

Company Registration No. 00952071 (England and Wales)
Charity Registration No. 500464

THE ABBEYFIELD BERWICK SOCIETY LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017



THE ABBEYFIELD BERWICK SOCIETY LIMITED

COMPANY INFORMATION

Directors Mrs E.M.A. Hardie (Chairman)
Mr D. Hardwick
Mrs D. Higham
Mr D. Conway
Mr S.A.F. Faed

Secretary Mrs N. Sandwith

Company number 00952071

Charity number 500464

Registered office 4 Bankhill
Berwick upon Tweed
TD15 1BE

Accountants Greaves West & Ayre
17 Walkergate
Berwick-upon-Tweed
Northumberland
TD15 1DJ

Bankers Barclay Bank Plc.
22/24 Hide Hill
Berwick upon Tweed
TD15 1AF

Solicitors T C Smith
9 Church Street
Berwick upon Tweed
Northumberland
TD15 1EF

THE ABBEYFIELD BERWICK SOCIETY LIMITED

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THE ABBEYFIELD BERWICK SOCIETY LIMITED

EXECUTIVE COMMITTEE'S REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

The directors present their annual report and financial statements for the year ended 30 September 2017.

Principal activities

The principal activity of the society, as determined by its Memorandum and Articles of Association, continues to be the provision of accommodation, care and companionship for lonely or frail elderly people in accordance with the aims and principles of The Abbeyfield Society Limited. This activity falls wholly within social housing activities as defined in the Housing Act 2014.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mrs E.M.A. Hardie (Chairman)

Mr D. Hardwick

Mrs D. Higham

Mr D. Conway

Mr S.A.F. Faed

In accordance with the registered rules of the society Mr D. Hardwick and Mr S. A. F. Faed will retire by rotation, and being eligible, offer themselves for re-election at the forthcoming Annual General Meeting to be held in March 2018.

THE ABBEYFIELD BERWICK SOCIETY LIMITED

EXECUTIVE COMMITTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

Status

The society is a company limited by guarantee (number 00952071), having no share capital and with solely charitable objectives.

It is registered as a charity (number 500464).

It is registered with the Home and Communities Agency as a registered social housing provider (number H2374).

Objects and Organisation

The society's objects are:-

- to provide accommodation, care and companionship for lonely or frail elderly people in accordance with the aims and principles of The Abbeyfield Society Limited.

The society is a member of The Abbeyfield Society Limited by payment of an annual subscription.

The Memorandum and Articles of Association govern the appointment of the executive committee, which is charged with the management of the society in furtherance of its principal activity, fund management and financial affairs generally. The committee shall consist of no less than 3 and no more than 18 committee members. The committee has the power to appoint executive committee members to fill a casual vacancy. One third of the executive committee members must retire by rotation each year but are eligible for re-election.

New members of the executive committee are given a copy of the Memorandum and Articles of Association, the latest report and accounts, and all the society's documents on governance. Subject to their experience and expertise, they are also given pamphlets issued by the Charity Commission explaining the duties of Trustees of Charities and offered training in any area of their duties which they think they would like strengthening.

Public Benefit

The society provides quality housing with support for older people. We provide a service which is intended for older people who no longer feel happy coping alone at home, but are still reasonably fit and active providing the house meets their requirements. Support plans are drawn up with the Housing Benefit and Supporting People funding. Residents can be confident they will enjoy fair opportunity to live a full life and seek fulfilment as individuals, making choices about the way they live their lives. The staff team are committed to helping residents maintain their independence. A complaint procedure is available to all residents and they are encouraged to make use of this procedure when they wish.

In considering the operation, achievements and performance and finances of the society, the executive committee are satisfied that public benefit has been provided in accordance with the Charities Act 2011 and the guidance provided by the Charity Commission.

THE ABBEYFIELD BERWICK SOCIETY LIMITED

EXECUTIVE COMMITTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

Review of Business and results during the year

The Abbeyfield Berwick Society Limited's remaining home provided supportive care for four people in total during the year ended 30 September 2017.

