

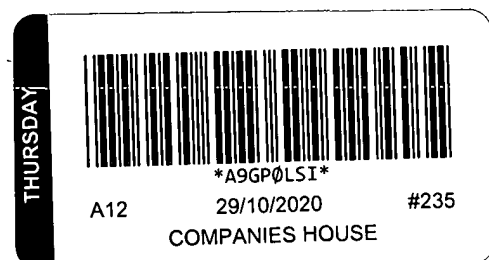
Company Registration Number 00945603  
Charity Registration Number 257782  
Housing Corporation Registration Number H0340

**ABBNEYFIELD BRAINTREE, BOCKING  
AND FELSTED SOCIETY LIMITED**

(Company Limited by Guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**31 MARCH 2020**



**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED  
SOCIETY LIMITED**  
(Company Limited by Guarantee)

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**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED  
SOCIETY LIMITED**  
(Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY,  
ITS DIRECTORS AND ADVISERS**

<b>Board (Directors/Trustees)</b>	Roy Hackett	(Chairman) (Resigned 17 March 2020)
	Anthony Cramphorn	(Treasurer)
	Ian Norgett	(Chairman from 17 March 2020)
	David Summersgill	
	Barbara Guest	
	Martin Quaife	
	Iain Lee	
	Peter Hutton	(Resigned 22 December 2019)
	Catharine Hutley	
	Clare Avery	(Resigned 18 October 2019)
	Janet Perry	

**Company Secretary** Michele Quaife MBE

**Senior Personnel**

Michele Quaife MBE	- Operations Manager
Diane Fitzgerald	- Marketing Manager
Sandra Ryder	- Manager, Wickham House
Cass Murray	- Manager, Felsted House
Dot Wheeler	- Registered Manager, Great Bradfords House

**Location of Residential Sites**

Wickham House  
338 Coggeshall Road  
Braintree  
Essex  
CM7 9EH

Great Bradfords House  
159 Coggeshall Road  
Braintree  
Essex  
CM7 9GD

Felsted House  
Jollyboys Lane North  
Felsted  
Essex  
CM6 3DU

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED  
SOCIETY LIMITED**

**(Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY,  
ITS DIRECTORS AND ADVISERS**

**Registered Office**

Wickham House  
338 Coggeshall Road  
Braintree  
Essex  
CM7 9EH

**Registration Numbers:**

Company	00945603
Charity	257782
Housing Corporation	H0340

**Bankers**

Barclays Bank plc  
London Corporate Banking  
93 Baker Street  
Marylebone  
London  
W1U 8ED

**Statutory Auditor**

Scrutton Bland LLP  
Chartered Accountants  
820 The Crescent  
Colchester Business Park  
Colchester  
Essex  
CO4 9YQ

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED  
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**DIRECTORS' STRATEGIC REPORT**  
**YEAR ENDED 31 MARCH 2020**

The Directors wish to place on record their gratitude and appreciation to Roy Hackett who served the Society first as Trustee and then as Chairman for a total of over 23 years. During this time Roy oversaw the transformation of the Society from a modest and very traditional operator of small sheltered housing units to become one of the most successful Societies in the 'Abbeyfield Family' and a pioneer of Extra Care Housing within the group. Roy handed over the chair to Ian Norgett in March 2020.

The Directors are pleased to present their strategic report on the affairs of the charitable company, together with the audited financial statements for the year ended 31 March 2020 incorporating the reference and administrative information on pages 1 and 2 and the financial statements on pages 19 to 35.

This report also represents a Trustees' Report prepared in accordance with the Charities Act. For the purpose of this report reference to Directors is also to be taken as reference to Trustees.

**Structure, governance and management**

**Current constitution**

The Abbeyfield Braintree, Bocking and Felsted Society Limited is a charitable company and registered social housing provider, limited by guarantee. The liability of the members in the event of the company being wound up is limited to a sum not exceeding £1 each. Membership is restricted to Directors of the Society.

The Society was incorporated on 8 January 1969 (company number 00945603). It was registered as a charity (registration number 257782) on 12 February 1969.

The Society is governed by its Memorandum and Articles of Association.

The Society is an affiliate of The Abbeyfield Society, a national organisation, to whom it pays an annual fee in return for various support services, an accreditation scheme, some national marketing and national representation at a fiscal level. The Society is entirely independent of the national organisation, and free to set its own policies and practices, but does acknowledge and adhere to the latter's objectives.

The Society operates 'very sheltered' homes at Wickham House, 338 Coggeshall Road, Braintree and at Felsted House, Jollyboys Lane North, Felsted. There is also an 'extra care' estate at Great Bradfords House, 159 Coggeshall Road, in Braintree.

Wickham House provides 17 en-suite studios. Felsted House currently provides 14 en-suite studios. Great Bradfords House provides 33 one-bedroom flats and 2 two-bedroom flats.

Tenants' rents are set each year in accordance with budgeted costs having regard for recommendations made by Homes England.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED  
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**DIRECTORS' STRATEGIC REPORT  
YEAR ENDED 31 MARCH 2020**

**Appointment of Directors, induction and training**

New Directors are expected to bring skills and experience relevant to the needs of the organisation and to complement or add to the skills of existing Directors. They undergo a briefing session to inform them of their legal obligations under charity and company law, and to introduce them to the Memorandum and Articles of Association, the strategy, business plan, and governance and management structures of the organisation. As part of this induction they are handed an induction pack comprising of the Society's administrative structure, the roles and functions of Directors as recommended by The Abbeyfield Society, a job description, together with current financial information.

The Society has adopted the Homes England standards for Value for Money, Rents, Tenant Empowerment and Governance and Financial Viability, copies of all these also form part of the induction pack. The new Director will be introduced to key employees and other Directors. They will receive information on relevant external training events and are encouraged to attend.

All Directors are required to make an annual declaration of personal interests.

One third of the Directors must retire by rotation each year but are eligible for re-election.

The Directors retiring at the Annual General Meeting in September 2019 were Mr I Norgett, Mrs C Hutley, Mr I Lee and being eligible were duly re-elected to the Board. The Directors retiring at the next Annual General Meeting will be Mr A Cramphorn, Mrs B Guest and Mrs J Perry, all being eligible they will be proposed for re-election.

**The Board Committee**

The Articles of Association govern the appointment of the Board Committee which provides that the committee shall consist of no less than three and no more than eighteen members.

The Board Committee is made up of Directors and such selected senior personnel as are appropriate. The Board Committee administers the Charity. This meets five times per year, its purpose is to determine strategy, direct, control and scrutinise and evaluate the Society's affairs.

