

**The Abbeyfield Basildon Society Limited**

**Financial Statements**

**Year Ended 31 March 2016**

Homes and Communities Agency registration number H0552

Company registration number 1005700

Charity registration number 262505

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# **The Abbeyfield Basildon Society Limited**

## **Financial Statements**

**Year Ended 31 March 2016**

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# **The Abbeyfield Basildon Society Limited**

## **Registered Social Housing Provider Information**

**Year Ended 31 March 2016**

|   |   |
|---|---|
| <b>Company registration number</b>                      | 1005700   |
| <b>Charity registration number</b>                      | 262505  |
| <b>Homes and Communities Agency registration number</b> | H0552   |
| <b>Members of the board</b>                             | Mr M Stanton-Dunne<br>Mr R Thomson<br>Mrs P Griffiths<br>Mrs R Blake<br>Mrs P Edwards   |
| <b>Registered office</b>                                | 1 Sopwith Crescent<br>Wickford Business Park<br>Wickford<br>Essex SS11 8YU  |
| <b>Places of business</b>                               | Abbeyfield House<br>200 Timberlog Lane<br>Basildon<br>Essex SS14 1PG<br><br>The Octagon<br>41 Bridge Street<br>Basildon<br>Essex SS15 4AY |
| <b>Auditor</b>  | Hamilton Brading<br>Chartered Accountants<br>Wickford Business Park<br>1 Sopwith Crescent<br>Wickford<br>Essex SS11 8YU                   |
| <b>Bankers</b>  | Lloyds Bank plc<br>89 High Street<br>Billericay<br>Essex CM12 9AT   |

# **The Abbeyfield Basildon Society Limited**

## **Board Report**

### **Year Ended 31 March 2016**

The board of The Abbeyfield Basildon Society Limited presents their report, and the audited financial statements of the Registered Social Housing Provider for the year ended 31 March 2016

#### **Members of the board**

The members of the board who have served during the year were as follows

Mr M Stanton-Dunne  
Mr R Thomson  
Mrs P Griffiths  
Mrs R Blake  
Mrs P Edwards

In accordance with the Registered Rules of the Registered Social Housing Provider, Mr M Stanton-Dunne and Mr R Thomson retire by rotation and, being eligible, offer themselves for re-election Mrs P Edwards was appointed to the executive committee since the date of the last Annual General Meeting and accordingly retires and offers herself for re-election

#### **Review of the business**

The principal activity of the Registered Social Housing Provider is to provide accommodation, care and companionship for senior citizens in accordance with the aims and principles of The Abbeyfield Society Limited

The financial results for the year are as set out in the Statement of Comprehensive Income on page 9 and the position at the end of the year is shown in the Balance Sheet on page 10 The movements in reserves are shown on the Statement of Changes in Reserves on page 11

The board consider that the state of affairs of the Registered Social Housing Provider is satisfactory

#### **Objectives and strategies for achieving those objectives**

The Registered Social Housing Provider's Objects are to carry on for the benefit of the community the provision and management of housing, accommodation and assistance for the relief and care of elderly persons suffering from the disabilities of old age or otherwise being in need and in particular (but without limitation) by providing and maintaining (or assisting in providing and maintaining) houses and homes for such elderly persons and providing (or assisting in providing) amenities or services for the benefit of such elderly persons

#### **Principal risks and uncertainties**

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions The board have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks

#### **Analysis using financial and non-financial key performance indicators**

The Registered Social Housing Provider's income from housing properties fell by 2.58% in comparison to the previous year The whole of this decrease was supported by accumulated reserves

The Registered Social Housing Provider also received donations during the year which have been held as investments for the development of better facilities for residents

# **The Abbeyfield Basildon Society Limited**

## **Board Report**

**Year Ended 31 March 2016**

### **Code of governance**

The Registered Social Housing Provider is a company limited by guarantee registered under the Companies Act 2006 (number 1005700), having no share capital, and is registered as a charity (number 262505), and is registered with The Homes and Communities Agency as a registered social landlord (number H0552) The Registered Social Housing Provider's governing document is a Memorandum and Articles of Association

