

ABBNEYFIELD BRISTOL SOCIETY
(Limited by Guarantee)
(Company No 872566)

REPORT OF THE TRUSTEES
AND ACCOUNTS

30 SEPTEMBER 2013

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COMPANIES HOUSE

ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2013

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VICE PRESIDENTS AND TRUSTEES

YEAR ENDED 30 SEPTEMBER 2013

Vice Presidents

M L Brooks
M Dickman
A Fixter
J Grenfell
R H Nash

**Trustees (The Board of Directors)
who served during the year:**

M Innes
Mrs S Touzel
Mrs G Oakhill
Mrs J Pitt
J Kane
Mrs V Fromant
T J Davidson

Chairman
Vice Chair

Resigned 4 December 2012
Resigned 5 February 2013

REPORT OF THE TRUSTEES

YEAR ENDED 30 SEPTEMBER 2013

The Trustees present the Society's Annual Report for the year ended 30 September 2013 under the Companies Act 2006 and the Charities Act 2011, together with the audited Accounts for the year, and confirm the latter comply with the Companies Act 2006, SORP "Accounting by Registered Social Housing Providers Update 2010" and the Company's Memorandum and Articles of Association

REFERENCE AND ADMINISTRATION INFORMATION

Abbeyfield Bristol Society is a charitable company founded in 1966 Charity Registration Number 257532, HCA Number HO315 and Company Registration Number 872566 The liability of its members is limited to £1 each by guarantee The registered office and principal address of the Company is at 29 Alma Vale Road, Clifton, Bristol BS8 2HL

TRUSTEE MEMBERSHIP

This is listed on page 2

Under the terms of the Memorandum and Articles of Association of the Society, for Companies Act purposes the Trustees constitute the Directors

KEY EXECUTIVES AND PROFESSIONAL ADVISERS

| | |
|-------------------|---|
| Chief Executive | Ms Frances Stretton |
| Company Secretary | Stuart Palmer |
| Bankers | Handelsbanken, 40 Queen Square, Bristol BS1 4QP |
| Solicitors | Fussell Wright, 29 Queen Charlotte Street, Bristol BS1 4HL |
| Auditors | Whyatt Pakeman Partners, Colkin House, 16 Oakfield Road, Clifton, Bristol BS8 2AP |
| Insurance Brokers | David Haskoll Ltd, Haskoll House, Deanland Road, Golden Cross, East Sussex BN27 3RJ |

REPORT OF THE TRUSTEES – Continued

YEAR ENDED 30 SEPTEMBER 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

The company is governed by its Memorandum and Articles of Association dated 1 March 1966

GOVERNING BODY

Under the Memorandum and Articles of Association, there are to be not less than 3 and not more than 18 Trustees

Trustees (other than any ex officio members), deemed to have appropriate skills and abilities, are elected by Trustees of the Society and ratified by members of the company at the Annual General Meeting. They serve a term of 3 years, after which they may be re-elected.

TRUSTEE TRAINING

In recent years, the Trustees have undertaken a full review of the Society's activities. This is continually reviewed and forms the basis of the Society's development plan. Within the review, Trustees have looked at a number of issues including an audit of Trustee skill sets and a robust programme of recruitment of new Trustees. Proposed Trustees meet with the Chairman when the operation of the Society is explained including the legal structure, the liability of Trustees and the relationship with the Chief Executive. Trustees are given a copy of the Memorandum and Articles of Association together with notes drawing attention to principal clauses in the Memorandum and Articles, and the Charity Trustee booklet *The Essential Trustee: What You Need to Know*. New Trustees are invited to meet the Chief Executive and visit any of the Society's houses to better inform themselves about the way in which the Society operates.

ORGANISATIONAL MANAGEMENT

The Trustees meet regularly during the year to determine general policy of the Society and review its overall management and control, for which they are legally responsible. The Trustees set up sub-committees as necessary, with responsibility for specific areas. Sub-committees are not decision-making bodies but report and make recommendations to the Trustees. Decisions relating to the everyday running of the Society are delegated to the Chief Executive.

GROUP STRUCTURE AND RELATIONSHIP

Abbeyfield Bristol Society supports the attainment of the highest standards in provision of housing with support and care and holds the National Society's *Abbeyfield Standard* which is recognised by the Department of Communities and Local Government and the Local Authorities in whose areas it works (Bristol and South Gloucestershire).

RISK MANAGEMENT

The Trustees identify and monitor risks faced by the Society. These are reviewed at least annually and systems have been put in place to mitigate their impact.