The Committee has the power to appoint Board Committee members to fill a casual vacancy.

There are also several sub-committees. The Finance and Governance Sub-Committee, comprising the Treasurer, Company Secretary and up to three Directors with accountancy or finance backgrounds, meets before every Board Committee meeting to prepare and recommend the adoption of the management accounts, prepare and recommend any budgets and forecasts, investigate and recommend the appropriate investment policy for the Society and generally to steer all financial aspects of the operation. This sub-committee has adopted in full The Governance and Financial Viability Standard published by Homes England and complies with every clause insofar as it applies to organisations of the size of the Society.

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**DIRECTORS' STRATEGIC REPORT  
YEAR ENDED 31 MARCH 2020**

An Operations Sub-Committee meets on an ad-hoc basis to provide guidance to management personnel when issues of policy are challenged, or strategic decisions that require a rapid response. A new sub-committee, the Polly's Field Steering Group, was established in mid-2019 and all Trustees are invited to attend. This deals with the many issues and proposals arising in connection with the new development at Polly's Field. In particular, various groups of trustees now take direct responsibility for decisions relating to, for example, the catering kitchen design and operation, the interior furnishings and fittings of the flats and so forth.

Other sub-committees are responsible for Human Resources, Fund-raising, Legal matters, Procurement and Employment Legislation.

Day to day management of the charity is performed by the Operations Manager, the Registered Manager of Great Bradfords House, the Managers of Wickham and Felsted Houses and senior personnel who have considerable delegated powers. The Operations Manager, who also carries the responsibility of Company Secretary, remains in close contact with the Directors to facilitate a responsive and effective management structure.

**Core responsibilities of the Executive Committee**

- The Board Committee has adopted the recommendations of the Homes England code of practice for Trustees.
- Setting and ensuring compliance with the vision, values, mission and strategic objectives of the Society, to ensure long term success.
- Satisfying itself of the integrity of the financial information, approving each year's budget and business plan and annual accounts prior to publication.
- Establishing, overseeing and reviewing annually a framework of delegation and systems of internal control.
- Establishing and overseeing a risk management framework, to safeguard the Society's assets.
- An annual declaration of relevant interests.

The Board Committee has set out and published, where appropriate, its response to each of the above factors and looks forward with confidence to the ensuing long-term success of its strategic objectives

**Vision, values, mission and strategic objectives**

The principal objective and activity of the Society is to provide accommodation, care and companionship for elderly or frail people in accordance with the aims and principles of The Abbeyfield Society, of which this Society is a member. The activity falls wholly within hostel housing activities as defined in the Housing Act 1996.

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**DIRECTORS' STRATEGIC REPORT  
YEAR ENDED 31 MARCH 2020**

The Society's mission statement is:

- To provide a comfortable alternative home environment for older people who chose not to live alone.
- To give them the freedom to choose as much or as little involvement in communal living as they want.
- To enable care; and provide support for the frail and elderly.
- To achieve this with courtesy and humility.

**Internal financial control**

The Board Committee has in place a system of controls that are appropriate to the various business in which it operates. These controls are designed to give reasonable assurance with respect to:

- The reliability of financial information within the Society before, during and after each financial year and for publication.
- The maintenance of proper accounting records.
- The safeguarding of assets against unauthorised use or disposition.

There are formal policies and procedures, including documentation of key systems and rules in relation to the delegation of authorities, which allow monitoring of controls and restrict the unauthorised use of the Society's assets.

Experienced and suitably qualified staff take responsibility for day to day business operations.

Budgets are prepared annually which allow the Board Committee to monitor monthly the key business risks, financial objectives and progress towards the set financial plans.

Regular financial information is provided to ensure that any significant variance from budget is investigated.

All significant new initiatives, major commitments and investment projects are subject to formal authorisation by the Board Committee.

There are procedures for instituting appropriate action to correct any weakness identified by the external auditors or the Board Committee.



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**DIRECTORS' STRATEGIC REPORT  
YEAR ENDED 31 MARCH 2020**

**Risk Review**

The Board Committee has re-reviewed the major financial and non-financial risks to which the charity is exposed, the two most significant of which continue to be the impact of an excessive or prolonged period of voids and the risks associated with underwriting the new development at Polly's Field. Both of these risks have increased, as a consequence of the lockdown and the impact of Covid-19, but we continue to keep them under review. The management has taken many steps to mitigate the impact of the first, not least following a group wide upgrade of resident's facilities in the sheltered houses and the addition of en-suite facilities in every bedroom, the appointment of a permanent Marketing Manager whose job is, amongst others, to provide a single point of contact for prospective new residents, maintain a group-wide register of interest and to promote the business on social media and by networking in the local community. In addition, there is a monthly budget report and voids schedule circulated to all Directors and Managers and weekly and monthly progress reports on both construction and cost build up for the Polly's Field project.

With regards to the potential risks with the new development the Society has employed an extremely strong and well qualified team of professionals to support the design, construction, and cost appraisal of the construction of the new Village. In addition, it has appointed a professional marketing company, experienced in the how to reach those sectors of the local population most likely to identify potential purchasers and renters of the new flats. The Local Authority has, too, pledged specific marketing support to enable the Society to fill the Social Housing allocation of flats in a timely manner. The Society has had significant funding support and encouragement from its construction period funder plus grants and donations from a number of interested and well-connected parties.

In every other case, systems have been identified to mitigate those risks identified, including financial, operational, health and safety surveys and tenants' finances.

Internal risks are minimised by the implementation of policy and procedure reviews, financial control and regulation procedures. These procedures are regularly reviewed to ensure that they still meet the needs of the charity.

**The structure of this Annual Report**

The continued 'write off' of Social Housing Grants has the effect of increasing Fixed Assets and depreciation, thereby giving the impression of greater income and expenditure than was experienced in the operational activity. In addition, these accounts include a great many new entries in connection with the Polly's Field development costs. This does make direct comparisons with the previous year very difficult. Explanations of the larger entries are made further on in this report.

**Operational review for the year ended 31 March 2020**

It was recorded last year that the operation of a 'Care Division' by the Society had resulted in an inevitable diminution in the Society's surplus. Now in its second full year it has become clear that in order to provide a first-class and safe service to those residents with care needs or a care package, the Care Division will achieve only a break-even result. The directors accept that this is the price of the service, but has additional benefits in adding perceived quality to the overall Society's approach and are proud to be able to fulfil the needs and requirements of their residents and delivering the Society's aims.