The members of the Registered Social Housing Provider's board are responsible for the general control and management of the Registered Social Housing Provider The members give their time freely and receive no remuneration or other financial benefits

The members meet regularly and are responsible for all decisions taken in relation to the running of the housing properties and the services provided by the Registered Social Housing Provider

### **Recruitment, appointment, induction and training of members of the Board**

The existing members of the board are responsible for the recruitment of new members Potential members are invited to attend board meetings as observers and are given more details of the Registered Social Housing Provider's aims and activities and, if all agree, they are then proposed as new members at the subsequent board meeting This process allows due consideration of the persons eligibility, personal competence, specialist knowledge and skills

Following appointment, new members are made aware of their responsibilities under the Charities Act by the existing members of the board They are assisted in their role by other members until the board considers them to be competent in their responsibilities

### **Public benefit statement**

In setting and reviewing our aims the board has given careful consideration to the Charity Commissions guidance on public benefit

### **Board's responsibilities**

The board are responsible for preparing the annual Report and the financial statements in accordance with applicable law and UK Generally Accepted Accounting Practice (UK GAAP)

Company law requires the board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for the period In preparing these financial statements the board are required to

- select suitable accounting policies and then apply them consistently,
- 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 company will continue in business

The board are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

# **The Abbeyfield Basildon Society Limited**

## **Board Report**

**Year Ended 31 March 2016**

### **Disclosure of information to the auditors**

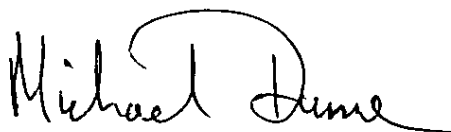
We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that

- there is no relevant audit information of which the company's auditors are unaware, and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

### **Small company rules**

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

On behalf of the board



Mr M Stanton-Dunne, Chairman

Date

20.06.16

# **The Abbeyfield Basildon Society Limited**

## **Independent Auditor's Report**

**Year Ended 31 March 2016**

### **Independent Auditor's Report to the Members of The Abbeyfield Basildon Society Limited**

We have audited the financial statements of The Abbeyfield Basildon Society Limited for the year ended 31<sup>st</sup> March 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Reserves and the related notes. 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

#### **Respective responsibilities of the board and auditor**

As explained more fully in the Board's Responsibilities Statement set out on page 5, the board members (who are also the directors of the society for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

#### **Scope of the audit of the financial statements**

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

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Registered Social Housing Provider's affairs as at 31<sup>st</sup> March 2016 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 in England 2015.

# **The Abbeyfield Basildon Society Limited**

## **Independent Auditor's Report**

**Year Ended 31 March 2016**

### **Opinion on other matter prescribed by the Companies Act 2006**

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

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

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

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

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

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



Alan Jeffrey Brading (Senior Statutory Auditor) for and on behalf of  
Hamilton Brading  
Chartered Accountants and Statutory Auditor  
1 Sopwith Crescent  
Wickford Business Park  
Wickford  
Essex SS11 8YU

19/7/16



# The Abbeyfield Basildon Society Limited

## Statement of Comprehensive Income (Including Income and Expenditure Account)

Year Ended 31 March 2016

|  | Note | 2016<br>£        | 2015<br>£        |
|--|------|------------------|------------------|
| Turnover   | 2    | 317,549          | 325,621          |
| Social housing activity expenditure                          |      | <u>(281,908)</u> | <u>(257,461)</u> |
| <b>Gross surplus</b>   |      | 35,641           | 68,160           |
| Administrative expenditure                                   |      | <u>(44,794)</u>  | <u>(25,627)</u>  |
| <b>Operating (deficit)/surplus</b>                           |      | (9,153)          | 42,533           |
| Interest receivable and similar income                       | 4    | <u>14,671</u>    | <u>31,704</u>    |
| <b>Surplus/(deficit) on ordinary activities for the year</b> | 5    | 5,518            | 74,237           |
| Revaluation of fixed asset investments                       |      | <u>(7,010)</u>   | <u>(4,527)</u>   |
| <b>Total comprehensive income for the year</b>               |      | <u>(1,492)</u>   | <u>69,710</u>    |