Priority is given to the filling of residential vacancies.

The financial results for the year are as set out in the statement of comprehensive income on page 4 and the position at the end of the year shown in the balance sheet on page 5. The detailed property revenue account is presented on pages 14 to 16.

Results continue to be disappointing however the funds remaining from the sale of a property in 2009 and the funds received from the recent disposal of the Castlevale property will secure the future of The Abbeyfield Berwick Society Limited for the foreseeable future.

Future Developments

The society has no plans to increase the capacity beyond the remaining 7 places provided for in Bankhill.

The society has entered into plans to regenerate Abbeyfield in the North East which initially focuses on Alnwick.

Reserves Policy

It is the policy of the committee of management to maintain an appropriate level of reserves. The appropriate level of reserves is considered to be that level which would enable the society to continue operations for a considerable period with minimal income arising.

Risk Management

The executive committee members have overall responsibility for ensuring that the society has appropriate systems of controls, financial and otherwise. The systems of financial controls are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include a regular review of actual results, delegation of authority and segregation of duties as far as possible given staffing levels.

The executive committee will continue to monitor risks and set up policies to mitigate them.

Fixed Assets

Details of cost and depreciation of fixed assets are set out in notes 4 and 5.

The executive committee is of the opinion that the market value, under the existing use of the society's land and buildings, is in excess of net book value.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board



Mrs N. Sandwith
Secretary
20 March 2018

THE ABBEYFIELD BERWICK SOCIETY LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF THE ABBEYFIELD BERWICK SOCIETY LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2017

We report on the accounts of the Society for the year ended 30 September 2017 set out on pages 5 to 14.

Respective responsibilities of the Board and reporting accountants

The Board of The Abbeyfield Berwick Society Limited is responsible for the preparation of the financial statements, and they consider that the Society is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

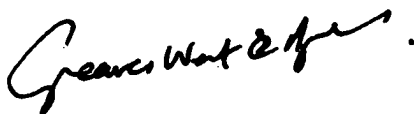
Basis of opinion

Our procedures consisted of comparing the financial statements with the accounting records kept by The Abbeyfield Berwick Society Limited and making such enquiries of the officers of the Society as we considered necessary for the purpose of this report. These procedures provide the only assurance expressed in our opinion.

Opinion

In our opinion:

- the financial statements for the year ended 30 September 2017 are in accordance with the accounting records kept by the Society under paragraph 135(2)(a) of the Housing and Regeneration Act 2008;
- having regard only to, and on the basis of the information contained in the accounting records:
 - the financial statements comply with the requirements of the Charities Act 2011;
 - the Society has satisfied the conditions for exemption from an audit of the financial statements for the year ended 30 September 2017 specified in section 136(3) of the Housing and Regeneration Act 2008;
- the financial statements comply with the requirements of the Housing and Regeneration Act 2008 and the Housing SORP 2014.



Greaves West & Ayre

Chartered Accountants

20 March 2018

17 Walkergate
Berwick-upon-Tweed
Northumberland
TD15 1DJ

THE ABBEYFIELD BERWICK SOCIETY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	2017 £	2016 £
Income	2	97,142	67,532
Cost of sales		(86,846)	(57,182)
Gross surplus		10,296	10,350
Administrative expenses		(9,383)	(11,889)
Operating surplus/(deficit)		913	(1,539)
Interest payable and similar expenses		(1)	-
Other gains and losses		355,684	-
Surplus/(deficit) before taxation		356,596	(1,539)
Tax on surplus/(deficit)		-	-
Surplus/(deficit) for the financial year		356,596	(1,539)

THE ABBEYFIELD BERWICK SOCIETY LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	4	291,080		375,522	
Investments	5	348,000		-	
		<u>639,080</u>		<u>375,522</u>	
Current assets					
Debtors	6	3,701		2,681	
Cash at bank and in hand		91,238		31,561	
		<u>94,939</u>		<u>34,242</u>	
Creditors: amounts falling due within one year	7	<u>(6,577)</u>		<u>(2,765)</u>	
Net current assets		<u>88,362</u>		<u>31,477</u>	
Total assets less current liabilities		<u>727,442</u>		<u>406,999</u>	
Deferred income	8	<u>(82,583)</u>		<u>(118,736)</u>	
Reserves					
Income and expenditure account	11	<u>644,859</u>		<u>288,263</u>	

