

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 SEPTEMBER 2017
FOR**

**THE ABBEYFIELD WORCESTER AND HEREFORD
SOCIETY LIMITED**

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**THE ABBEYFIELD WORCESTER AND HEREFORD
SOCIETY LIMITED**

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FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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**THE ABBEYFIELD WORCESTER AND HEREFORD
SOCIETY LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 September 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the charity are to enhance the quality of life for older people by providing a service which offers a home for life integrated in a local community with high quality accommodation and a stimulating environment to maintain a socially active community that will directly benefit the mind, body and soul.

Public benefit

The trustees confirm that they have complied with their duty to have due regard to guidance on public benefit published by the Charity Commission and consider that they meet the public benefit requirements of the Charities Act 2011 in carrying out their normal activities.

ACHIEVEMENT AND PERFORMANCE

Review of business and results during the year

The year was very active as 15 new residents joined the first three in Whiston Court, the company's new purpose-built development of 37 apartments in Worcester, and the Abbeyfield Hereford Society merged with the Abbeyfield Worcester Society. The Hereford Society owns a property in the centre of the city accommodating 11 residents.

As reported last year, the nature of the Worcester community, which provides a daily lunch and a 24-hour presence for all its residents, as well as other 'extra care' services, is that it requires a near full complement of staff, irrespective of the number of residents. The effect of this fixed overhead cost during the occupation build-up last year was that the running costs considerably exceeded the service charges paid by the residents.

In addition to this deficit, expenditure on sales and marketing, other expenses such as council taxes payable on the unoccupied apartments and the finance costs incurred on the loans provided by Lloyds Bank and the Abbeyfield Society all combined to produce an overall operating loss of £542,718. However, this loss was substantially offset by the sale of apartments, which generated a gross profit of £294,058 and reduced the loss to £248,660, with which the Board was satisfied for this transitional period.

The acquisition of the Abbeyfield Hereford Society, which is running successfully under the management of the joint society, did not have a material effect on the overall income and expenditure. However, the property and the cash reserves owned by Hereford has enhanced the balance sheet of the merged society by over £500,000, increasing the combined net assets to a very strong £2,136,317.

Future developments

During the first six months of the current financial year, another nine residents (including two couples) moved into Whiston Court and a further seven apartments have been reserved for purchase (three by couples). With only six apartments remaining vacant, the Board is anticipating that it will be fully occupied by the end of the financial year.

The Board is now involved in refinancing the Whiston Court development with long-term loans to support the properties it has retained for rental occupation. This will enable the Board to complete the repayment of the development loan from Lloyds and the short-term loan from The Abbeyfield Society.

The emphasis of the Board, following this extended period of property and financial management, is now turning towards its long-term objective of creating a rewarding and enjoyable community for its residents.

FINANCIAL REVIEW

Reserves policy

The Board is reviewing its reserves policy in the light of its changed circumstances but is planning to maintain sufficient general funds to finance the expenditure of the company over the following 12 months.

**THE ABBEYFIELD WORCESTER AND HEREFORD
SOCIETY LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Society is governed by its Memorandum and Articles of Association and was incorporated on 15 September 1969 as a company limited by guarantee with no share capital; the Company Number is 00961985. The Society is also registered as a charity, Charity Number 259776, and with the Housing Corporation as a Registered Social Housing Provider, Number H2907.

Recruitment and appointment of new trustees

New trustees are recruited and appointed at the discretion of the existing trustees.

Organisational structure

All trustees are members of the executive committee which is charged with the management of the charity in furtherance of its principal activity, fund management and financial affairs generally.

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

Induction and training of new trustees

New trustees are instructed in their duties by the existing trustees and are required to be aware of the guidance to trustees issued by the Charity Commission.

Wider network

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

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00961985 (England and Wales)

Registered Charity number

259776

Registered office

Whiston Court
20 White Ladies Close
Worcester
WR1 1QA

Trustees

Miss A England	
G A Harris	
Miss P J Rayer	
L A West	(resigned June 2017)
P S Kendal	
P C Scaiff	
Dr S King	(appointed January 2018)

Auditors

Ballards LLP, Statutory Auditor
Chartered Accountants
Registered Auditors
11c Kingswood Road
Hampton Lovett
Droitwich
Worcestershire
WR9 0QH

**THE ABBEYFIELD WORCESTER AND HEREFORD
SOCIETY LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Hallmark Hulme
3-5 Sansome Place
Worcester
WR1 1UQ

