302	(1,085,281)	20,638	1,011,729
Property revaluation	-	-	-	302,527	302,527
Restricted funds					
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>
Total of funds	<u>1,081,970</u>	<u>1,073,552</u>	<u>(1,097,758)</u>	<u>323,165</u>	<u>1,380,929</u>

THE ABBEYFIELD READING SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	21,079	1,202,639	1,223,718
Fixed asset investments	-	133,058	133,058
Current assets	90,445	12,353	102,798
Creditors due within one year	-	(172,723)	(172,723)
	<u>111,524</u>	<u>1,175,327</u>	<u>1,286,851</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR 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>

17. 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 £104,070 (2017: £73,655).

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(94,078)	(3,568)
Adjustment for:		
Depreciation charges	38,504	31,833
Profit on investments	(1,624)	(20,638)
(Increase)/decrease in debtors	(13,306)	40,450
Increase/(decrease) in creditors	9,088	(5,809)
Net cash (used in)/provided by operating activities	<u>(61,416)</u>	<u>42,268</u>

THE ABBEYFIELD READING SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	25,295	70,852
Overdraft facility repayable on demand	(26,093)	-
Total	<u>(798)</u>	<u>70,852</u>

20. PENSION COMMITMENTS

During the year the charity operated a defined contribution scheme for its employees. Total contributions during the year were £9,886 (2017: £8,528). At the year end £2,630 (2017: £697) was outstanding and included in creditors.

21. OPERATING LEASE COMMITMENTS

At 31 March 2018 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	1,340	1,340
Between 1 and 5 years	2,345	3,685
Total	<u>3,685</u>	<u>5,025</u>

22. CONTROLLING PARTY

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