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**DIRECTORS' STRATEGIC REPORT  
YEAR ENDED 31 MARCH 2020**

The directors are pleased to report that following all the delays and complications recorded in last year's Annual Report, pre-construction work was eventually started on the Polly's Field development site in late November 2019. A contract for the construction funding was negotiated with United Trust Bank, a specialist lender well used to working with developers and experienced in the business having been incorporated since 1955. This, together with the Society's reserves, the grants from Homes England, Essex County Council and various gifts ensure that there is sufficient capital to complete the construction contract. A fixed price, twenty five month contract for the construction was signed with Hill Partnership of Waltham Abbey early in the New Year and work officially started in mid-February 2020.

Good progress had been made by the end of the financial year, but since then has been interrupted by the Covid-19 pandemic. The site was shut down for four weeks and re-commenced in late-April with a gradual build-up of site operatives maintaining government guidelines on safe-distance working. At the point of compiling this report the contractor is almost back on schedule and feels confident he can complete on time.

It was reported in last year's Statements that the replacement of the catering kitchen at Felsted had to be delayed until summer 2019 by which time new funding would be available. This work, costing a little over £40,000, was completed during the early summer with minimal disruption as planned. Several generous donations towards the cost have been gratefully received especially those from residents and their families.

Of greater concern, though of lesser impact on these results, was the effect of the outbreak of the Covid-19 virus. The lockdown which began in mid-March caused a considerable disruption to the operations both from a staffing position and sourcing of PPE and essential supplies. No support in any form was received from government agencies until July 2020. It was very largely due to the prompt and effective decisions made by the Management that no outbreak of positive infections occurred in those early weeks, nor in the period up to the compiling of this report.

The Society meets its commitment to provide Social Benefit through its policy of housing and caring for elderly and vulnerable adults.

**Financial review**

Rental Income, on a like for like basis and net of voids, was approximately £51,403 higher than in 2018/19 which was in line with the rent increase applied at the time, and with the annual increase in RPI.

Voids continued to be held at a very satisfactorily low level across all houses.

Care package fees for the year were up by around 7% on 2018/19. The challenge is to avoid the inequality between the fees paid by self-funders and those paid for by the local authority where the agreed fees were slightly less than the hourly cost of providing the care by the Society.

Expenses on a like for like basis, correcting for the adjustment in depreciation which occurred in 2018/19, were on a par with the previous year. In addition, we incurred £44k of costs for upgrading the fire alarm system at Great Bradfords House.

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**DIRECTORS' STRATEGIC REPORT  
YEAR ENDED 31 MARCH 2020**

Donations and fundraising were substantially boosted by a further gift of £26,340 from the recently closed Bishops Stortford Abbeyfield home.

Tangible Fixed Assets have benefitted by additions amounting to £3,152,287, the majority of this is made up of costs associated with the development of Polly's Field (£3,066,669), the re-fitting of Felsted kitchen (£41,440) and the modernisation of the Great Bradfords House lift (£44,164).

Note 9 records "Other Debtors" as being £363,850 compared to £250 in 2019. These are virtually entirely made up of loan agreement fees.

Note 10 shows Trade Creditors as £883,563. The large majority of this is one transaction of £834,560 in respect of Hill Partnership, who are the appointed contractor for the Polly's Field development and where this amount was due, it has duly been capitalised.

Note 11, Deferred Creditors records an increase over 2019 of £2,805,571. This reflects the increase in Social Housing Grants received by the Society as part funding of Polly's Field.

The full results are shown in the attached financial statements.

**Achievements and performance indicators**

During the year, the Society provided long term housing for 70 elderly and largely vulnerable adults. There was no provision for respite care in the period. At 31 March 2020 there were 22 residents in receipt of Local Authority funding.

Voids overall were 1.55% of rent and service charge income, not as good as in 2018/19 but still well under the budgeted level and a very good result.

Staff turnover was 20% in the year.

The average age of residents was 86 and the average length of stay just over 3 years.

The Directors budget for carrying out a five- year cycle of painting and decorating of each property. In addition, some £75,000 was spent on repairs and maintenance during the year.

**Value for money**

The Regulator of Social Housing requires the Society to publish performance metrics against its own Value for Money targets. These measure economy, efficiency and effectiveness of all similar operations.

We have found that not all are applicable, as for example in the latest year we have not yet produced any new units, so this one is omitted.

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**DIRECTORS' STRATEGIC REPORT  
YEAR ENDED 31 MARCH 2020**

Our remaining performance Metrics are as follows:

1. Reinvestment 37.86%	Target 37.86%
2. New supply delivered	not applicable
3. Gearing 0%	Target 0%
4. EBITDA 0%	Target 0%
5. Headline social cost per unit £64,441	Target £65,000
6. Operating Margin – Overall 15.34%	Target 14.5%
7. Return on capital employed 2.18%	Target 1.69%

Note in reference to metrics 2 and 3 results, these results are because the Society had no borrowing at the time. Over the next three years, with the borrowing necessary to complete the Polly's Field development, all of these metrics will change significantly.

The Society is constantly working to manage its resources to maximise cost effectiveness, for example the provision of solar panels, regular renegotiation of utility contracts and competitive tendering for larger contracts, and negotiating small contracts sometimes using Trustees' expertise. These strivings for greater efficiency are always carried out with the proviso of providing quality services to meet tenants' and potential tenants' needs.

The Society is very conscious of the need to achieve a financial return in line with its targets and performance to match the expectations of residents.

The Society considers value for money has been maximised when there is an optimum balance between the following three: realistically low costs, efficiency and the successful provision of a quality service.

The focus of the Society's value for money program continues to embrace its approach to budgeting, risk management, auditing, interest rates, internal financial control, service quality, voids management, energy consumption and planned maintenance.

In the past the Society has not been averse to disposing of poorly performing properties, nor of making major changes to management practices. Such difficult decisions are taken against the backdrop of improving financial return, coupled with protecting the lifestyle of the communities it serves.

### **Reserves policy**

The Board has established a policy whereby the unrestricted funds not committed or invested in tangible assets ('free reserves') held by the Society should be equivalent to six months' gross rental and service charge income. This now amounts to approximately £730,000. The free reserves as shown in note 13 on page 32 now stand at £363,264. There are however ample items within the list of Designated Funds that are available to the Society, should the need arise, and can be made available in such an eventuality.

The notes to the accounts set out details of all the reserves held, and the Society's proposals for them.