These results relate wholly to continuing activities

Signed on behalf of the board



Mr M Stanton-Dunne  
Chairman



Mr R Thomson

The notes on pages 12 to 22 form part of these accounts

# The Abbeyfield Basildon Society Limited

## Balance Sheet

Year Ended 31 March 2016

|  | Note | 2016<br>£        | 2015<br>£        |
|--|------|------------------|------------------|
| <b>Fixed assets</b>  |      |                  |                  |
| Tangible fixed assets - housing properties                     | 8    | 737,409          | 741,544          |
| Less Housing property grants received                          |      | (592,003)        | (592,003)        |
| Tangible fixed assets - other                                  | 9    | 7,849            | 9,234            |
| Investments  | 10   | <u>217,782</u>   | <u>223,553</u>   |
|  |      | <u>371,037</u>   | <u>382,328</u>   |
| <b>Current assets</b>  |      |                  |                  |
| Debtors  | 11   | 663              | 743              |
| Cash at bank and in hand                                       |      | <u>1,107,256</u> | <u>1,096,408</u> |
|  |      | 1,107,919        | 1,097,151        |
| <b>Creditors: amounts falling due within one year</b>          | 12   | <u>(15,296)</u>  | <u>(14,327)</u>  |
| <b>Net current assets</b>                                      |      | <u>1,092,623</u> | <u>1,082,824</u> |
| <b>Total assets less current liabilities</b>                   |      | 1,463,660        | 1,465,152        |
| <b>Creditors: amounts falling due after more than one year</b> | 13   | <u>(2)</u>       | <u>(2)</u>       |
| <b>Total net assets</b>  |      | <u>1,463,658</u> | <u>1,465,150</u> |
| <b>Reserves</b>  |      |                  |                  |
| Income and expenditure account                                 | 14   | 1,461,035        | 1,462,085        |
| Designated reserve   | 14   | <u>2,623</u>     | <u>3,065</u>     |
| <b>Total reserves</b>  |      | <u>1,463,658</u> | <u>1,465,150</u> |

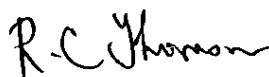
These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006

The financial statements were approved and authorised for issue by the board on 20 June 2016

Signed on behalf of the board



Mr M Stanton-Dunne  
Chairman



Mr R Thomson

Company registration number 1005700

The notes on pages 12 to 22 form part of these accounts

# The Abbeyfield Basildon Society Limited

## Statement of Changes in Reserves

### Year Ended 31 March 2016

|   | Income and<br>expenditure<br>reserve<br>£ | Designated<br>reserve<br>£ | Total<br>£       |
|---|---|----------------------------|------------------|
| <b>At 1 April 2014 as previously stated</b> | 1,385,326                                 | 5,708                      | 1,391,034        |
| Changes on transition to FRS 102 (note 37)  | <u>4,406</u>                              | <u>-</u>                   | <u>4,406</u>     |
| <b>At 1 April 2014 as restated</b>          | <u>1,389,732</u>                          | <u>5,708</u>               | <u>1,395,440</u> |
| Surplus for the year                        | 74,237                                    | -                          | 74,237           |
| Revaluation of fixed asset investments      | <u>(4,527)</u>                            | <u>-</u>                   | <u>(4,527)</u>   |
| <b>Total comprehensive income</b>           | 69,710                                    | -                          | 69,710           |
| Transfer to designated reserve              | (50,000)                                  | 50,000                     | -                |
| Transfer from designated reserve            | <u>52,643</u>                             | <u>(52,643)</u>            | <u>-</u>         |
| <b>At 31 March 2015 and 1 April 2015</b>    | <u>1,462,085</u>                          | <u>3,065</u>               | <u>1,465,150</u> |
| Deficit for the year                        | 5,518                                     | -                          | 5,518            |
| Revaluation of fixed asset investments      | <u>(7,010)</u>                            | <u>-</u>                   | <u>(7,010)</u>   |
| <b>Total comprehensive income</b>           | (1,492)                                   | -                          | (1,492)          |
| Transfer to designated reserve              | (60,000)                                  | 60,000                     | -                |
| Transfer from designated reserve            | <u>60,442</u>                             | <u>(60,442)</u>            | <u>-</u>         |
| <b>At 31 March 2016</b>                     | <u>1,461,035</u>                          | <u>2,623</u>               | <u>1,463,658</u> |