For the financial year ended 30 September 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

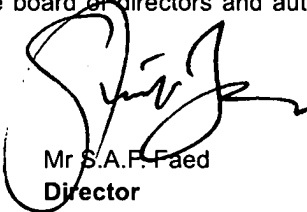
The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the board of directors and authorised for issue on 13 March 2018 and are signed on its behalf by:



Mrs E.M.A. Hardie (Chairman)
Director



Mr S.A.P. Paed
Director

Company Registration No. 00952071

THE ABBEYFIELD BERWICK SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

Company information

The Abbeyfield Berwick Society Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 4 Bankhill, Berwick upon Tweed, TD15 1BE.

1.1 Accounting convention

These financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which includes FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act Housing and Regeneration Act 2008 as applicable to companies subject to the small companies regime, the Charities Act 2011 and the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2014, "Accounting by Registered Social Housing Providers" 2014. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The Society has taken advantage of the disclosure exemptions available under FRS102 and accordingly has not prepared a cash flow statement.

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

These financial statements for the year ended 30 September 2017 are the first financial statements of The Abbeyfield Berwick Society Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 October 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 13.

1.2 Income and expenditure

Income and expenses are included in the financial statements as they become receivable or due.

Social housing grants towards capital costs of the property are taken to deferred income and held there until the property or part thereof is sold. The grants are then released to income.

Expenses include VAT where applicable as the company cannot reclaim it.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Housing properties	Not depreciated
Fixtures, fittings & equipment	15% Reducing Balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

THE ABBEYFIELD BERWICK SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at cost.

THE ABBEYFIELD BERWICK SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Taxation

The society has charitable status and is exempt from Corporation Tax on income it receives.

The society is not registered for VAT. Accordingly no VAT is charged to residents, and expenditure in the income and expenditure account includes the relevant VAT.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Allocation of expenses

Expenses are allocated to management expenses, repair and maintenance costs and services costs on the basis of proportion of time or other relevant factors attributable to those activities.

1.10 Future cyclical and major repairs

It is the executive committee's opinion that no provision is required for future cyclical or major repairs.

THE ABBEYFIELD BERWICK SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

2 Income/Service charges

	2017	2016
	£	£
Class of business		
Residential charges receivable	121,449	137,753
Losses arising from vacancies	(37,805)	(85,821)
Non Social housing rental income	12,769	15,600
	<u>96,413</u>	<u>67,532</u>

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the England and Wales.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 9 (2016 - 9).

4 Tangible fixed assets

	Housing properties	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 October 2016	370,581	39,025	409,606
Additions	-	220	220
Disposals	(83,901)	-	(83,901)
At 30 September 2017	<u>286,680</u>	<u>39,245</u>	<u>325,925</u>
Depreciation and impairment			
At 1 October 2016	-	34,084	34,084
Depreciation charged in the year	-	761	761
At 30 September 2017	<u>-</u>	<u>34,845</u>	<u>34,845</u>
Carrying amount			
At 30 September 2017	<u>286,680</u>	<u>4,400</u>	<u>291,080</u>
At 30 September 2016	<u>370,581</u>	<u>4,941</u>	<u>375,522</u>

5 Fixed asset investments

	2017	2016
	£	£
Investments	<u>348,000</u>	<u>-</u>

The fixed asset investments are held at historic cost. The market value of the investments at the year end was £349,287.