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YEAR ENDED 31 MARCH 2020**

The largest designated reserve is to match the investment in fixed assets (net of related Social Housing grants) held on the Balance Sheet, to ensure that sufficient funds are available to keep the properties in a good state of repair and to allow for the replacement of furniture, fixtures and fittings as necessary.

At 31 March 2020 the Society's total reserves amounted to £5,303,285. Of this, £1,031,160 represents restricted funds and £4,272,125 represents unrestricted funds. The unrestricted funds comprise designated funds of £3,908,861 and free reserves of £363,264.

**Investment policy**

The executive committee has approved a policy of investing surplus funds with recognised banks and building societies, with a maximum of £300,000 in any one institution, over periods varying from instant access to 24 months deposits.

**Fund-raising policy**

The Society sets out to raise funds by the following means:

1. Inviting members of the public and residents to consider donating to the Society by way of legacies.
2. Inviting members of the public and residents to make cash gifts to the Society.
3. Holding events and functions, the proceeds of which go to the Society.
4. Making approaches to Foundations, Institutions and other Charities for grants and loans for specific projects.
5. Setting up of "Just Giving" pages and joining professionally run fund-raising groups such as "Easy Fund Raising".
6. The appointment, from time to time, of a professional fund raiser to approach National and Local charitable organisations on its behalf. Such an individual, being a member of the Institute of Professional Fund Raisers, is bound by their fundraising standards.

The Society is not aware of any complaints concerning its fundraising activities in the year.

**Plans for the immediate and short-term future**

The operational priority schedule adopted by Directors in Spring 2019, for the period ahead to 2021, reiterated five on-going aims, all to do with the delivery of an improving service to residents coupled with greater operational efficiencies.

In addition, four operational priorities were approved for implementation in this financial year.

1. Fire panel replacement at Great Bradfords House.
2. Upgrading the lift installations at Great Bradfords House.
3. Upgrading the kitchen at Felsted House.
4. Provision of a VPN installation across the entire Society.

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**DIRECTORS' STRATEGIC REPORT  
YEAR ENDED 31 MARCH 2020**

The first three were carried out and the fourth deferred until it can be carried out as part of the Polly's Field development.

Among the next short-term objectives are the following:

1. To continue to research long term funding partners for the development at Polly's Field post Practical Completion.
2. To replace the wooden pergola at Wickham House with a steel one and incorporate balconies to the upstairs affected rooms.
3. To review long-term banking arrangements.
4. To establish a Hardship Fund to assist those residents who have limited access to finance.
5. To strengthen safeguarding practices where residents are concerned.

Of these, and with regards to item one above, considerable progress has been made with three potential long-term funders and a final decision will be made in the late summer of 2020. The remaining objectives will be retained until the development is fully operational.

**2020/21 and beyond**

By far the biggest concern facing the Society at the start of the new financial year is the likely impact of the Coronavirus Pandemic on its operational ability to cope with any second spike as winter approaches. There are five principal areas of concern. First and foremost is the risk of an outbreak of infection amongst the residents, second is the same but amongst the staff, third is the ability to continue to let flats and studios thereby keeping voids to a manageable level, the fourth is the unknown additional cost of necessary extra supplies of PPE and anything else that may become short in supply, and finally the risk of delaying the Polly's Field Development and the financial consequences that might go along with that.

As to the first, the management have demonstrated a first class response to the original outbreak, initiated safety and cleansing protocols capable of controlling the risks, and now with that experience behind them, having the ability of managing a 'second wave'. It is to be hoped that testing of existing residents and staff when needed will become more available, and mandatory where previously hospitalised residents are to be considered for return to their flats.

Managing an outbreak amongst staff can have dire consequences as unplanned absences can leave staffing shortages in routine shifts. The Society has been fortunate to date in having had a generous response from existing staff prepared to do extra shifts and from senior managers stepping in to fill the gaps. This potential problem will be the focus of management attention in the meantime.

Managing voids during the crisis was very difficult. Despite there still being a demand for rooms it was often impossible to get furniture removal operatives, and there was some resistance from existing residents to admitting new ones. This is overcome by enforcing a fourteen day isolation period on incoming residents, but it is not practical to show new people round a home unless there is safe access and where social distancing can be observed. The Society has calculated the maximum voids it can carry to the point of break-even and thereafter it must fall back on reserves.

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YEAR ENDED 31 MARCH 2020**

With regards to potential increased costs the Society has already made provision for these in the annual budget for 2020/21.

The Polly's Field development currently takes a considerable amount of Trustees' time and, as the marketing activity increases, will take increasing amounts of the time of the senior staff in the Society. Marketing of the flats for sale is being led by a professional team of marketeers who have been involved in many similar projects before. Recruitment of new suitably skilled sales staff will commence during the Autumn in order to strengthen the Society's marketing department during the sale of apartments. The marketing programme is running five months late on account of the Coronavirus crisis, but public meetings are due to get under way in early September. A model of the development has been constructed and in the absence of a show flat will form the centrepiece of the exhibition. A new website has been built and attracted a considerable initial response. Press advertising and the extensive use of social media are just getting under way. Construction progress, currently, is satisfactory and on schedule as mentioned in the Operational Review earlier in this report.

**Finally**

None of this is possible without the full co-operation of the Directors, and their willingness to participate, voluntarily, in the many functions and activities demanded of a progressive and successful charity such as Abbeyfield Braintree, Bocking and Felsted Society Limited.

The Directors readily acknowledge the efforts of all staff to achieving the results outlined above and will continue to guide and direct them in delivering a value for money service combined with a compassionate and sympathetic approach to the wellbeing of residents.

The Directors are ever grateful to the many donors and benefactors who have generously supported the Society during the year.

Signed by order of the Executive Committee on 17/6/20



**I Norgett**  
Chairman

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED  
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**DIRECTORS' REPORT**  
**YEAR ENDED 31 MARCH 2020**

The Directors are pleased to present their report for the year. The financial statements are prepared in accordance with Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102'). The Directors shown below have held office during the period from 1 April 2019 to the date of this report unless shown otherwise.

Mr R Hackett (Chairman)	(Resigned 17 March 2020)
Mr A Cramphorn (Treasurer)	
Mr I Norgett	(Chairman from 17 March 2020)
Mr D Summersgill	
Mrs B Guest	
Mr M Quaife	
Mr I Lee	
Mr P Hutton	(Resigned 22 December 2019)
Mrs C Hutley	
Mrs C Avery	(Resigned 18 October 2019)
Mrs J Perry	

**Statement of Directors' Responsibilities**

The Directors, who are also Trustees of the Society for the purposes of Charity Law, are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Standards. The Directors' Report also represents the Trustees' Report which is required by Part 8 of the Charities Act 2011.