REPORT OF THE TRUSTEES – Continued

YEAR ENDED 30 SEPTEMBER 2013

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Trustees maintain the objects established when the Society was founded in 1966 and contained in the Memorandum and Articles of Association

To ensure this, the Trustees meet regularly to assess occupancy levels, income and expenditure and to regularly review the Society's provision for older people in its houses

The Trustees have considered the Charity Commission's guidance on public benefit and are satisfied that the Society's aims and its activities carried out in pursuit of those aims, as described in this report, are for the public benefit

STRATEGIC AIM AND INTENDED EFFECTS

The Society's purpose is to provide affordable Supported Sheltered Housing for older people who require an element of extra support to enable them to live independent lives, irrespective of their financial resources

OBJECTIVES FOR THE YEAR

To maintain high standards of provision for the Society's elderly residents and regularly review existing housing stock

PRINCIPAL ACTIVITY

The provision of Supported Sheltered Housing for older people in the Bristol and South Gloucestershire areas

GRANT MAKING

Two residents were subsidised by the Society during the year

INVESTMENT PERFORMANCE

The sum of £4,092 was received in interest, which is an increase of £2,243 on the previous year

VOLUNTEERS

The Society acknowledges the breadth of commitment of its volunteers, from the day-to-day help to specific tasks and invaluable professional advice & assistance

REPORT OF THE TRUSTEES – Continued

YEAR ENDED 30 SEPTEMBER 2013

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Society was awarded the Abbeyfield Gold Star during the year following an assessment by Abbeyfield Head Office. The Gold Star is awarded in recognition of our achievement in enhancing the quality of life for older people.

During this financial year the Society posted an operating surplus of £84,045 and a surplus after exceptional gains and net interest costs of £880,201.

The principal funding sources, aside from its social housing lettings income of £891,817 were net proceeds of £950,224 from the sale of one of the Society's supported sheltered homes at 9 Downfield Road.

Expenditure in the year has continued to support the day-to-day costs of maintaining high standards of provision for the Society's elderly residents, and at the same time ensuring that the existing property stock provides the highest quality accommodation units, as is clearly seen with the conversion work at 222/224 Redland Road.

A summer house was erected in the garden of 222-224 Redland Road for residents' use, thanks to generous donations from the Bristol Property Agents' Association, who nominated Abbeyfield Bristol Society as their Charity of the Year in 2012.

5 Elgin Park has been let on a normal residential basis during the financial year, and was disposed of shortly after the year-end in November 2013 and net proceeds of £673,138 were realised.

The on-going programme of upgrading bathroom facilities at Westbury Road has continued when rooms have become available for refurbishment.

The Society has a total of £58,758, shown as 'recycled grant fund' in long-term creditors on the face of its balance sheet. This amount pertains to grants obtained at the time of purchase of the Society's property at Downfield Road. The Society considers that it has recycled these grant monies into development works at Westbury Road.

The development of the site in Hanham, South Gloucestershire, commenced in the summer of 2013, following the successful application for planning permission for a new state-of-the-art facility, offering 18 units of a mixture of one-bedroom and studio flats. Abbeyfield Bristol is in the extremely fortunate position that Michael Brooks, an influential member of the Abbeyfield organisation, has been able to secure a £2m grant from the former Abbeyfield Bath Society for the development of this project.

The Trustees continue to monitor closely the level of voids in the other houses and to look at ways in which the Society's housing provision can be improved to be more attractive to new residents.

Two long-standing Trustees, Tim Davidson and Vicky Fromant, stood down during the year and I would like to thank them for their many years of dedication to the Bristol Society.

RESERVES POLICY

The Trustees' policy is to retain such reserves as in their judgement are adequate to cover

- day-to-day operational expenditure, for which the policy is to hold cash to cover 3 months expenditure,
- funding for identified development projects and repairs to the housing property portfolio,
- a small reserve for unexpected items. However, the gearing of the Society would permit appropriate borrowing to cover the majority of eventualities.

REPORT OF THE TRUSTEES – Continued

YEAR ENDED 30 SEPTEMBER 2013

INVESTMENT POLICY AND OBJECTIVES

The Society's reserves are represented by buildings, equipment and current assets. Its cash reserves are maintained on short and longer term objectives. It is the Society's policy to place funds to maximum advantage.

FUTURE PLANS

Abbeyfield is primarily interested in the quality of care provided to its residents and the staff that support its objectives.

The Society continues to look at the best ways to provide the highest standards of accommodation units using its existing property stock.