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of The Abbeyfield Worcester and Hereford Society Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

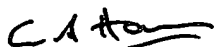
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Ballards LLP, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

Approved by order of the board of trustees on 17 April 2018 and signed on its behalf by:



.....
G A Harris - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE ABBEYFIELD WORCESTER AND HEREFORD
SOCIETY LIMITED**

Opinion

We have audited the financial statements of The Abbeyfield Worcester and Hereford Society Limited (the 'charitable company') for the year ended 30 September 2017 on pages six to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE ABBEYFIELD WORCESTER AND HEREFORD
SOCIETY LIMITED**

Responsibilities of trustees

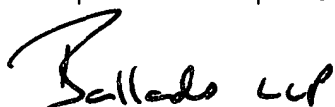
As explained more fully in the Statement of Trustees Responsibilities set out on page three, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.



Ballards LLP, Statutory Auditor

Chartered Accountants

Registered Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

11c Kingswood Road

Hampton Lovett

Droitwich

Worcestershire

WR9 0QH

Date: 17 April 2018

**THE ABBEYFIELD WORCESTER AND HEREFORD
SOCIETY LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Notes	Unrestricted funds £	Restricted fund £	2017 Total funds £	2016 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	3,107	-	3,107	1,307
Charitable activities	4				
Residents' contributions		101,984	-	101,984	41,996
Recharged expenses		55,715	-	55,715	21,095
Apartment sales		1,595,000	-	1,595,000	-
Investment income	3	2	-	2	5
Total		1,755,808	-	1,755,808	64,403
EXPENDITURE ON					
Raising funds	5	1,300,942	-	1,300,942	-
Charitable activities	6				
Service costs		202,729	-	202,729	164,752
Repairs and maintenance		65,889	343	66,232	57,026
Management expenses		221,327	-	221,327	79,067
Finance charges		213,238	-	213,238	-
Total		2,004,125	343	2,004,468	300,845
Net gains/(losses) on investments		562,801	-	562,801	235,971
NET INCOME/(EXPENDITURE)		314,484	(343)	314,141	(471)
Other recognised gains/(losses)					
Gains/(losses) on revaluation of fixed assets		196,694	-	196,694	-
Net movement in funds		511,178	(343)	510,835	(471)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,623,367	2,115	1,625,482	1,625,953
TOTAL FUNDS CARRIED FORWARD		2,134,545	1,772	2,136,317	1,625,482

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

**THE ABBEYFIELD WORCESTER AND HEREFORD
SOCIETY LIMITED**

**BALANCE SHEET
AT 30 SEPTEMBER 2017**

	Notes	Unrestricted funds £	Restricted fund £	2017 Total funds £	2016 Total funds £
FIXED ASSETS					
Tangible assets	12	726,156	1,758	727,914	725,619
Investment property	13	2,883,944	-	2,883,944	2,695,500
		<u>3,610,100</u>	<u>1,758</u>	<u>3,611,858</u>	<u>3,421,119</u>
CURRENT ASSETS					
Stocks	14	2,335,467	-	2,335,467	3,288,749
Debtors	15	18,558	-	18,558	10,721
Cash at bank and in hand		172,976	14	172,990	294,326
		<u>2,527,001</u>	<u>14</u>	<u>2,527,015</u>	<u>3,593,796</u>
CREDITORS					
Amounts falling due within one year	16	(4,002,556)	-	(4,002,556)	(5,389,433)
NET CURRENT ASSETS/(LIABILITIES)		<u>(1,475,555)</u>	<u>14</u>	<u>(1,475,541)</u>	<u>(1,795,637)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,134,545</u>	<u>1,772</u>	<u>2,136,317</u>	<u>1,625,482</u>
NET ASSETS		<u>2,134,545</u>	<u>1,772</u>	<u>2,136,317</u>	<u>1,625,482</u>
FUNDS	18				
Unrestricted funds				2,134,545	1,623,367
Restricted funds				1,772	2,115
TOTAL FUNDS				<u>2,136,317</u>	<u>1,625,482</u>

The notes form part of these financial statements

**THE ABBEYFIELD WORCESTER AND HEREFORD
SOCIETY LIMITED**

**BALANCE SHEET - CONTINUED
AT 30 SEPTEMBER 2017**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2017.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.