Company law and social housing legislation require the Directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Society and of the incoming resources and application of resources, including the income and expenditure, of the Society for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies, and apply them consistently;
- observe the methods and principles in the Registered Social Landlords Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice 'Account by Registered Social Landlords' have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in operation.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



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**DIRECTORS' REPORT**  
**YEAR ENDED 31 MARCH 2020**

The Directors have had regard to the public benefit guidance issued by the Charity Commission and have complied with the duty in Section 17 of the Charities Act 2011. They believe that the description of the Society's activities in this annual report evidences that those activities carry out the charity's aims for the public benefit.

The Directors confirm that, so far as they are aware, there is no relevant audit information of which the Society's auditor is unaware. They have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

During the year a Trustees' Indemnity Insurance policy was in place. This is included within an affiliation fee and, as such, the premium paid in respect of this policy is not separately identifiable.

**Auditors**

The Directors will recommend that Scrutton Bland LLP be reappointed as auditors to the Company.

Registered office:

Wickham House  
338 Coggeshall Road  
Braintree  
Essex  
CM7 9EH

Signed by order of the Executive Committee



I Norgett  
Chairman

Approved by the Directors on 5/10/20

# **INDEPENDENT AUDITOR'S REPORT TO THE BOARD MEMBERS OF ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED SOCIETY LIMITED (Company Limited by Guarantee)**

**YEAR ENDED 31 MARCH 2020**

## **Opinion**

We have audited the financial statements of Abbeyfield Braintree, Bocking and Felsted Society Limited (the 'society') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income (including the Income and Expenditure Account), Statement of Changes in Equity, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 March 2020 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 from April 2019.

## **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 society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

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

- the Directors' (who are also Trustees for the purposes of charity law) use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the society'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.

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD MEMBERS OF  
ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED SOCIETY LIMITED  
(Company Limited by Guarantee)**

**YEAR ENDED 31 MARCH 2020**

**Other information**

The Directors 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the society and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

# **INDEPENDENT AUDITOR'S REPORT TO THE BOARD MEMBERS OF ABBEYFIELD BRAINTREE, BOCKING AND FELSTED SOCIETY LIMITED (Company Limited by Guarantee)**

**YEAR ENDED 31 MARCH 2020**

## **Responsibilities of the Directors**

As explained more fully in the statement of Directors' responsibilities statement in the Directors' Report, the directors 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 they 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 Directors are responsible for assessing the society'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 Board either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **Use of our report**

This report is made solely to the society's members, as a body, in accordance with section 87 of the Companies Act 2006 and 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.



TIM O'CONNOR (Senior Statutory Auditor)

SCRUTTON BLAND LLP  
Chartered Accountants and Statutory Auditor

820 The Crescent  
Colchester Business Park  
Colchester  
Essex  
CO4 9YQ

15/01/20

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED  
SOCIETY LIMITED**  
(Company Limited by Guarantee)

**STATEMENT OF COMPREHENSIVE INCOME  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
YEAR ENDED 31 MARCH 2020**

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Notes</b>					
<b>Turnover</b>	<b>3</b>	<b>1,490,554</b>	<b>-</b>	<b>1,490,554</b>	<b>1,463,916</b>
Operating expenditure	3	(1,229,681)	(32,174)	(1,261,855)	(1,227,733)
<b>Operating surplus</b>	<b>3, 4</b>	<b>260,873</b>	<b>(32,174)</b>	<b>228,699</b>	<b>236,183</b>
<b>Other income</b>					
Other interest receivable and similar income	5	35,754	-	35,754	19,514
Donations	5	47,204	8,054	55,258	8,176
Sundry income	5	5,454	-	5,454	3,974
<b>Total comprehensive income for the year</b>	<b>13</b>	<b>349,285</b>	<b>(24,120)</b>	<b>325,165</b>	<b>267,847</b>
Net transfer to designated reserves	13	(256,781)	-	(256,781)	(382,328)
<b>Total comprehensive income for the year after transfers</b>		<b>£ 92,504</b>	<b>£ (24,120)</b>	<b>£ 68,384</b>	<b>£ (114,481)</b>

All the activities of the Society are classed as continuing.

There are no recognised gains or losses in this or the prior period other than those included in the statement of comprehensive income.

The notes on pages 23 to 35 form part of these financial statements.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED  
SOCIETY LIMITED**  
(Company Limited by Guarantee)

**STATEMENT OF CHANGES IN EQUITY  
YEAR ENDED 31 MARCH 2020**

	Designated reserves £	Unrestricted Income and expenditure account £	Restricted reserves £	Total £
At 1 April 2018	3,269,752	379,487	1,061,034	4,710,273
Surplus/(deficit) for 2018/19	-	273,601	(5,754)	267,847
Transfers between funds for 2018/19	382,328	(382,328)	-	-
At 31 March 2019	3,652,080	270,760	1,055,280	4,978,120
Surplus/(deficit) for 2019/20	-	349,285	(24,120)	325,165
Transfers between funds for 2019/20	256,781	(256,781)	-	-
At 31 March 2020	<u>£ 3,908,861</u>	<u>£ 363,264</u>	<u>£ 1,031,160</u>	<u>£ 5,303,285</u>

The notes on pages 23 to 35 form part of these financial statements.

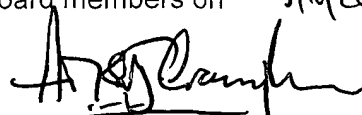
**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED  
SOCIETY LIMITED**  
(Company Limited by Guarantee)

**BALANCE SHEET  
AS AT 31 MARCH 2020**

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Housing properties	7	8,285,182	5,255,068
Other fixed assets	7	40,861	48,621
Total tangible fixed assets		<u>8,326,043</u>	<u>5,303,689</u>
<b>Current assets</b>			
Investments	8	2,827,452	2,061,051
Debtors	9	393,276	29,072
Cash at bank and in hand		265,502	412,740
		<u>3,486,230</u>	<u>2,502,863</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(1,004,320)</u>	<u>(129,335)</u>
<b>Net current assets</b>		<u>2,481,910</u>	<u>2,373,528</u>
<b>Total assets less current liabilities</b>		<u>10,807,953</u>	<u>7,677,217</u>
<b>Creditors: amounts falling due after more than one year</b>	11	<u>(5,504,668)</u>	<u>(2,699,097)</u>
		<u>£ 5,303,285</u>	<u>£ 4,978,120</u>
<b>Capital and reserves</b>			
Designated reserves	13	3,908,861	3,652,080
Revenue reserve	13	363,264	270,760
Total unrestricted reserves		<u>4,272,125</u>	<u>3,922,840</u>
Restricted reserves	13	<u>1,031,160</u>	<u>1,055,280</u>
		<u>£ 5,303,285</u>	<u>£ 4,978,120</u>