The notes on pages 12 to 22 form part of these accounts

# The Abbeyfield Basildon Society Limited

## Notes to the Financial Statements

Year Ended 31 March 2016

### 1 Summary of significant accounting policies

#### (a) General information and basis of preparation

The Abbeyfield Basildon Society Limited is a company limited by guarantee, a registered charity and a private registered provider of social housing in the United Kingdom. The address of the registered office is given in the Registered Social Housing Provider information on page 3 of these financial statements. The nature of the Registered Social Housing Provider's operations and principal activities is given in the Board Report on pages 4 to 6 of these financial statements.

The Registered Social Housing Provider constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2014, and with the Accounting Direction for private registered providers of social housing in England 2015. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the Registered Social Housing Provider.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated. The Registered Social Housing Provider adopted the SORP in the current year and an explanation of how transition to the SORP has affected the reported financial position and performance is given in note 17.

#### (b) Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

|                                     |  |
|-------------------------------------|--|
| Housing properties, land and houses | Depreciation is charged on the cost of housing land and properties at 2% per annum on the straight line basis on the portion of the cost which has not qualified, or will not qualify, for Social Housing Grant. |
| Fixtures and fittings               | Depreciation is charged at 15% per annum on the reducing balance basis.  |
| Property plant and equipment        | Depreciation is charged at 15% per annum on the reducing balance basis.  |

# **The Abbeyfield Basildon Society Limited**

## **Notes to the Financial Statements**

**Year Ended 31 March 2016**

### **1 Summary of significant accounting policies (continued)**

Housing properties under construction are not depreciated until they are in use

Major components of housing properties have been accounted for and depreciated separately from the connected housing property, over their expected useful economic lives and are included in property plant and equipment

The useful economic lives of all tangible fixed assets are reviewed annually

#### **(c) Debtors and creditors receivable or payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other administrative expenses

Rights of social landlords to have improvement works carried out to properties by a third party (such as local authority) are recognised as prepayments where payment has occurred in advance of the works being carried out and receipts in advance from the same third party recognised as liabilities. Assets and liabilities or income and expenditure are not offset

#### **(d) Investments (including concessionary loans, such as HomeBuy loans)**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value through the statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment

Concessionary loans (such as HomeBuy loans) include those receivable or payable to third parties which are interest free or below market interest rates. HomeBuy loans are considered to be concessionary loans. All loans where the loan is repayable on demand within one year are measured at cost, less impairment. Where the loan is repayable after more than one year, the loan is initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less impairment

#### **(e) Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value

HomeBuy grants which are received from the government in order to fund all or part of a HomeBuy loan, will only be realised when the HomeBuy loan is redeemed and the grant is recycled for use to develop our own assets. Until this is redeemed this is therefore accounted for as deferred income as a government grant

#### **(f) Derivatives**

Derivative financial instruments are initially measured at fair value at the date on which a derivative contract is entered into and are subsequently measured at fair value through the statement of comprehensive income

# **The Abbeyfield Basildon Society Limited**

## **Notes to the Financial Statements**

**Year Ended 31 March 2016**

### **1 Summary of significant accounting policies (continued)**

#### **(g) Impairment**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. For the purposes of assessing impairment, each of the Registered Social Housing Provider's properties (each consisting of multiple cash generating units) are reviewed.

If indication of impairment exists, the recoverable amount of each affected property is estimated and compared to the carrying amount of that property. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income.

The recoverable amount is determined by reference to the open market value of properties of similar condition size and in the same location or by reference to professional valuations if considered appropriate.

#### **(h) Provisions**

Provisions are recognised when the Registered Social Housing Provider has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Provisions for cyclical maintenance or major works to existing stock are not made unless they represent commitments or obligations at the Balance Sheet date where there is no discretion to avoid or delay the expenditure.