THE ABBEYFIELD BERWICK SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

5	Fixed asset investments	(Continued)	
	Movements in fixed asset investments		
			Investments other than loans £
	Cost or valuation		
	At 1 October 2016		-
	Additions		348,000
	At 30 September 2017		348,000
	Carrying amount		
	At 30 September 2017		348,000
	At 30 September 2016		-
6	Debtors	2017	2016
		£	£
	Amounts falling due within one year:		
	Service charges due	2,183	-
	Loan to Abbeyfield Society	1,000	1,000
	Other debtors	518	1,681
		<u>3,701</u>	<u>2,681</u>
7	Creditors: amounts falling due within one year	2017	2016
		£	£
	Trade creditors	756	292
	Other creditors	5,821	2,473
		<u>6,577</u>	<u>2,765</u>
8	Government grants	2017	2016
		£	£
	Arising from Social Housing grants	82,583	118,736

Social Housing grants totalling £36,153 were received towards capital costs of the Castlevale property which was sold during the year. These grants have therefore been released to income on the sale of the property.

THE ABBEYFIELD BERWICK SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

9 Accommodation units

The Society had the following bed spaces available for occupation:

	2017	2016
Registered residential care	9	9
Non social housing		

The Castlevale property was let as market rented accommodation from February 2010 and was sold in August 2017.

10 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

11 Income and expenditure account

	2017 £	2016 £
At the beginning of the year	288,263	289,802
Surplus/(deficit) for the year	356,596	(1,539)
At the end of the year	644,859	288,263

The income and expenditure account is an unrestricted revenue reserve.

12 Related party transactions

The Society is a member of The Abbeyfield Society Limited and paid annual subscriptions of £1,850 (2016 £2,600). Included within debtors is an outstanding loan of £1,000 (2016 £1,000) due from The Abbeyfield Society Limited. This loan is unsecured, undated and interest free.

THE ABBEYFIELD BERWICK SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

13 Reconciliations on adoption of FRS 102

Reconciliation of equity

	Notes	At 1 October 2015			At 30 September 2016		
		Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Fixed assets							
Tangible assets	1,2	5,909	370,581	376,490	4,941	370,581	375,522
Investment properties	1	251,845	(251,845)	-	251,845	(251,845)	-
		<u>257,754</u>	<u>118,736</u>	<u>376,490</u>	<u>256,786</u>	<u>118,736</u>	<u>375,522</u>
Current assets							
Debtors		2,570	-	2,570	2,681	-	2,681
Bank and cash		32,226	-	32,226	31,561	-	31,561
		<u>34,796</u>	<u>-</u>	<u>34,796</u>	<u>34,242</u>	<u>-</u>	<u>34,242</u>
Creditors due within one year							
Other creditors		(2,748)	-	(2,748)	(2,765)	-	(2,765)
Net current assets		<u>32,048</u>	<u>-</u>	<u>32,048</u>	<u>31,477</u>	<u>-</u>	<u>31,477</u>
Total assets less current liabilities		<u>289,802</u>	<u>118,736</u>	<u>408,538</u>	<u>288,263</u>	<u>118,736</u>	<u>406,999</u>
Deferred income	2	-	(118,736)	(118,736)	-	(118,736)	(118,736)
Net assets		<u>289,802</u>	<u>-</u>	<u>289,802</u>	<u>288,263</u>	<u>-</u>	<u>288,263</u>
Reserves							
Income and expenditure		<u>289,802</u>	<u>-</u>	<u>289,802</u>	<u>288,263</u>	<u>-</u>	<u>288,263</u>

THE ABBEYFIELD BERWICK SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

13 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of deficit for the financial period

	Notes	Year ended 30 September 2016	
		Previous UK GAAP £	Effect of transition £
			FRS 102 £
Income		67,532	-
Cost of sales		(57,182)	-
Gross surplus		10,350	-
Administrative expenses		(11,889)	-
Taxation		-	-
Deficit for the financial period		(1,539)	-

Notes to reconciliations on adoption of FRS 102

1. Classification of property

In line with FRS102 and the new Housing SORP 2014, the properties owned by the Society and held to provide housing are classified as property, plant and equipment rather than investment properties.

2. Social housing grants

In previous years, Social housing grants have been received in relation to capital costs of the property. In accordance with FRS102, these grants have been recognised under the accruals model and held in deferred income until the property is sold.