The financial statements were approved by the Board members on 5/10/20 and signed on their behalf by:

  
I Norgett  
Chairman

  
A Cramphorn  
Treasurer

Company Registration Number: 00945603

The notes on pages 23 to 35 form part of these financial statements.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED  
SOCIETY LIMITED**  
(Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS  
YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Surplus for the financial year		325,165	267,847
Depreciation		129,933	104,293
Social Housing Grant release		(52,945)	(52,945)
Interest received		(35,754)	(19,514)
(Increase)/decrease in debtors		(364,204)	15,277
Increase in creditors		874,985	3,516
<b>Net cash inflow from operating activities</b>		<u>877,180</u>	<u>318,474</u>
<b>Cash flows from investing activities</b>			
Interest received		35,754	19,514
Fixed asset additions		(3,152,287)	(363,676)
Decrease in investments		142,214	292,788
Grants received		2,858,518	-
<b>Net cash outflow from investing activities</b>		<u>(115,801)</u>	<u>(51,374)</u>
<b>Increase in cash and cash equivalents</b>		<b>761,379</b>	<b>267,100</b>
<b>Cash and cash equivalents at the beginning of the years</b>		<u>1,811,489</u>	<u>1,544,389</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>£ 2,572,868</u></u>	<u><u>£ 1,811,489</u></u>
<b>Cash at bank at end of year</b>		<b>265,502</b>	<b>412,740</b>
<b>Cash equivalents at end of year (included within investments)</b>		<u>2,307,366</u>	<u>1,398,749</u>
<b>Cash and cash equivalents at end of year</b>	<b>23</b>	<u><u>£ 2,572,868</u></u>	<u><u>£ 1,811,489</u></u>

The notes on pages 23 to 35 form part of these financial statements.



**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED  
SOCIETY LIMITED**  
(Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2020**

**1 GENERAL INFORMATION**

The Society is registered under the Companies Act 2006, registered number 945603 as a company limited by guarantee and was incorporated on 8 January 1969. It is also registered under Section 13 of the Housing Act 1974 for the purpose of receiving grants and other forms of assistance. The Society is registered with the Charity Commission and is a Registered Social Landlord.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) *Statement of compliance and basis of accounting***

The principal accounting policies of the Society are set out in the following paragraphs. These financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102'). The financial statements are based on the National Federation of Housing Associations' "Statement of Recommended Practice" (Accounting by Registered Social Housing Providers), and the Statement of Recommended Practice "Accounting and Reporting by Charities" (as updated in October 2018) and comply with the Accounting Requirements for Registered Social Housing Providers Accounting Direction 2019.

**(b) *Turnover***

Turnover represents rents and service charges receivable for the year from the Society's tenants, less deductions from income, including void losses. It also includes the release of deferred Social Housing Grant income (see below).

**(c) *Social Housing grants***

In accordance with the SORP, social landlords that account for their housing properties at cost must recognise government grants in accordance with the accrual model. Social Housing Grants are therefore held on the Balance Sheet and released to income over the useful life of the housing properties. Where the grants relate to assets that are not depreciated, the underlying grant remains deferred and is not released. No improvement grants have been received.

**(d) *Other grants***

In accordance with the SORP, government grants are recognised based on the accrual model (as the underlying assets are recorded at cost). Where the grants relate to assets, income is recognised on a systematic basis over the expected useful life of the asset. Where the grants relate to assets that are not depreciated, the underlying grant remains deferred and is not released. Non-government grants are recognised as income once the underlying performance conditions are met.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED  
SOCIETY LIMITED**  
(Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2020**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)**

**(e) Donations**

Donations are credited to the income and expenditure account on a receipts basis. Where applicable, donations in kind are valued by the Trustees at the date of receipt and are included at that value.

**(f) Depreciation**

**(i) Housing land and buildings**

Freehold land is not depreciated. Depreciation is charged so as to write down the cost of freehold housing properties other than freehold land to their estimated residual value on a straight-line basis over their expected useful economic life. Depreciation commences once an asset is brought into use.

**(ii) Existing properties**

Amounts are capitalised where required by the Statement of Recommended Practice. In doing so their useful economic lives are considered for the purposes of depreciation. Amounts capitalised are included within the fixed asset note whilst items of a revenue nature are charged to the Statement of Comprehensive Income. Whilst amounts capitalised comprise both replacement items and improvements, no distinction is made due to the similar nature of the relevant assets: the implications of this are not deemed to be material to the Society's financial statements.

**(iii) Other fixed assets**

Fixed assets are stated at cost or valuation, less depreciation. Depreciation is calculated to write off fixed assets, less estimated residual value, over their estimated useful lives at the following rates:

Freehold land and buildings:

• Freehold land	Nil
• Roofs	60 years
• Windows and doors	20 years
• Lifts	15 - 60 years
• Central heating and electrical systems	30 years
• Bathrooms	30 years
• Kitchens	20 years
• Buildings (residue)	60 years

Fixtures, fittings and equipment 10% to 20% on cost

In accordance with SORP the net cost of the building is broken down into its major components with each component depreciated over its useful life once the asset is brought into use.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED  
SOCIETY LIMITED**  
(Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2020**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)**

**(g) *Taxation***

Abbeyfield Braintree, Bocking and Felsted Society Limited is a charity within the meaning of the Charities Act 2011 and as such is a charity within the meaning of Part 11, Corporation Tax Act 2010. Accordingly Abbeyfield Braintree, Bocking and Felsted Society Limited is potentially exempt from taxation in respect of income or gains received within categories covered by Part 11, Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to its charitable purposes.

The Society is not registered for VAT. All expenditure in these accounts includes the relevant input VAT.

**(h) *Financial instruments***

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets or financial liabilities:

- Short term debtors (financial assets) are measured at the transaction price.
- Short term creditors (financial liabilities) are measured at the transaction price.

**(i) *Fund accounting/reserves***

Designated reserves are part of unrestricted reserves but have been earmarked by the Board for particular purposes. Such designations may be reversed by future Board decisions.

Restricted funds are amounts received where the donor has placed a specific restriction on the funds.

**(j) *Public benefit entity***

The Society meets the definition of a public benefit entity as its primary purpose is to provide a service for social benefit. In addition, the Society's equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members.

