

Registered number 1108309

Charity Registration Number 266471

The Abbeyfield Buckland Monachorum Society Limited
(A Company limited by guarantee without a share capital)

Report and Accounts

for the year ended

30 September 2012

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The Abbeyfield Buckland Monachorum Society Limited
Report and accounts
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Abbeyfield Buckland Monachorum Society Limited
Directors' Report
for the year ended 30 September 2012

The Directors present their report and unaudited financial statements for the year ended 30th September 2012

Principal Activity

The principal activity of the company is to provide accommodation, care and companionship for elderly people in accordance with the aims and principles of the Society. This activity falls wholly within the hostel housing activities in the Housing Act 2004.

Status

The company is

A company limited by guarantee number 1108309 having no share capital and with solely charitable objectives. Its registered office is at 25 Lockyer Street, Plymouth, Devon PL1 2QW.

Registered as a charity number 266471

Registered with the Housing Corporation as a Registered Social Landlord, number H1335

Audit Requirement

The 2004 Housing Act enacted amendments to the 1996 Act, which now allows exemptions from audit for Registered Social Landlords meeting certain criteria.

The Board of Directors are of the opinion that the company meets those exemption criteria for this year and, hence, no audit has been carried out.

Review of business and results during the year

The Board's policy is to maintain the buildings and services to a high standard taking due account of Health and Safety regulations and risk assessments.

The past financial year has seen a particularly steep increase in the ongoing drop in occupancy levels from 71.9% in year end 2011 to only 60.6% in 2012. This dramatic reduction in occupancy and, therefore, income has been the principal cause of the financial loss of £14,967 incurred in the year. The drop in occupancy levels has been experienced by many Abbeyfield houses throughout the country and arises from the ageing population desiring to remain in their own homes until much later in life, also, the bed-sit style of accommodation no longer meets market expectations.

Income from residents dropped by £2,500 despite an above-inflationary increase having been applied but a generous legacy was received which brought total income to be slightly higher than in the previous year.

Staff costs increased as a result of having to recruit a new, non-residential House manager as the previous long-serving incumbent left through personal health reasons. Other new staff have also been recruited and a marked improvement in ambience within the house has been welcomed by the residents. Utilities continued to show exceptional cost increases and membership fees payable to Abbeyfield HQ actually doubled in cost causing the increase of almost £500 in Membership Fees.

The Society has sufficient funds to continue offering the existing facilities for the short-term future. However, as stated in last year's report, development plans have been instigated with the support of Abbeyfield HQ to upgrade Pilcher's Field by converting existing residential and office space into flats and to modernise existing rooms so as to meet current market expectations. These plans have already gained planning approval and tenders have been received. Therefore, work is expected to start within the next few months. Generous financial support by way of a low cost loan and grants have been intimated to be forthcoming from Abbeyfield HQ to fund this development programme.

Society members take great pains to oversee the care and morale of both residents and staff and all continue to express their appreciation of a well-run home whilst levying extremely reasonable charges.

Fixed Assets

Details of cost and depreciation of fixed assets are set out in the notes. In the opinion of the Board of Directors the market value of land and buildings is in excess of £800,000.

Abbeyfield Buckland Monachorum Society Limited
Directors' Report Contd
for the year ended 30 September 2012

Membership

The number of members of the Society at 30th September 2012 was 18, but it has been established with Companies House that only the 4 members of the Executive Committee shall constitute the Board of Directors as nominated below

Board of Directors

The members of the Board who served during the year were

Mr K Farnham	Chairman
Mrs D Crichton	Chairman - House Committee
Mrs R Kehoe	Secretary
Mr A Chilvers	Honorary Treasurer

Other officers

Mr J Hall	Company Secretary
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Statement of Directors' responsibilities

The Directors are responsible for preparing the report and accounts in accordance with applicable law and regulations

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

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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.