The Hanham site development is anticipated to complete in April 2014 and we would hope to welcome residents in the second half of May 2014.

The Society continues to look for opportunities to use its funds to provide the best possible accommodation for older members of the community and this includes both the merger with smaller Abbeyfield Societies and also looking at external development options.

An on-going programme of refurbishment is underway at Westbury Road and Home Farm Way to improve and enhance the physical environment and to ensure that the Society is meeting the requirements and exceeding the expectations of current and potential residents.

A three-year business plan has been prepared along with the relevant cash flow forecasts and these demonstrate that the Society will not need to seek loan finance in order to fulfil its future plans. The Trustees are confident regarding the Society's financial future.

FREEHOLD LAND AND BUILDINGS

The movements in fixed assets are shown in Note 8 to the Accounts. The Trustees are of the opinion that the market value of the land and buildings is in excess of book value.

REPORT OF THE TRUSTEES – Continued

YEAR ENDED 30 SEPTEMBER 2013

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Accounts in accordance with applicable law and regulations

Company law and social housing legislation require the Trustees to prepare Accounts for each financial year. Under that legislation the Trustees have elected to prepare the Accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The Accounts are required by law to give a true and fair view of the state of affairs of the Society and of the surplus or deficit of the Society for that period. In preparing these Accounts, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- 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 Accounts on a going concern basis unless it is inappropriate to presume that the Society will continue in business.

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 accounts comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and The Accounting Direction for Private Registered Providers of Social Housing 2012. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware

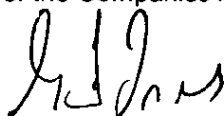
- there is no relevant audit information of which the charity's auditors are unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

A resolution for the re-appointment of Whyatt Pakeman Partners as auditors will be proposed at the forthcoming Annual General Meeting.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.



On behalf of the Board
Mr M Innes
Chairman/Trustee

Date 24 February 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBEYFIELD BRISTOL SOCIETY
YEAR ENDED 30 SEPTEMBER 2013

We have audited the financial statements of the Abbeyfield Bristol Society for the year ended 30 September 2013 set out on pages 11 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Society's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE BOARD OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' Responsibilities on page 8, the Trustees (who are also the directors of the Society 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the association's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the Society's affairs as at 30 September 2013 and of its income and expenditure for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and The Accounting Direction for Private Registered Providers of Social Housing 2012.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBEYFIELD BRISTOL SOCIETY
- Continued

YEAR ENDED 30 SEPTEMBER 2013

EMPHASIS OF MATTER – UNCERTAINTY OVER USE OF RECYCLED CAPITAL GRANT FUND

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 13 to the financial statements concerning the uncertainty over whether recycled grants might be demanded for repayment by the Homes and Community Agency. If repayment of the grants were demanded then fixed assets would increase by £119,014 and a liability for the same amount would also be recognised. While administrative matters are completed the ultimate outcome of this matter cannot be determined and no provision for the potential liability that may result has been made in the financial statements.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

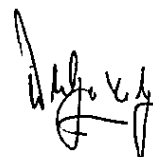
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Colkin House,
16 Oakfield Road,
Clifton,
Bristol
BS8 2AP



DAVID GOLLEDGE FCA
(Senior Statutory Auditor)
For and on behalf of
WHYATT PAKEMAN PARTNERS
Chartered Accountants
& Statutory Auditor

Date 11 March 2014

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 30 SEPTEMBER 2013

| | Notes | 2013 £ | 2012 £ |
|--|-------|-----------|-----------|
| TURNOVER | 3,5 | 891,817 | 729,924 |
| Other Operating Income | 4 | 32,597 | 68,375 |
| | | 924,414 | 798,299 |
| Operating Costs | 5 | (840,369) | (811,670) |
| Operating Surplus/(Deficit) | 5 | 84,045 | (13,371) |
| Exceptional items | 26 | | |
| Surplus on sale of property | | 801,256 | 502,532 |
| Interest receivable and similar income | | 4,092 | 1,849 |
| Interest payable and similar charges | 7 | (9,192) | (9,996) |
| Surplus on ordinary activities for the year | 18 | 880,201 | 481,014 |

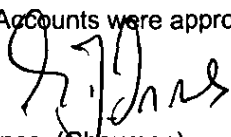
The Society's only activity during the year was the provision of Supported Sheltered Accommodation and the results relate only to continuing activities

The Society has no recognised surpluses or deficits other than those included in the results above and therefore no separate statement of total recognised surpluses and deficits has been prepared