**(k) *Going concern***

After reviewing the Society's forecasts and projections, the Trustees have a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. The entity therefore continues to adopt the going concern basis in preparing its financial statements. Specific details in respect of Covid-19 are provided on the following page.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED  
SOCIETY LIMITED**  
(Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2020**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)**

**(k) *Going concern (continued)***

In accordance with government directives issued on 23 March 2020 the Society has been affected by the restrictions imposed on its activities and social distancing relating to the spread of Covid-19. The impact of the virus will continue to have a significant effect on the economy during 2020 and it is therefore difficult to evaluate all of the potential implications on the Society's activities, those it seeks to support, its suppliers and the wider economy. However, revised cashflow forecasts have been prepared which anticipate that the Society will be able continue to meet its liabilities as they fall due.

In forming their view that the Society is a going concern, the trustees have also considered the closing position of the Society at 31 March 2020, which demonstrates factors such as relatively strong levels of cash, net current assets and unrestricted funds.

**(l) *Cash and cash equivalents***

Cash equivalents are recognised as such and included with other cash balances where they represent short term, highly liquid investments that are readily convertible to known amounts of cash without being subject to a significant change in value.

**(m) *Investments***

Investments comprise cash deposits that are placed with approved institutions.

**(n) *Apportionment of management expenses***

Direct employee, administration and operating costs have been apportioned within the Statement of Comprehensive Income on the basis of the costs of the staff directly engaged on the operations dealt with in these financial statements.

**(o) *Significant judgements and estimates***

The Trustees are of the view that housing properties are correctly classified as tangible fixed assets, as opposed to investments or being disclosed under a separate heading. This decision is based on the fact that the income derived from these properties includes an element of social benefit.

**(p) *Comparative balances***

Certain comparatives have been restated on the grounds of comparability.

**(q) *Finance costs***

Loan arrangement fees are deducted against the underlying liability with the overall balance being released over the lifetime of the corresponding asset. Where such fees are incurred in advance of finance being provided, these are included within debtors.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED  
SOCIETY LIMITED**  
(Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2020**

**3 TURNOVER**

	2020 £	2019 £
<b>Income from lettings and care</b>		
Rent/service charges (net of bad debts)	1,191,326	1,143,584
Voids	(18,409)	(4,287)
Social Housing Grant release	52,945	52,945
Care package fees	264,692	246,909
	<u>1,490,554</u>	<u>1,439,151</u>
ECC Care provision	-	24,765
<b>Turnover</b>	<u><u>£ 1,490,554</u></u>	<u><u>£ 1,463,916</u></u>
Service costs	888,733	862,997
Management costs	136,986	128,707
Repairs and maintenance costs	75,113	118,758
Depreciation	129,933	104,293
Other costs (net)	(1,084)	(952)
	<u>1,229,681</u>	<u>1,213,803</u>
Polly's Field development costs	32,174	13,930
<b>Operating expenditure</b>	<u><u>£ 1,261,855</u></u>	<u><u>£ 1,227,733</u></u>
<b>Operating surplus</b>	<u><u>£ 228,699</u></u>	<u><u>£ 236,183</u></u>

The above includes costs of £32,174 (2019 - £13,930) in respect of restricted funds.

**4 OPERATING SURPLUS**

The surplus of income over expenditure is stated after charging:

	2020 £	2019 £
Depreciation	129,933	104,293
Auditor's remuneration	5,350	5,250

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED  
SOCIETY LIMITED**  
(Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2020**

**5 OTHER INCOME**

Included within other income is £8,054 (2019 - £8,176) in respect of restricted funds.

**6 STAFF COSTS**

	2020 £	2019 £
Wages and salaries	708,712	688,011
Social security costs	40,685	38,535
	<u>£ 749,397</u>	<u>£ 726,546</u>

The average weekly number of employees, including unpaid Committee members and part-time employees, during the year is made up as follows:

	No	No
Executive Committee	8	11
Operations Manager	1	1
Senior Personnel	4	4
Housekeepers, Support workers, Carers and Domestic Helpers	53	54
	<u>66</u>	<u>70</u>

No employee (2019 – no employee) received emoluments of more than £60,000.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED  
SOCIETY LIMITED**  
(Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2020**

**7 TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Fixtures, fittings and equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2019	7,168,415	755,587	7,924,002
Additions	3,152,287	-	3,152,287
	<u>10,320,702</u>	<u>755,587</u>	<u>11,076,289</u>
At 31 March 2020			
<b>Depreciation</b>			
At 1 April 2019	1,913,347	706,966	2,620,313
Charge for the year	122,173	7,760	129,933
	<u>2,035,520</u>	<u>714,726</u>	<u>2,750,246</u>
At 31 March 2020			
<b>Net book values</b>			
At 31 March 2020	<u>£ 8,285,182</u>	<u>£ 40,861</u>	<u>£ 8,326,043</u>
At 31 March 2019	<u>£ 5,255,068</u>	<u>£ 48,621</u>	<u>£ 5,303,689</u>

Freehold housing land and buildings comprise the following:

- Wickham House, 338/340 Coggeshall Road, Braintree.
- Great Bradfords House, 159 Coggeshall Road, Braintree.
- Land at Church Lane, Bocking.
- Felsted House, Jollyboys Lane, Felsted.

The land at Church Lane, Bocking and 159 Coggeshall Road, Braintree, which were donated to the Society are included in "cost or valuation" above, at a valuation by the Executive Committee of £12,000 and £450,000 respectively, with that for 159 Coggeshall Road, Braintree, now incorporated as part of the costs of the Great Bradfords Extra Care Scheme.

Included above in freehold land and buildings is an amount of £527,655 for Felsted House which is not depreciated as the expenditure on repairs ensures that the estimated residual value of the property at the balance sheet date is not less than the book amount.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED  
SOCIETY LIMITED**  
(Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2020**

**8 INVESTMENTS**

General investments comprise amounts invested with approved institutions. These are as follows:

	2020	2019
Cash deposits	<u>£ 2,827,452</u>	<u>£ 2,061,051</u>

**9 DEBTORS**

	2020 £	2019 £
Prepayments	7,885	7,885
Rent debtors	21,541	20,937
Other debtors	363,850	250
	<u>£ 393,276</u>	<u>£ 29,072</u>

**10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Trade creditors	883,563	13,143
Other taxes and social security costs	30,020	20,534
Accruals and deferred income	67,705	67,705
Other creditors	23,032	27,953
	<u>£ 1,004,320</u>	<u>£ 129,335</u>



**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED  
SOCIETY LIMITED**  
(Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2020**

**11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020	2019
Deferred income	<u>£ 5,504,668</u>	<u>£ 2,699,097</u>

Included within creditors due after more than one year is an amount of £5,292,896 (2019 - £2,487,325) due after more than five years.