The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 144 of the Charities Act 2011.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 17 April 2019 and were signed on its behalf by:


.....
G A Harris -Trustee

The notes form part of these financial statements

**THE ABBEYFIELD WORCESTER AND HEREFORD
SOCIETY LIMITED**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	1	1,066,946	(330,849)
Interest paid		(195,316)	-
Net cash provided by (used in) operating activities		<u>871,630</u>	<u>(330,849)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(7,750)	(2,454,182)
Purchase of investment property		(3,577)	-
Sale of tangible fixed assets		-	390,202
Sale of investment property		396,000	-
Interest received		2	5
Net cash provided by (used in) investing activities		<u>384,675</u>	<u>(2,063,975)</u>
Cash flows from financing activities:			
New loans in year		-	2,213,614
Loan repayments in year		(1,377,641)	-
Net cash provided by (used in) financing activities		<u>(1,377,641)</u>	<u>2,213,614</u>
Change in cash and cash equivalents in the reporting period		<u>(121,336)</u>	<u>(181,210)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>294,326</u>	<u>475,536</u>
Cash and cash equivalents at the end of the reporting period		<u><u>172,990</u></u>	<u><u>294,326</u></u>

The notes form part of these financial statements

**THE ABBEYFIELD WORCESTER AND HEREFORD
SOCIETY LIMITED**

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	314,141	(471)
Adjustments for:		
Depreciation charges	37,433	14,627
Loss on disposal of fixed assets	-	35,421
Interest received	(2)	(5)
Interest paid	195,316	-
Revaluation of investments	(562,801)	(235,971)
Hereford cash introduced	146,650	-
Decrease in stocks	953,282	-
(Increase)/decrease in debtors	(7,837)	8,656
Decrease in creditors	(9,236)	(153,106)
Net cash provided by (used in) operating activities	<u>1,066,946</u>	<u>(330,849)</u>

**THE ABBEYFIELD WORCESTER AND HEREFORD
SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- over 50 years
Plant and machinery	- between 5 and 25 years
Fixtures and fittings	- between 5 and 10 years

The expenditure incurred in the construction of the Whiston Court property has been allocated into three areas on the balance sheet depending on the nature of the expenditure and planned use of the assets. This has been split as follows:

- Tangible assets include areas of the property retained by and for the ongoing use of the charity;
- Investment property includes the cost of apartments, including an allocation of communal areas, which are intended to be let by the charity; and
- Stock includes the cost of apartments, including an allocation of communal areas, which are intended to be sold by the charity.

Interest charged on the loans taken out to fund the construction of the charity's new property from Lloyds Bank and The Abbeyfield Society has been capitalised and is included in the cost of the property up to the date of completion.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

**THE ABBEYFIELD WORCESTER AND HEREFORD
SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND LEGACIES

	2017 £	2016 £
Donations	1,847	35
Grants received	-	1,272
Other income	1,260	-
	<u>3,107</u>	<u>1,307</u>

Grants received, included in the above, are as follows:

	2017 £	2016 £
Abbeyfield Society Anonymous Benefactor Grants	-	1,272

3. INVESTMENT INCOME

	2017 £	2016 £
Deposit account interest	<u>2</u>	<u>5</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2017 £	2016 £
Income from lettings and care service charges		
Recharged expenses		
Apartment sales		
Activity		
Residents' contributions	101,984	41,996
Recharged expenses	55,715	21,095
Apartment sales	1,595,000	-
	<u>1,752,699</u>	<u>63,091</u>

**THE ABBEYFIELD WORCESTER AND HEREFORD
SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

5. RAISING FUNDS

Investment management costs

	2017 £	2016 £
Cost of apartments sold	1,300,942	-

6. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs (See note 7) £	Totals £
Service costs	202,729	-	202,729
Repairs and maintenance	66,232	-	66,232
Management expenses	212,267	9,060	221,327
Finance charges	-	213,238	213,238
	<u>481,228</u>	<u>222,298</u>	<u>703,526</u>

7. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Management expenses	-	9,060	9,060
Finance charges	213,238	-	213,238
	<u>213,238</u>	<u>9,060</u>	<u>222,298</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2017 £	2016 £
Auditors' remuneration	9,060	5,310
Depreciation - owned assets	37,433	14,627
Deficit on disposal of fixed asset	-	35,421

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2017 nor for the year ended 30 September 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 September 2017 nor for the year ended 30 September 2016.