Historic cost surpluses and deficits are identical to those shown above, therefore no separate note has been prepared

The surplus for the year represents Revenue Reserves as detailed in note 18

The Accounts were approved by the Trustees and signed on their behalf on 24 February 2014


M Innes (Chairman)


Mrs S Touzel (Vice Chair)


BALANCE SHEET


YEAR ENDED 30 SEPTEMBER 2013

| | Notes | 2013 £ | 2012 £ |
|--|-------|-------------|-------------|
| TANGIBLE FIXED ASSETS | | | |
| Housing Properties | 8 | | |
| Depreciated Cost | | 5,126,022 | 4,964,288 |
| Less Social Housing Grants | | (1,378,176) | (1,077,336) |
| | | 3,747,846 | 3,886,952 |
| Other Fixed Assets | 9 | 68,331 | 55,786 |
| | | 3,816,177 | 3,942,738 |
| CURRENT ASSETS | | | |
| Debtors | 10 | 145,143 | 25,465 |
| Cash at Bank and in Hand | | 1,039,030 | 101,358 |
| | | 1,184,173 | 126,823 |
| CREDITORS Amounts falling due within one year | 11 | (256,964) | (123,497) |
| NET CURRENT ASSETS | | 927,209 | 3,326 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 4,743,386 | 3,946,064 |
| CREDITORS Amounts falling due after more than one year | | | |
| Recycled Capital Grant Fund | 12 | (58,758) | (117,989) |
| Other Creditors | 14 | (288,936) | (312,584) |
| | | (347,694) | (430,573) |
| | | 4,395,692 | 3,515,491 |
| CAPITAL AND RESERVES | | | |
| Revenue Reserve | 18 | 4,395,692 | 3,515,491 |
| | | 4,395,692 | 3,515,491 |

These Accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The Accounts were approved by the Trustees and signed on their behalf on 24 February 2014


M Innes (Chairman)


Mrs S Touzel (Vice Chair)

Company Registration Number 0872566

NOTES TO THE ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2013

1 GENERAL

Abbeyfield Bristol Society is a company limited by guarantee, having no share capital, and with solely charitable objectives. It is registered as a company in England & Wales (No. 872566).

The Society is also registered as a Charity (No. 257532) and registered with the Homes & Communities Agency as a provider of social housing (No. H0135) as defined by the Housing and Regeneration Act 2008.

The Society is wholly engaged in the provision of care and housing for the elderly.

2 ACCOUNTING POLICIES

These Accounts have been prepared in accordance with applicable United Kingdom Accounting Standards and the Statement of Recommended Practice "Accounting by Registered Social Housing Providers Update 2010" (the "SORP"). The Accounts comply with the Housing and Regeneration Act 2008 and with The Accounting Direction for Private Registered Providers of Social Housing 2012.

2.1 ACCOUNTING BASIS

The Accounts are prepared under the historical cost accounting convention.

2.2 CASH FLOW STATEMENT

The Society qualifies as a small company under the Companies Act 2006. The Trustees have elected to take advantage of the exemption under Financial Reporting Standard 1 not to prepare a cash flow statement.

2.3 TURNOVER

Turnover comprises rental income receivable from Social Housing Lettings, including Supporting People income, net of voids.

2.4 SUPPORTING PEOPLE

Some residents receive financial support from local authorities which enter into Supporting People contracts with the Society. Under these contracts, which depend upon the particular circumstance of each resident, a part of the total amount chargeable to a resident is funded by the local authority. Amounts received from local authorities are offset against the total amount which would otherwise be due from the residents, and all income is included as income from social housing.

2.5 DONATIONS AND LEGACIES

Donations and legacies are recognised by the Society when it has entitlement to the funds, certainty of receipt and the amount is measurable.

2.6 SOCIAL HOUSING GRANTS AND OTHER CAPITAL GRANTS

Social Housing Grants (SHG) have been received in the past from the Housing Corporation as a contribution towards the capital cost of purchases or development of land and buildings. Where purchases or development have been wholly or partly funded by SHG, the costs of those purchases or developments have been reduced by the value of the grant received. The value of the grant is disclosed as a separate item on the face of the Balance Sheet.

SHG become repayable or recyclable under certain circumstances, such as following the sale of a property or on a change of use. If not repayable, the grant is transferred to a recycled capital grant fund, included in creditors, until it is reinvested in a replacement property or allowable major repairs.