**12 COMPANY LIMITED BY GUARANTEE**

The Company does not have share capital and is limited by the guarantee of its members. If the Company is dissolved while each person remains a member, each member's liability is limited to a sum not exceeding £1.

**ABBNEYFIELD BRAINTREE, BOCKING AND FELSTED  
SOCIETY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2020**

**13 ANALYSIS OF FUNDS**

	Balance 1.4.19 £	(Deficit)/ surplus for the year £	Transfers £	Balance 31.3.20 £
<b>Restricted funds</b>				
Polly's Field	1,055,280	(24,120)	-	1,031,160
<b>Designated funds</b>				
Polly's Field	-	-	824,504	824,504
Major Repairs - Felsted House	127,742	-	20,000	147,742
Refurbishment of Great Bradfords House	434,730	-	-	434,730
Refurbishment of Wickham House	287,960	-	20,000	307,960
Upgrade of bathrooms	250,000	-	-	250,000
Fixed Asset Fund	2,551,648	-	(607,723)	1,943,925
	3,652,080	-	256,781	3,908,861
<b>Income and expenditure account</b>				
Revenue Reserve	270,760	349,285	(256,781)	363,264
<b>Total reserves</b>	<b>£ 4,978,120</b>	<b>£ 325,165</b>	<b>£ -</b>	<b>£ 5,303,285</b>

Polly's Field	Restricted and designated reserve and in respect of the development of an additional facility.
Major Repairs – Felsted House	Reserve for the repair of Felsted House.
Refurbishment of Great Bradfords House	Reserve to provide for the refurbishment of Great Bradfords House anticipated every 10 years.
Refurbishment of Wickham House	Reserve to provide for the refurbishment of Wickham House anticipated every 10 years.
Upgrade of bathrooms	Reserve for the future refitting of tenants' bathrooms.
Fixed Asset Fund	Reserve created which mirrors the net book value of the Society's assets net of the social housing grants and Polly's Field net book value.
Revenue Reserve	Reserve to meet the ongoing operations of the Society.

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**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2020**

**14 RECONCILIATION OF NET ASSETS BETWEEN FUNDS**

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £
Fixed assets	4,643,021	3,683,022	8,326,043
Current assets	3,279,574	206,656	3,486,230
Current liabilities	(1,004,320)	-	(1,004,320)
Long term liabilities	(2,646,150)	(2,858,518)	(5,504,668)
	<u>£ 4,272,125</u>	<u>£ 1,031,160</u>	<u>£ 5,303,285</u>

**15 SOCIAL HOUSING GRANTS**

Social Housing Grants received in respect of completed properties are released over the life of the property, except for Felsted House as this property is not depreciated:

	2020 £	2019 £
Great Bradfords House	2,128,780	2,175,060
Wickham House	220,000	226,666
Felsted House	350,315	350,315
	<u>£ 2,699,095</u>	<u>£ 2,752,041</u>

Included within:	2020 £	2019 £
Deferred income within one year	52,945	52,945
Deferred income two to five years	211,772	211,772
Deferred income after five years	2,434,378	2,487,324
	<u>£ 2,699,095</u>	<u>£ 2,752,041</u>

Additional government grants amounting to £2,858,518 (2019 - £nil) were received during the year in respect of Polly's Field. This has all been deferred at 31 March 2020 and is deemed to fall due after more than one year. This has not been reflected in the figures in Note 15 above as the Polly's Field property has not yet been brought in to use.

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**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2020**

**16 RELATED PARTY TRANSACTIONS**

The Society paid travel expenses in respect of the following Trustees:

	2020	2019
R Hackett	<u>£ 272</u>	<u>£ 637</u>
A Cramphorn	<u>£ 746</u>	<u>£ 550</u>
M Quaife	<u>£ 90</u>	<u>£ 279</u>
J Perry	<u>£ 270</u>	<u>£ -</u>

No Trustee received any other remuneration during the year (2019 - £Nil).

All transactions are conducted on an arm's length basis.

Senior management team remuneration totalled £147,259 (2019 - £147,404)

**17 CONTROL**

The Society is controlled by its Board.

**18 ACCOMMODATION IN MANAGEMENT**

	2020	2019
Number of units of housing accommodation At 1 April 2019 and 31 March 2020	<u>66</u>	<u>66</u>

Wickham House provides 17 (2019 - 17) studios.

Great Bradfords House provides 33 (2019 - 33) one bedroom flats and 2 (2019 - 2) two bedroom flats.

Felsted House provides 14 (2019 - 14) studios.

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**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2020**

**19 FINANCIAL INSTRUMENTS**

	2020	2019
Financial assets measured at the transaction price	<u>£ 21,791</u>	<u>£ 21,187</u>
Financial liabilities measured at the transaction price	<u>£ 6,475,500</u>	<u>£ 2,804,428</u>

Further details regarding financial instruments are included within Note 2(g) of the Accounting Policies.

**20 CAPITAL COMMITMENTS**

At the year end the Society was committed to expenditure of £19,360,460 in relation to development works being undertaken on Polly's Field, of which grant funders had committed to provide £1,035,000 of funding to offset this at the balance sheet date.

**21 CONTINGENT LIABILITY**

At the Balance Sheet date the Society was involved in an Industrial Tribunal case regarding a claim brought against the Society by a former employee. This claim remains ongoing to date. The Society continues to defend this case and any potential outcome is deemed to be neither probable nor readily quantifiable.

**22 POST BALANCE SHEET EVENTS**

Since the year end, the UK, and the whole world, has continued to be affected by the Covid-19 pandemic. This does not have a significant effect on the financial position shown by these accounts and they continue to be drawn up on a going concern basis, as explained in the accounting policies. Although its extent remains uncertain, the pandemic will continue to have an impact on the Society for the year ended 31 March 2021.

**23 ANALYSIS OF CHANGES IN NET DEBT**

	Balance at 1 April 2019 £	Cash flows £	Other non-cash changes £	Balance at 31 March 2020 £
Cash	412,740	(147,238)	-	265,502
Cash equivalents	<u>1,398,749</u>	<u>908,617</u>	-	<u>2,307,366</u>
	<u>£1,811,489</u>	<u>£761,379</u>	<u>£ -</u>	<u>£ 2,572,868</u>