#### *Recycled Capital Grants Fund*

Capital grants can be recycled under certain condition, if a property is sold, or if another relevant event takes place. Recycled grants can be used for projects approved by the Homes and Communities Agency (HCA) and they are credited to the Recycled Capital Grant Fund within liabilities.

In certain circumstances, such as the sale of housing properties, capital grants may be repayable, and, in that event, is subordinated to the repayment of other loans by agreement with the Homes and Communities Agency (HCA). It is accounted for as soon as the liability arises within creditors amounts falling due within one year. When any grant to be recycled or repaid is less than the grant relating to the disposal, the difference is treated as abated grant. Abated capital grants are treated as a component of the surplus or deficit on disposal.

#### *Disposal Proceeds Fund*

Net disposal proceeds including grant released on sale of a property under the right to acquire scheme and Voluntary Purchase Grant net disposal proceeds are credited to this fund which appears as a creditor until reinvested in appropriate new social housing.

# **The Abbeyfield Basildon Society Limited**

## **Notes to the Financial Statements**

**Year Ended 31 March 2016**

### **1 Summary of significant accounting policies (continued)**

#### **(i) Tax**

The activities of the Registered Social Housing Provider are exempt from Corporation Tax and VAT

#### **(j) Turnover and other income**

Turnover is measured at the fair value of the consideration received or receivable. The policies adopted for the recognition of turnover are as follows

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Homes and Communities Agency

The disposal proceeds from the first tranche of shared ownership properties are included in turnover at the point of legal completion. The second and subsequent tranches are accounted for in administrative expenditure / operating income in the period in which the disposal occurs being the difference between the net sale proceeds and the net carrying value

#### *Donated land*

Donated land which is unconnected with any intended development is measured at current value and recognised in turnover with other donations, where the donation is from a non-public body and as a government grant where it is from a public body

Where land is donated or transferred at a price less than its open market value, or where it has been donated as part of a development scheme, it is included at its current value on the date it is received

The difference between the current value and the transfer price of land transferred from central or local government or other public authorities is treated as a government grant. Where land is donated or transferred by a non-public body the difference is recognised in turnover

#### *Interest and dividends receivable*

Interest income is recognised using the effective interest method and dividend income is recognised as the Registered Social Housing Provider's right to receive payment is established

#### **(k) Government grants**

Government grants (such as from a local authority) are received in respect of housing properties. Grants are accounted for using the accruals model and are shown separately on the balance sheet as a reduction to the cost of the assets to which they relate. Grants are amortised over the useful economic life of the asset via a depreciation charge on the portion of the cost of the asset which has not qualified, or will not qualify, for a grant

Where disposal of government donated assets are required to be recycled, a liability is included to recognise this obligation

# The Abbeyfield Basildon Society Limited

## Notes to the Financial Statements

Year Ended 31 March 2016

### 1 Summary of significant accounting policies (continued)

Government grants received as a contribution to revenue expenditure are recognised in the statement of comprehensive income on a systematic basis over the period in which the landlord recognises the related costs for which the grant is intended to compensate. The related expenditure is included under administrative expenses. Grants are recognised in the same period as the related expenditure provided the conditions for receipt have been satisfied and there is reasonable assurance that the grant will be received.

#### (l) Employee benefits

When employees have rendered service to the Registered Social Housing Provider, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The Registered Social Housing Provider operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

### 2 Social housing turnover and costs

|  | 2016<br>£ | 2015<br>£ |
|--|-----------|-----------|
| Rents receivable excluding service charges                       | 119,743   | 144,214   |
| Service charges receivable                                       | 197,806   | 181,407   |
| Social housing activity expenditure – Service costs              | 197,806   | 181,407   |
| Social housing activity expenditure – Repairs and maintenance    | 78,582    | 70,289    |
| Social housing activity expenditure – Depreciation               | 5,520     | 5,765     |
| Operating (deficit)/surplus from social housing activities       | 35,641    | 68,160    |
| Social housing activity expenditure – Administrative expenditure | 44,794    | 25,627    |
| Net (deficit)/surplus from social housing activities             | (9,153)   | 42,533    |
| Losses from vacancies  | 26,791    | 7,440     |