Capital grants are receivable from The Abbeyfield (Bath) Society Limited as a contribution towards the development costs of a new home currently in progress. The costs of those purchases or developments have been reduced by the value of the grant received. The value of the grant is disclosed as a separate item on the face of the Balance Sheet. The grants are repayable under certain circumstances, such as the sale of the property.

NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 30 SEPTEMBER 2013

2 ACCOUNTING POLICIES (Continued)

2.7 CAPITALISATION OF INTEREST

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only whilst development activity is in progress. No such loans were used in 2013 or 2012.

2.8 FIXED ASSETS – HOUSING PROPERTIES

Housing properties are stated at cost or valuation, less capital grants received towards them, and less accumulated depreciation. Cost is the purchase price, plus any incidental costs of acquisition. Where properties are donated to the Society, the gift is recorded at current value at the date of the gift. Housing properties awaiting, or in the course of, development are included within fixed assets but are not subject to depreciation.

Deducting capital grants received from the cost of fixed assets contravenes the Companies Act 2006, but is necessary to comply with the SORP and in the Trustees' opinion this treatment is required for the Accounts to show a true and fair view.

Works to existing housing properties

Expenditure on housing properties which results in an enhancement of economic benefits, such as an increase in the net rental stream over the life of the property, is capitalised.

Expenditure that represents the restoration of assets that have a separately identifiable life to the property concerned is also capitalised. Such expenditure is then depreciated over the expected useful life of that item.

Any works which do not result in an enhancement of economic benefits of a property are charged to the Income and Expenditure Account. This includes expenditure incurred to ensure that the property can maintain its existing level of net rental income or the standard of performance anticipated when the asset was first acquired or constructed or last replaced.

2.9 DEPRECIATION OF TANGIBLE ASSETS

(i) *Housing Properties*

Depreciation is provided on the cost or valuation of freehold buildings, excluding land, less any capital grants which the freehold building has, or will, qualify for. Depreciation is charged on each component on the straight line basis at the following rates:

| | |
|------------------------------------|--------------|
| Roofing | 2% per annum |
| Windows/doors, kitchens, bathrooms | 5% per annum |
| Lifts | 7% per annum |
| Main fabric | 1% per annum |

(ii) *Fixtures and Fittings*

Depreciation is provided at 20% per annum on the reducing balance basis.

(iii) *Motor vehicles*

Depreciation is provided at 25% per annum on the reducing balance basis.

2.10 FUTURE CYCLICAL REPAIRS AND MAJOR REPAIRS

Due to the number of properties held and the establishment of regular programmes of repairs and maintenance, the Society does not operate a cyclical maintenance reserve but does budget for future works. Costs are recognised in the Income and Expenditure Account as they are actually incurred.

2.11 OPERATING LEASES

Costs in respect of operating leases are charged to the Income and Expenditure Account on a straight line basis.

NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 30 SEPTEMBER 2013

2 ACCOUNTING POLICIES (Continued)

2 12 CORPORATION TAX AND VAT

The Society has charitable status and is exempt from Corporation Tax on the income it receives. The Society is not registered for VAT. Accordingly no VAT is charged to residents. Expenditure in the Income and Expenditure Account includes relevant VAT.

2 13 PENSIONS

The Society operates a UK-based defined contribution pension scheme. The assets of the scheme are held separately from those of the Society. Amounts paid are accounted for in the year to which they relate.

2 14 RESTRICTED RESERVES

Restricted reserves are those reserves which are only expendable in accordance with the wishes of the donor. Expenditure cannot be directly set against restricted reserves but is taken through the Income and Expenditure Account. A transfer from restricted reserves is then made as appropriate.

3 TURNOVER

| | <u>2013</u> £ | <u>2012</u> £ |
|-------------------------|------------------|------------------|
| Social housing lettings | 966,917 | 917,004 |
| Less: Void losses | 75,100 | 187,080 |
| | <u>891,817</u> | <u>729,924</u> |

4 OTHER INCOME

| | <u>2013</u> £ | <u>2012</u> £ |
|---|------------------|------------------|
| Non-social housing lettings - Market rented | 22,896 | 22,221 |
| Legacies | - | 45,373 |
| Donations | 9,700 | 120 |
| Sundry income | 1 | 661 |
| | <u>32,597</u> | <u>68,375</u> |

NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 30 SEPTEMBER 2013

5 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS/(DEFICIT)

| | Turnover and Other Income £ | 2013 Operating Costs £ | Surplus / (Deficit) £ | Turnover and Other Income £ | 2012 Operating Costs £ | Surplus / (Deficit) £ |
|--|--------------------------------------|---------------------------------|-----------------------------|--------------------------------------|---------------------------------|-----------------------------|
| Social housing: | | | | | | |
| Supported Sheltered Housing | 891,817 | 840,369 | 51,448 | 729,924 | 811,670 | (81,476) |
| | 891,817 | 840,369 | 51,448 | 729,924 | 811,670 | (81,746) |
| Other income | | | | | | |
| Other Rent | 22,896 | | | 22,221 | | |
| Legacies | - | | | 45,373 | | |
| Donations/Sundry income | 9,701 | | | 781 | | |
| | 32,597 | | 32,597 | 68,375 | | 68,375 |
| Operating Surplus/(Deficit) | 924,414 | 840,369 | 84,045 | 798,299 | 811,670 | (13,371) |

6 OPERATING SURPLUS/(DEFICIT)

| | 2013 £ | 2012 £ |
|--|-----------|-----------|
| Operating Surplus/(Deficit) is stated after charging | | |
| Auditors' remuneration (excl VAT) | | |
| In their capacity as auditors | 2,500 | 2,458 |
| In respect of other services | 848 | 838 |
| Depreciation | 85,522 | 86,498 |
| Operating Lease Rentals - Buildings | 16,500 | 17,030 |
| - Others | 2,824 | 2,654 |

7 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2013 £ | 2012 £ |
|--------------------------------|-----------|-----------|
| On Bank loans and overdrafts | 6,407 | 8,445 |
| On Recycled Capital Grant Fund | 1,238 | - |
| On all other loans | 1,547 | 1,551 |
| | 9,192 | 9,996 |

NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 30 SEPTEMBER 2013

8 TANGIBLE FIXED ASSETS – FREEHOLD HOUSING PROPERTIES

| | Social housing £ | Market rented £ | Vacant £ | Total £ |
|-----------------------------------|------------------------|-----------------------|-------------|------------|
| Cost, or value when gifted | | | | |
| Balance at 1 October 2012 | 4,749,809 | 68,067 | 833,015 | 5,650,891 |
| Additions | 23,980 | - | 357,991 | 381,971 |
| Disposals | - | - | (215,703) | (215,703) |
| Balance at 30 September 2013 | 4,773,789 | 68,067 | 975,303 | 5,817,159 |
| Grants receivable | | | | |
| Balance at 1 October 2012 | 1,018,791 | - | 58,545 | 1,077,336 |
| Additions | 119,014 | - | 240,371 | 359,385 |
| Disposals | - | - | (58,545) | (58,545) |
| Balance at 30 September 2013 | 1,137,805 | - | 240,371 | 1,378,176 |
| Depreciation | | | | |
| Balance at 1 October 2012 | 589,629 | 30,239 | 66,735 | 686,603 |
| Charge for year | 70,012 | 1,257 | - | 71,269 |
| Depreciation on disposals | - | - | (66,735) | (66,735) |
| Balance at 30 September 2013 | 659,641 | 31,496 | - | 691,137 |
| Net Book Value | | | | |
| As at 30 September 2013 | 2,976,343 | 36,571 | 734,932 | 3,747,846 |
| As at 30 September 2012 | 3,141,389 | 37,828 | 707,735 | 3,886,952 |

Additions to cost include £25,180 in respect of works to existing properties and £356,791 in respect of the construction of a new property

One vacant property was sold during the year, as detailed in Note 26 The other vacant property is awaiting the completion of development before being let as social housing

The market rented property has been sold since the year-end, as detailed in Note 26

Total expenditure on works to existing properties in the year was

| | 2013 £ | 2012 £ |
|---|-----------|-----------|
| Amounts capitalised improvements | 381,971 | 626,554 |
| Amounts charged to the Income and Expenditure Account | 45,795 | 36,655 |
| | 427,766 | 663,209 |

NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 30 SEPTEMBER 2013

9 TANGIBLE FIXED ASSETS – OTHER

| | Fixtures and Fittings £ | Motor Vehicles £ | Total £ |
|------------------------------|-------------------------------|------------------------|------------|
| Cost | | | |
| Balance at 1 October 2012 | 233,043 | 13,219 | 246,262 |
| Additions | 26,798 | - | 26,798 |
| Disposals | (45,737) | - | (45,737) |
| Balance at 30 September 2013 | 214,104 | 13,219 | 227,323 |
| Depreciation | | | |
| Balance at 1 October 2012 | 183,762 | 6,714 | 190,476 |
| Charge for the year | 12,627 | 1,626 | 14,253 |
| Disposals | (45,737) | - | (45,737) |
| Balance at 30 September 2013 | 150,652 | 8,340 | 158,992 |
| Net Book Value | | | |
| As at 30 September 2013 | 63,452 | 4,879 | 68,331 |
| As at 30 September 2012 | 49,281 | 6,505 | 55,786 |