**THE ABBEYFIELD WORCESTER AND HEREFORD
SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

10. STAFF COSTS

	2017 £	2016 £
Wages and salaries	154,585	99,275
Social security costs	6,723	1,938
Other pension costs	3,810	-
	<u>165,118</u>	<u>101,213</u>

The average monthly number of employees during the year was as follows:

	2017	2016
Full time	2	5
Part time	14	3
	<u>16</u>	<u>8</u>

No employees received emoluments in excess of £60,000.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	35	1,272	1,307
Charitable activities			
Residents' contributions	41,996	-	41,996
Recharged expenses	21,095	-	21,095
Investment income	5	-	5
Total	<u>63,131</u>	<u>1,272</u>	<u>64,403</u>
EXPENDITURE ON			
Charitable activities			
Service costs	164,752	-	164,752
Repairs and maintenance	56,169	857	57,026
Management expenses	79,067	-	79,067
Total	<u>299,988</u>	<u>857</u>	<u>300,845</u>
Net gains/(losses) on investments	<u>235,971</u>	<u>-</u>	<u>235,971</u>
NET INCOME/(EXPENDITURE)	(886)	415	(471)
RECONCILIATION OF FUNDS			
Total funds brought forward	1,624,253	1,700	1,625,953
TOTAL FUNDS CARRIED FORWARD	<u>1,623,367</u>	<u>2,115</u>	<u>1,625,482</u>

**THE ABBEYFIELD WORCESTER AND HEREFORD
SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

12. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST OR VALUATION				
At 1 October 2016	524,957	153,337	62,418	740,712
Additions	548	-	7,202	7,750
Revaluations	(1,665)	-	-	(1,665)
On merger	-	-	113,824	113,824
At 30 September 2017	<u>523,840</u>	<u>153,337</u>	<u>183,444</u>	<u>860,621</u>
DEPRECIATION				
At 1 October 2016	5,250	4,908	4,935	15,093
Charge for year	10,500	9,816	17,117	37,433
On merger	-	-	80,181	80,181
At 30 September 2017	<u>15,750</u>	<u>14,724</u>	<u>102,233</u>	<u>132,707</u>
NET BOOK VALUE				
At 30 September 2017	<u>508,090</u>	<u>138,613</u>	<u>81,211</u>	<u>727,914</u>
At 30 September 2016	<u>519,707</u>	<u>148,429</u>	<u>57,483</u>	<u>725,619</u>

13. INVESTMENT PROPERTY

	£
MARKET VALUE	
At 1 October 2016	2,695,500
Additions	3,577
Disposals	(396,000)
Revaluation	357,588
On merger	1,321
Transfer from stock	221,958
At 30 September 2017	<u>2,883,944</u>
NET BOOK VALUE	
At 30 September 2017	<u>2,883,944</u>
At 30 September 2016	<u>2,695,500</u>

14. STOCKS

	2017 £	2016 £
Stocks	<u>2,335,467</u>	<u>3,288,749</u>

**THE ABBEYFIELD WORCESTER AND HEREFORD
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Abbeyfield Hereford	-	8,128
VAT	2,046	-
Prepayments and accrued income	16,512	2,593
	<u>18,558</u>	<u>10,721</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Bank loans and overdrafts (see note 17)	1,652,359	3,030,000
Contributions in advance	9,426	9,846
Social security and other taxes	(193)	-
Security deposits	7,100	1,110
Abbeyfield Society loans	2,240,000	2,240,000
Property development retention	68,586	68,586
Accrued expenses	25,278	39,891
	<u>4,002,556</u>	<u>5,389,433</u>

17. LOANS

An analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year on demand:		
Bank loan	<u>1,652,359</u>	<u>3,030,000</u>

18. MOVEMENT IN FUNDS

	At 1.10.16 £	Net movement in funds £	Transfers between funds £	At 30.9.17 £
Unrestricted funds				
General fund	417,942	511,178	1,205,425	2,134,545
Development Reserve fund	1,205,425	-	(1,205,425)	-
	<u>1,623,367</u>	<u>511,178</u>	<u>-</u>	<u>2,134,545</u>
Restricted funds				
General Restricted fund	2,115	(343)	-	1,772
TOTAL FUNDS	<u>1,625,482</u>	<u>510,835</u>	<u>-</u>	<u>2,136,317</u>

**THE ABBEYFIELD WORCESTER AND HEREFORD
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,755,808	(2,004,125)	759,495	511,178
Restricted funds				
General Restricted fund	-	(343)	-	(343)
TOTAL FUNDS	<u>1,755,808</u>	<u>(2,004,468)</u>	<u>759,495</u>	<u>510,835</u>

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30 September 2017.