ABBEYFIELD LOUGHTON SOCIETY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2017

Registered Number: 758621

Registered Charity Number: 227729

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COMPANIES HOUSE

ABBEYFIELD LOUGHTON SOCIETY LIMITED

DIRECTORS AND TRUSTEES:	C J Rawlinson (Treasurer) P F Bundock (Secretary) M Farnsworth (Chairman) L Richards C M Franklin G Varughese P Medway
SECRETARY:	P F Bundock
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

ABBEYFIELD LOUGHTON SOCIETY LIMITED

DIRECTORS' REPORT

The directors present their annual report and the financial statements for the year ended 31st March 2017. 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 Statement of Recommended Practice "Accounting and Reporting by Charities" (FRSSE SORP) issued in July 2014 and the Companies Act 2006.

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:

C J Rawlinson
P F Bundock
M Farnsworth
L Richards
C M Franklin
G Varughese
P Medway

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.

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 M Farnsworth and G Varughese 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 £20,900 relating to the renovation of the Warden Flat; £7,620 relating to the renovation of the office and £4,340 relating the balance due for the renovation of bathroom facilities.

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 unfortunately not achieved during the year as there was on average one room vacant throughout the year.

Financial Review

Rental income has increased from the prior year with a marginal increase in occupancy, which can be partly attributed to the additional rent income now being received on the Warden flat, and the remaining increase attributed to the annual increase in the residential charges. Overall expenditure has decreased from the prior year with a substantial reduction in repairs and maintenance following extensive property repairs in the prior year; most operational costs are comparable with the prior year, but there have been additional legal and staff costs relating to staff redundancy. There was a deficit of £27,593 before property and investment revaluations; the investments increased in value by £36,517 resulting in an overall surplus of £8,924 for the year.

Reserves Policy

As at 31 March 2017, the total unrestricted reserves of the charity stands at £2,474,011 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.

ABBEYFIELD LOUGHTON SOCIETY LIMITED

DIRECTORS' REPORT

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 of Abbeyfield Loughton Society Ltd for the purposes of company law are responsible for preparing the Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom generally Accepted Accounting Practice).

The law applicable to incorporated charities in England and Wales (company law) requires the trustees to prepare financial statements for each financial period which 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 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 in operation.

The trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and 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.

By Order of the Board of Trustees

C.M. Franklin

C M Franklin
Trustee

Date: 9/5/2017

INDEPENDENT EXAMINERS' REPORT TO THE TRUSTEES OF

ABBEYFIELD LOUGHTON SOCIETY LIMITED

I report on the financial statements for the year ended 31 March 2017 set out on pages 5 to 10.

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: 11 May 2017

ABBEYFIELD 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 2017

	Notes	2017 Unrestricted £	2017 Restricted £	2017 Total £	2016 Total £
Incoming resources					
Incoming resources from generated funds					
Voluntary					
Donations		180	-	180	190
Activities for generating funds					
Investment income	3	21,606	-	21,606	20,185
Incoming resources from charitable activities					
Income from residential charges		123,292	-	123,292	116,018
Other incoming resources		215	-	215	396
Total incoming resources being net incoming resources available for charitable application		145,293	-	145,293	136,789
Resources expended					
Charitable expenditure					
Costs of charitable activities	4	158,568	-	158,568	174,373
Governance costs	5	14,318	-	14,318	10,417
Total resources expended		172,886	-	172,886	184,790
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		(27,593)	-	(27,593)	(48,001)
Unrealised surplus/(deficit) on investments		36,517	-	36,517	(52,183)
Other recognised gains and losses on fixed assets for the Society's use					
Unrealised gain on land and buildings		-	-	-	-
Net movement in funds		8,924	-	8,924	(100,184)
Fund balance brought forward		2,465,087	-	2,465,087	2,565,271
Fund balance carried forward		£ 2,474,011	£ -	£ 2,474,011	£ 2,465,087

- 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.