# The Abbeyfield Basildon Society Limited

## Notes to the Financial Statements

Year Ended 31 March 2016

### 3 Accommodation owned and in management

|                                      | Number<br>of units at<br>1 April<br>2015 | Number of<br>units at<br>31 March<br>2016 |
|--------------------------------------|--|---|
| Completed units                      |  |   |
| Housing for older people             | 21                                       | 21  |
| There are no units under development |  |   |
|                                      | <u>21</u>                                | <u>21</u>                                 |

#### Properties managed by agents

The Registered Social Housing Provider owns no property managed by other bodies

The Registered Social Housing Provider manages no properties on behalf of others

### 4 Interest and other finance income and charges

#### a) Interest receivable and similar income

|                            | 2016<br>£     | 2015<br>£     |
|----------------------------|---------------|---------------|
| Donations received         | 3,023         | 10,531        |
| Other miscellaneous income | -             | 537           |
| Bank interest receivable   | <u>11,648</u> | <u>20,636</u> |
|                            | <u>14,671</u> | <u>31,704</u> |

### 5 Surplus on ordinary activities

Surplus on ordinary activities is stated after charging/(crediting)

|  | 2016<br>£    | 2015<br>£    |
|--|--------------|--------------|
| Auditor's remuneration (including expenses and benefits in kind) for audit     | 3,480        | 3,480        |
| Auditor's remuneration (including expenses and benefits in kind) for non-audit | -            | -            |
| Depreciation of tangible fixed assets  | <u>5,520</u> | <u>5,765</u> |

# The Abbeyfield Basildon Society Limited

## Notes to the Financial Statements

### Year Ended 31 March 2016

#### 6 Board and key management personnel remuneration

Key management personnel neither received nor waived any remuneration during the year (2015 Nil)

#### 7 Staff costs

The average number of employees, including members of the executive team, calculated on a full time equivalent basis was 8 employees (2015 8 employees)

#### 8 Tangible fixed assets – housing properties

|                  | Housing<br>properties<br>for letting<br>£ | Total<br>£     |
|------------------|---|----------------|
| Cost             |   |                |
| At 1 April 2015  | <u>798,793</u>                            | <u>798,793</u> |
| At 31 March 2016 | <u>798,793</u>                            | <u>798,793</u> |
| Depreciation     |   |                |
| At 1 April 2015  | 57,249                                    | 57,249         |
| Charge for year  | <u>4,135</u>                              | <u>4,135</u>   |
| At 31 March 2016 | <u>61,384</u>                             | <u>61,384</u>  |
| Net book value   |   |                |
| At 31 March 2016 | <u>737,409</u>                            | <u>737,409</u> |
| At 31 March 2015 | <u>741,544</u>                            | <u>741,544</u> |

The net book value of land and buildings comprised

|                    | 2016<br>£      | 2015<br>£      |
|--------------------|----------------|----------------|
| Land and buildings |                |                |
| Freehold           | <u>737,409</u> | <u>741,544</u> |
|                    | <u>737,409</u> | <u>741,544</u> |

Freehold land and buildings were subject to independent professional valuation on 27 November 2015. The valuation was undertaken by Porter Glenny (Chartered Surveyors and RICS Registered Valuers) on a market value basis in accordance with the 8<sup>th</sup> Edition of the RICS Appraisal and Valuations Standards (The Red Book) together with Practice Statements and Definitions of Value contained in UKPS3 and UK Appendix 3. The assumption of vacant possession was used to ascertain the fair value of £1,550,000.