Accountants

A resolution to reappoint Simon Murray & Co as reporting accountants will be proposed at the Annual General Meeting

BY ORDER OF THE BOARD OF DIRECTORS

~~John K Farnham~~
John K Farnham
DIRECTOR
Company Secretary

20 November 2012

Abbeyfield Buckland Monachorum Society Limited
Chartered Accountants' Report
for the year ended 30 September 2012

Chartered Accountants' Report to the Board of Directors
on the unaudited accounts of Abbeyfield Buckland Monachorum Society Limited

In accordance with the engagement letter dated 24th November 2006, and in order to assist you to fulfil your duties under the Companies Act 2006, and the Housing Act 2004, we have compiled the accounts of the company which comprise the Income and Expenditure Account, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the accounts that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Company and the Company's Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of accounts.

You have acknowledged in the Directors' Report your duty to ensure that the company has kept proper accounting records and to prepare accounts that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

Having reviewed all the statutory legislation applicable to the company we can confirm, that in our opinion the company is exempt from audit and accordingly we have not been instructed to carry out an audit of the accounts, and therefore an audit has not been carried out.

However we can confirm that the accounts comply with the Housing Corporation's requirements under the Housing Act 2006, that the accounts are in agreement with the accounting records kept by the company under the Act, and that having regard only to, and on the basis of, the information in those accounting records, the accounts have been drawn up in a manner consistent with the provisions of the Act.

Simon Murray & Co
Chartered Accountants

Woburn House
Yelverton
Devon
PL20 6BS

21 November 2012

The Abbeyfield Buckland Monachorum Society Limited
Income and Expenditure Account
for the year ended 30 September 2012

	Notes	2012 £	2011 £
Turnover	2	67,597	66,729
Administrative expenses		(81,987)	(74,477)
Operating Deficit	3	<u>(14,390)</u>	<u>(7,748)</u>
Interest receivable		328	350
Interest payable	6	<u>(905)</u>	<u>(924)</u>
Deficit on ordinary activities before taxation		<u>(14,967)</u>	<u>(8,322)</u>
Tax on surplus on ordinary activities (See Note 1 on page 7)		-	-
Deficit for the financial year		<u>(14,967)</u>	<u>(8,322)</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the deficit for the above two financial years

The Abbeyfield Buckland Monachorum Society Limited
Balance Sheet
as at 30 September 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	7	324,083	323,224
Current assets			
Charities deposit fund		28,163	46,835
Cash at bank and in hand		625	1,965
		<u>28,788</u>	<u>48,800</u>
Creditors: amounts falling due within one year	8	(8,810)	(7,470)
Net Current Assets		<u>19,978</u>	<u>41,330</u>
Total assets less current liabilities		<u>344,061</u>	<u>364,554</u>
Creditors: amounts falling due after more than one year	9	(31,298)	(36,824)
Net Assets		<u>312,763</u>	<u>327,730</u>
Capital and reserves			
Property Equity reserve	11	284,154	277,243
General fund	12	28,609	50,487
	13	<u>312,763</u>	<u>327,730</u>

The Directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006 and that the members have not required the company to obtain an audit in accordance with section 476 of the Act

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime



K Farnham
Director

Approved by the board on 20 November 2012

The Abbeyfield Buckland Monachorum Society Limited
Cash Flow Statement
for the year ended 30 September 2012

	Notes	2012 £	2011 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating Deficit		(14,390)	(7,748)
Depreciation charges		1,696	1,910
Decrease in Creditors		(4,186)	(5,630)
Net cash outflow from operating activities		<u>(16,880)</u>	<u>(11,468)</u>
CASH FLOW STATEMENT			
Net cash outflow from operating activities		(16,880)	(11,468)
Returns on investments and servicing of finance	14	(577)	(574)
Capital expenditure	14	(2,555)	(620)
Decrease in cash		<u>(20,012)</u>	<u>(12,662)</u>
Reconciliation of net cash flow to movement in net debt			
Decrease in cash in the period		(20,012)	(12,662)
Net funds at 1st October		48,800	61,462
Net funds at 30th September		<u>28,788</u>	<u>48,800</u>

The Abbeyfield Buckland Monachorum Society Limited
Notes to the Accounts
for the year ended 30 September 2012

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards, and the Statement of Recommended Practice published by the National Federation of Housing Associations, the Accounting Requirements for Registered Social Landlords General Determination 2000, and the revised Statement of Recommended Practice for Charities (SORP) 2008