10 DEBTORS

| | <u>2013</u> £ | <u>2012</u> £ |
|--------------------------------|------------------|------------------|
| Rent arrears | 2,384 | 6,770 |
| Prepayments and accrued income | 19,270 | 16,762 |
| Other Debtors | 123,489 | 1,933 |
| | <u>145,143</u> | <u>25,465</u> |

11 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

| | <u>2013</u> £ | <u>2012</u> £ |
|-----------------------------------|------------------|------------------|
| Mortgage Loan | 50 | 47 |
| Bank Loan | 23,595 | 23,595 |
| Taxes and Social Security | 7,750 | 7,951 |
| Trade creditors – General | 38,176 | 30,274 |
| Trade creditors – New development | 145,826 | 9,120 |
| Other creditors | 1,010 | 1,530 |
| Accruals | 40,557 | 50,980 |
| | <u>256,964</u> | <u>123,497</u> |

NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 30 SEPTEMBER 2013

12 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | <u>2013</u> | <u>2012</u> |
|---|-------------|-------------|
| | <u>£</u> | <u>£</u> |
| RECYCLED CAPITAL GRANT FUND | | |
| Balance at 1 October 2012 | 117,989 | 117,989 |
| Grants recycled upon relevant events | 58,545 | - |
| Interest accrued | 1,238 | - |
| Recycled grants works to existing stock | (119,014) | - |
| Balance at 30 September 2013 | 58,758 | 117,989 |

13 CONTINGENT LIABILITY

Grants recycled against works to existing stocks of £119,014 (see note 12) could still potentially be demanded for repayment by the Homes and Communities Agency until certain administrative procedures are completed

14 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | <u>2013</u> | <u>2012</u> |
|-----------------|-------------|-------------|
| | <u>£</u> | <u>£</u> |
| OTHER CREDITORS | | |
| Mortgage Loan | 17,589 | 17,641 |
| Bank Loan | 271,347 | 294,943 |
| | 288,936 | 312,584 |

15 BORROWINGS ANALYSIS OF MATURITY OF DEBT

| | <u>2013</u> | <u>2012</u> |
|----------------------------|-------------|-------------|
| | <u>£</u> | <u>£</u> |
| In less than one year | 23,645 | 23,642 |
| Between one and two years | 23,594 | 23,593 |
| Between two and five years | 70,618 | 70,621 |
| After five years | 194,724 | 218,370 |
| | 312,581 | 336,226 |

All borrowings above are secured and repayable in instalments, as detailed in note 16

NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 30 SEPTEMBER 2013

16 HOUSING PROPERTY FINANCE

The Mortgage Loan and the Bank Loan are secured by charges on certain of the Society's freehold land and buildings

The Mortgage Loan is repayable in instalments up to 31 August 2053, with interest at 8.75% per annum. The amount outstanding at 30 September 2013 was £17,639 (2012: £17,688). The lender has charges over the property at 43 Westbury Road and land at Home Farm Way, Bristol.

A Treasury Loan was granted by Barclays Bank for a 25 year term from February 2002, with interest charged at 1.5% above LIBOR. The amount outstanding at 30 September 2013 was £294,942 (2012: £318,538). Barclays Bank has charges over properties 43, 45, 47 and 49 Westbury Road, Bristol.

17 OPERATING LEASE COMMITMENTS FALLING DUE WITHIN ONE YEAR

| | <u>Leasehold Buildings</u> | | <u>Others</u> | |
|-------------------------------|----------------------------|-------------|---------------|-------------|
| | <u>2013</u> | <u>2012</u> | <u>2013</u> | <u>2012</u> |
| | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> |
| Operating leases which expire | | | | |
| Between 2 and 5 years | 16,500 | 16,500 | 2,635 | 2,654 |

18 RESERVES

| | <u>2013</u> |
|-------------------------|----------------|
| | <u>Revenue</u> |
| | <u>£</u> |
| Surplus brought forward | 3,515,491 |
| Surplus for the year | 880,201 |
| Surplus carried forward | 4,395,692 |

19 RESERVE POLICY

In view of the size of the Revenue Reserve the Trustees do not consider it necessary to set aside any part to a Designated Reserve.