**The Abbeyfield Basildon Society Limited**

**Notes to the Financial Statements**

**Year Ended 31 March 2016**

**9 Tangible fixed assets – other**

|                     | Fixtures,<br>fittings and<br>equipment<br>£ | Total<br>£     |
|---------------------|---|----------------|
| Cost                |   |                |
| At 1 April 2015     | 125,729                                     | 125,729        |
| Furniture allowance | <u>(4,741)</u>                              | <u>(4,741)</u> |
| At 31 March 2016    | <u>120,988</u>                              | <u>120,988</u> |
| Depreciation        |   |                |
| At 1 April 2015     | 111,754                                     | 111,754        |
| Charge for year     | <u>1,385</u>                                | <u>1,385</u>   |
| At 31 March 2016    | <u>113,139</u>                              | <u>113,139</u> |
| Net book value      |   |                |
| At 31 March 2016    | <u>7,849</u>                                | <u>7,849</u>   |
| At 31 March 2015    | <u>9,234</u>                                | <u>9,234</u>   |

**10 Fixed asset investments**

|                  | Listed<br>investments<br>£ | Total<br>£     |
|------------------|----------------------------|----------------|
| Valuation        |                            |                |
| At 1 April 2015  | 223,553                    | 223,553        |
| Additions        | 1,239                      | 1,239          |
| Revaluation      | <u>(7,010)</u>             | <u>(7,010)</u> |
| At 31 March 2016 | <u>217,782</u>             | <u>217,782</u> |
| Impairment       |                            |                |
| At 1 April 2015  | -                          | -              |
| At 31 March 2016 | <u>-</u>                   | <u>-</u>       |
| Carrying amount  |                            |                |
| At 31 March 2016 | <u>217,782</u>             | <u>217,782</u> |
| At 31 March 2015 | <u>223,553</u>             | <u>223,553</u> |

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date

# The Abbeyfield Basildon Society Limited

## Notes to the Financial Statements

Year Ended 31 March 2016

### 11 Debtors

|   | 2016<br>£  | 2015<br>£  |
|---|------------|------------|
| Trade debtors (gross social housing rent arrears) | -          | 743        |
| Prepayments and accrued income                    | 663        | -          |
|   | <u>663</u> | <u>743</u> |

### 12 Creditors amounts falling due within one year

|                               | 2016<br>£     | 2015<br>£     |
|-------------------------------|---------------|---------------|
| Trade creditors               | 924           | 1,618         |
| Other tax and social security | 1,616         | 1,317         |
| Accruals and deferred income  | 12,756        | 11,392        |
|                               | <u>15,296</u> | <u>14,327</u> |

### 13 Creditors amounts falling due after more than one year

|             | 2016<br>£ | 2015<br>£ |
|-------------|-----------|-----------|
| Other loans | 2         | 2         |
|             | <u>2</u>  | <u>2</u>  |

Other loans represent housing mortgage loans from The Housing Corporation and are secured by a charge on the Registered Social Housing Provider's freehold land and buildings. The full amount of the loans fall due after five years and are payable otherwise than by instalments. No interest is charged on the loans which are only repayable when the relevant properties are sold.

### 14 Reserves

#### a) Income and expenditure reserve

The income and expenditure reserve represents cumulative surpluses and deficits net of other adjustments.

#### b) Designated reserve

The designated reserve represents amounts set aside by the board based on the Registered Social Housing Provider's obligation to carry out works on a continuing basis for the future cyclical maintenance and major repairs of its properties, based on planned programmes of works for which grants will not be claimed.

# The Abbeyfield Basildon Society Limited

## Notes to the Financial Statements

### Year Ended 31 March 2016

#### 15 Pensions and other post-retirement benefits

##### a) Defined contribution pension plans

The Registered Social Housing Provider operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £998 (2015 – Nil)

#### 16 First-time adoption of SORP 2014 and FRS 102

The Registered Social Housing Provider has adopted the SORP 2014 and FRS 102 for the first time in the year ended 31 March 2016

The effect of transition from the previous accounting framework to the SORP and FRS 102 is outlined below

##### a) Changes in accounting policies

Consequential changes in accounting policies resulting from adoption of the SORP were as follows

Adjustments for the fair value of fixed asset investments are now made through the statement of comprehensive income rather than transferred to a revaluation reserve

##### b) Reconciliation of reserves

Adjustments to previously reported reserves at the date of transition to the SORP and FRS 102 were as follows

|   |                  |
|---|------------------|
|   | £                |
| Income and expenditure account  |                  |
| Reserves at 1 April 2014 under the previous financial reporting framework                         | 1,385,326        |
| Cumulative value of revaluation relating to fixed asset investments arising prior to 1 April 2014 | <u>4,406</u>     |
| Reserves at 1 April 2014 under the SORP and FRS 102   | <u>1,389,732</u> |