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows

Freehold buildings	Nil
Furniture and Equipment	Over 5 years

Reserves

The property equity reserve is maintained at a figure which represents the book value of the house and land (less Social Housing Grant), and less the outstanding balance due on the mortgage

The income and expenditure account general fund represents accumulated surpluses less any transfers to the property equity reserve

Taxation

Under the provisions of the ITA 2007 CTA 2010, the company is exempt from corporation tax on income and surpluses, where these are applied for charitable purposes. In the opinion of the Directors all income and surpluses of the Society fall within the above exemptions and therefore no liability to corporation tax will arise

The company is not registered for VAT purposes and consequentially all income and expenditure is stated gross of Value Added Tax

Cyclical maintenance

It is the opinion of the Board of Directors that no provision will be required for future cyclical maintenance or repairs in the medium to long term, in view of the continuing annual repair and maintenance programme already carried out

The Abbeyfield Buckland Monachorum Society Limited
Notes to the Accounts
for the year ended 30 September 2012

Freehold Property, The Social Housing Grant and Reserves

No depreciation is charged on the land. The buildings are maintained in a state of repair such that their estimated residual value at the Balance Sheet date is not less than their cost, less the social housing grant. An annual charge for depreciation would therefore be immaterial. In addition the remaining economic useful life exceeds 50 years.

All capital expenditure on land and buildings is shown at cost, and grants received towards the cost thereof are shown separately. The cost comprises the purchase price and the incidental costs of acquisition. No amount of capitalised interest is included thereon. Assets donated to the company are not included in the balance sheet.

The net book value of the freehold property is reduced by the amount of the Social Housing Grant received, which is shown separately in the freehold property note. This is in contravention of the Companies Act 2006. This departure has been made in order to comply with SORP 2008, and with the overriding requirement of the General Determination 2000, and the Companies Act, for accounts to be prepared which show a true and fair view.

The Social Housing Grant will become repayable if the property should be sold in the future. If this eventuality arises the grant becomes an unsecured liability.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. No liability arises at the year end.

2 Turnover, Interest receivable (and similar income) and Expenditure

Turnover represents the residential charges, and other related income, including supporting people funding, if applicable, on a receipts basis.

All expenditure has been charged on an accruals basis.

3 Operating Deficit	2012	2011
	£	£
This is stated after charging		
Depreciation of owned fixed assets	<u>1,696</u>	<u>1,910</u>
4 Residential Charges	2012	2011
	£	£
Nominal total charges receivable	101,720	90,660
Losses from vacancies 39.4% (2011-28.1%)	<u>(40,100)</u>	<u>(26,594)</u>
Net receipts from charges 60.6% (2011-71.9%)	<u>61,620</u>	<u>64,066</u>

The Abbeyfield Buckland Monachorum Society Limited
Notes to the Accounts
for the year ended 30 September 2012

5 Staff costs	2012	2011
	£	£
Wages and salaries	38,166	32,580
Social security costs	2,185	1,504
Other pension costs	35	420
	<u>40,386</u>	<u>34,504</u>

Average number of employees during the year	Number	Number
Full time	1	1
Part time	2	2.5
	<u>3</u>	<u>3.5</u>

6 Interest payable	2012	2011
	£	£
Mortgage interest	<u>905</u>	<u>924</u>

7 Tangible fixed assets	Freehold land	Freehold property for letting	Furniture and equipment	Total
	£	£	£	£
Cost				
At 1 October 2011	35,000	284,567	40,756	360,323
Additions	<u>1,385</u>	<u>-</u>	<u>1,170</u>	<u>2,555</u>
At 30 September 2012	<u>36,385</u>	<u>284,567</u>	<u>41,926</u>	<u>362,878</u>
Depreciation				
At 1 October 2011	-	-	37,099	37,099
Charge for the year	<u>-</u>	<u>-</u>	<u>1,696</u>	<u>1,696</u>
At 30 September 2012	<u>-</u>	<u>-</u>	<u>38,795</u>	<u>38,795</u>
Net book value				
At 30 September 2012	<u>36,385</u>	<u>284,567</u>	<u>3,131</u>	<u>324,083</u>
At 30 September 2011	<u>35,000</u>	<u>284,567</u>	<u>3,657</u>	<u>323,224</u>