ABBEYFIELD LOUGHTON SOCIETY LIMITED

BALANCE SHEET

AS AT 31ST MARCH 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Tangible Fixed Assets					
Housing properties	7		1,700,000		1,700,000
Investments	8		591,209		554,692
			2,291,209		2,254,692
Current Assets					
Debtors	9	1,662		1,770	
Cash at bank and in hand		184,684		212,603	
		186,346		214,373	
Creditors: amounts falling due within one year	10	3,544		3,978	
Net Current Assets			182,802		210,395
Total Assets Less Liabilities			£ 2,474,011		£ 2,465,087
Financed by:					
Unrestricted reserves:					
Retained surplus	11		1,291,554		1,282,630
Revaluation reserve	11		1,182,457		1,182,457
	11		£ 2,474,011		£ 2,465,087

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

(a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

(b) 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 J Rawlinson - Treasurer

C M Franklin - Trustee

Date: 9/5/2017

The notes on pages 7 to 10 form part of these financial statements

ABBEYFIELD LOUGHTON SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2017

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

The financial statements have been prepared under the historical cost convention, as modified to include the revaluation of certain fixed assets and in accordance with the Financial reporting Standards for Smaller Entities (Applicable January 2015) and the Companies Act 2006. In preparing the financial statements the charitable company follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities (FRSSE SORP) issued in July 2014.

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.

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.

ABBEYFIELD LOUGHTON SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2017

2. ACCOUNTING POLICIES - Continued

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

	2017 £	2016 £
Bank and short term deposit interest	418	526
Dividends	21,188	19,659
	£ 21,606	£ 20,185

4. COSTS OF CHARITABLE ACTIVITIES

	2017 £	2016 £
Repairs and maintenance	48,223	94,256
Staff salaries and costs	63,327	47,378
National Insurance	402	305
Pension contributions	261	180
Redundancy and termination costs	17,705	-
Food and other household costs	10,308	12,183
Garden maintenance	4,391	4,612
Rent and rates	2,746	3,126
Heating and lighting	7,113	8,121
Telephone	1,391	1,477
Television licence	146	146
Insurance	2,123	2,071
Advertising	432	518
	£ 158,568	£ 174,373

5. GOVERNANCE COSTS

	2017 £	2016 £
Affiliation fee: The Abbeyfield Society	2,596	2,555
Accountancy	3,862	3,080
Legal and professional	4,530	1,440
Printing, postage and stationery	1,930	1,031
Computer expenses	545	-
General expenses	855	2,311
	£ 14,318	£ 10,417

ABBEYFIELD LOUGHTON SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

6. EMPLOYEES

The Society had 5 (2016 - 4) 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

Freehold Land and Buildings	**Land and buildings held for letting £**
Valuation	
At 1st April 2016	1,700,000
Revaluation surplus	-
At 31st March 2017	£ 1,700,000

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.

8. INVESTMENTS

	2017 £	**2016 £**
Valuation brought forward	554,692	606,875
Additions	-	-
Disposals	-	-
Revaluation surplus/(deficit)	36,517	(52,183)
	£ 591,209	£ 554,692

	2017 £	**2016 £**
UK Listed investments	591,209	554,692
	£ 591,209	£ 554,692

The historical costs of investments is £429,939.

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

	2017 £	**2016 £**
Jupiter UK Alpha Fund	83,124	72,147
Lloyds Banking	42,800	41,800
BT Group Plc	31,600	44,000
Land Securities Group	33,475	35,783
Legal & General Group	36,750	35,250
National Grid plc	45,225	44,415
Unilever plc	71,964	56,736
United Utilities	49,700	46,150

ABBEYFIELD LOUGHTON SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2017

9. DEBTORS

	2017 £	2016 £
Other debtors	-	201
Prepayments and accrued income	1,662	1,569
	£ 1,662	£ 1,770

10. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Other creditors	161	-
Accruals and deferred income	3,383	3,978
	£ 3,544	£ 3,978

11. RESERVES

	Freehold Revaluation Reserve £	Investments Revaluation Reserve £	Unrestricted Reserve £	Total £
At 1 April 2016	1,182,457	-	1,282,630	2,465,087
Operating Surplus for the year	-	-	(27,593)	(27,593)
Revaluation surplus in the year	-	-	36,517	36,517
At 31 March 2017	£ 1,182,457	£ -	£ 1,291,554	£ 2,474,011

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:-

	2017 £	2016 £
M Farnsworth (includes ex gratia payment of £2,200)	3,668	3,213
C M Franklin	-	250
G Varughese	-	250
P Medway	-	250
P Bundock	500	-

The ex gratia payments made to M Farnsworth 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.