Adjustments to previously reported reserves at the end of the comparative period were as follows

|  |                  |
|--|------------------|
|  | £                |
| Income and expenditure account   |                  |
| Reserves at 31 March 2015 under the previous financial reporting framework                         | 1,456,734        |
| Cumulative value of revaluation relating to fixed asset investments arising prior to 31 March 2015 | <u>5,351</u>     |
| Reserves at 31 March 2015 under the SORP and FRS 102   | <u>1,462,085</u> |

# **The Abbeyfield Basildon Society Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 March 2016**

#### **17 First-time adoption of the SORP 2014 and FRS 102 (continued)**

##### **c) Reconciliation of comparative period comprehensive income**

Adjustments to previously reported comprehensive income in the comparative period were as follows

|  | £             |
|--|---------------|
| Comprehensive income for the period ended 31 March 2015 under the previous financial reporting framework | 68,765        |
| Revaluation of fixed asset investments   | <u>945</u>    |
| Comprehensive income for the period ended 31 March 2015 under the SORP 2014 and FRS 102                  | <u>69,710</u> |

# **The Abbeyfield Basildon Society Limited**

## **Detailed Housing Property Revenue Account**

**Year Ended 31 March 2016**

|  | 2016<br>£       | 2015<br>£      |
|--|-----------------|----------------|
| <b>Income</b>                                    |                 |                |
| Residents' charges and other rental income       | 344,340         | 333,061        |
| Losses arising from vacancies                    | <u>(26,791)</u> | <u>(7,440)</u> |
| <b>Turnover - net property income</b>            | <u>317,549</u>  | <u>325,621</u> |
| <b>Expenditure</b>                               |                 |                |
| <b>Administrative expenditure</b>                |                 |                |
| Insurance  | 4,521           | 3,661          |
| Telephone  | 3,949           | 2,053          |
| Membership fee - The Abbeyfield Society          | 5,961           | 5,908          |
| Auditor's remuneration                           | 3,480           | 3,480          |
| Travelling expenses                              | 717             | 874            |
| Advertising                                      | 14,563          | 4,086          |
| Training and conferences                         | 1,823           | 1,535          |
| Other expenditure                                | 1,044           | 1,557          |
| Legal and professional fees                      | 8,736           | 2,443          |
| Bank charges                                     | -               | 30             |
| <b>Total administrative expenditure</b>          | <u>44,794</u>   | <u>25,627</u>  |
| <b>Repairs and maintenance</b>                   |                 |                |
| Day-to-day repairs                               | 18,140          | 17,646         |
| Cyclical repairs                                 | <u>60,442</u>   | <u>52,643</u>  |
|  | <u>78,582</u>   | <u>70,289</u>  |
| <b>Service costs</b>                             |                 |                |
| Care and catering                                |                 |                |
| Employee costs                                   | 135,911         | 120,560        |
| Food costs and cleaning materials                | 31,004          | 30,858         |
| Window cleaning                                  | 636             | 689            |
| Garden maintenance                               | 3,542           | 3,650          |
| Council tax/rates                                | 5,504           | 5,247          |
| Water rates                                      | 4,100           | 4,303          |
| Heating  | 8,637           | 6,859          |
| Lighting   | 5,670           | 6,233          |
| Sundry expenses                                  | <u>2,802</u>    | <u>3,008</u>   |
|  | <u>197,806</u>  | <u>181,407</u> |
| <b>Depreciation</b>                              |                 |                |
| Housing properties                               | 4,135           | 4,135          |
| Fixtures, fittings and equipment                 | <u>1,385</u>    | <u>1,630</u>   |
|  | <u>5,520</u>    | <u>5,765</u>   |
| <b>Total social housing activity expenditure</b> | <u>281,908</u>  | <u>257,461</u> |
| <b>Operating (deficit)/surplus</b>               | <u>(9,153)</u>  | <u>42,533</u>  |