20 CAPITAL COMMITMENTS

At the year-end the Society was committed to the completion of one home currently under construction. Budgeted costs not yet recognised in the accounts amounted to £1.63m (2012: £Nil). This is largely to be funded by grants from The Abbeyfield (Bath) Society Limited with the remainder using cash reserves.

NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 30 SEPTEMBER 2013

21 HOMES UNDER MANAGEMENT

The Society had the following homes under management available for occupation and in development

| | <u>2013</u> £ | <u>2012</u> £ |
|--|------------------|------------------|
| Social Housing Lettings | | |
| Supported Sheltered | 3 | 3 |
| In development | 1 | - |
| Non-social Housing Lettings | | |
| Market rented accommodation (managed by agent) | 1 | 1 |
| Total | <u>5</u> | <u>4</u> |

22 ACCOMMODATION UNITS

The Society had the following bed spaces available for occupation and in development

| | <u>2013</u> £ | <u>2012</u> £ |
|--|------------------|------------------|
| Social Housing Lettings | | |
| Supported Sheltered | 54 | 54 |
| In development | 18 | - |
| Non-social Housing Lettings | | |
| Market rented accommodation (managed by agent) | 5 | 5 |
| Total | <u>77</u> | <u>59</u> |

23 EMPLOYEE INFORMATION

| | <u>Persons Employed</u> | | <u>Full Time Equivalent</u> | |
|--|--------------------------|--------------------------|-----------------------------|--------------------------|
| | <u>2013</u> <u>No</u> | <u>2012</u> <u>No</u> | <u>2013</u> <u>No</u> | <u>2012</u> <u>No</u> |
| Average number of persons employed during the year was | | | | |
| House and Care Staff | 27 | 27 | 16 | 16 |
| Administration | 2 | 2 | 2 | 1 |
| Total | <u>29</u> | <u>29</u> | <u>18</u> | <u>17</u> |
| Staff Costs (for the above staff) | | | <u>2013</u> £ | <u>2012</u> £ |
| Wages and Salaries | | | 390,953 | 373,513 |
| Social Security Costs | | | 27,228 | 26,087 |
| Other Pension Costs | | | 488 | 488 |
| Total | | | <u>418,669</u> | <u>400,088</u> |
| Emoluments of the Senior Executives was | | | <u>41,208</u> | <u>36,492</u> |
| Highest Paid Senior Executive | | | | |
| Aggregate Emoluments | | | <u>41,208</u> | <u>25,404</u> |

NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 30 SEPTEMBER 2013

24 PENSION COSTS

The Society's pension costs in the year amounted to £488 (2012 £488) At 30 September 2013 there were no outstanding contributions relating to this scheme (2012 £Nil)

25 PAYMENTS TO TRUSTEES AND COMMITTEE MEMBERS

| | <u>2013</u> £ | <u>2012</u> £ |
|---|------------------|------------------|
| Expenses paid to Trustees who were not employees of the Society | 2,000 | 1,006 |
| Expenses paid to Committee Members | 67 | - |

The number of Trustees receiving payments for expenses incurred during the year was one (2012 3)
All expenses paid to Trustees were for travel and subsistence costs

No Trustees, nor their connected persons, received any remuneration from the Society

26 EXCEPTIONAL ITEMS

During the year ended 30 September 2012, one of the Society's market rented properties was sold for net proceeds of £621,332, being a book gain of £502,532

During the year ended 30 September 2013, one of the Society's homes was sold for net proceeds of £950,224, being a book gain of £801,256 £58,545 of grants received relating to this property have been transferred to the Recycled Capital Grant Fund

Since 30 September 2013, the Society has sold its market rented property for approximately £675,000, a book gain of approximately £637,000

27 GUARANTEE COMPANY

The Society is a company limited by guarantee The liability of each of the members is limited to £1
At the year end there were 5 members (2012 7 members)

28 RELATED PARTY TRANSACTIONS

Clifton Rentals Limited is a company wholly owned by its two directors Mrs K J Still and Mr C G Still, who are the daughter and son-in-law of Mr M Innes, a Trustee and Chair of the Society During the year the Society employed Clifton Rentals Limited as agent to manage its market rented properties, for which it was charged £2,250 (2012 £2,283) Clifton Rentals Limited also leases part of the Society's premises and was charged rent of £3,650 (2012 £2,190) by the Society during the year At the year end the Society owed Clifton Rentals Limited £188 (2012 £396) The Trustees consider the transactions to be competitive