The Freehold property for letting cost of £284,567 is net of a Social Housing grant received of £38,000

8 Creditors amounts falling due within one year	2012	2011
	£	£
Mortgage capital outstanding	5,500	5,500
Accruals and deferred income	<u>3,310</u>	<u>1,970</u>
	<u>8,810</u>	<u>7,470</u>

The Abbeyfield Buckland Monachorum Society Limited
Notes to the Accounts
for the year ended 30 September 2012

9 Creditors amounts falling due after one year	2012	2011
	£	£
Mortgage capital outstanding	<u>31,298</u>	<u>36,824</u>

10 Analysis of Mortgage Debt	2012	2011
	£	£
Analysis of maturity of debt		
Within one year or on demand	5,500	5,500
Between one and two years	5,500	5,500
Between two and five years	14,000	14,000
After five years	<u>11,798</u>	<u>17,324</u>
	<u>36,798</u>	<u>42,324</u>

The mortgage is with the Nationwide Building Society, under the Small Housing Associations Initiative, and is secured by a charge on the freehold property. It is a repayment mortgage, repayable over 25 years from December 1993. It is repayable as noted above.

11 Property Equity Reserve	2012	2011
	£	£
At 1 October	277,243	271,806
Transfer from the income and expenditure account (See note 12 below)	6,911	5,437
At 30 September	<u>284,154</u>	<u>277,243</u>

The property equity reserve has not been combined with the general fund as recommended by the Statement of Recommended Practice issued by the National Federation of Housing Associations as the Directors wish to keep the two separate, so that the general fund only represents funds available to meet excess operating costs.

12 General Fund	2012	2011
	£	£
At 1 October	50,487	64,246
Deficit for the financial year	(14,967)	(8,322)
Transfer to property equity reserve	(6,911)	(5,437)
At 30 September	<u>28,609</u>	<u>50,487</u>

13 Reconciliation of movement in capital & reserves	2012	2011
	£	£
At 1 October	327,730	336,052
Deficit for the financial year	<u>(14,967)</u>	<u>(8,322)</u>
At 30 September	<u>312,763</u>	<u>327,730</u>

The Abbeyfield Buckland Monachorum Society Limited
Notes to the Accounts
for the year ended 30 September 2012

14 Gross cash flows	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	328	350
Interest paid	(905)	(924)
	<u>(577)</u>	<u>(574)</u>
Capital expenditure		
Payments to acquire tangible fixed assets	<u>2,555</u>	<u>620</u>

15 Analysis of changes in net debt	At 1 Oct 2011	Cash flows	Non-cash changes	At 30 Sep 2012
	£	£	£	£
Cash at bank and in hand	48,800	(20,012)	-	28,788
Total	<u>48,800</u>	<u>(20,012)</u>	<u>-</u>	<u>28,788</u>

16 Accommodation in management	2012	2011
	£	£
Number of Bed Spaces for full time residents	9	9
Number of Bed Spaces for residents guests	1	1
	<u>10</u>	<u>10</u>

17 Related party transactions

The Directors of the company benefit from indemnity insurance to cover any liability resulting from any negligence, default or breach in their duty. The premium previously paid for by Abbeyfield HQ is now paid by the Society.

18 Post Balance Sheet Event

The Society may be embarking on a renovation project that would cost circa £400,000 plus VAT in order to convert/upgrade some rooms to a proven Abbeyfield modern standard. £23,000 of Architect's fees relating to this project have already been paid on the Society's behalf by Abbeyfield HQ, and the amount would be added to the approximate cost noted above should the project go ahead. The Society is waiting to hear from Abbeyfield HQ whether they will approve the project.

19 Controlling party

The controlling party is the appointed Board of Directors/Trustees who meet on a regular basis to manage the charitable company.

The Abbeyfield Buckland Monachorum Society Limited
Income and Expenditure Account
for the year ended 30 September 2012
for the information of the directors only

	2012	2011
	£	£
Income		
Net residential charges	61,620	64,066
Legacy	5,000	2,000
Income from guest room, garage etc	977	663
Total income	<u>67,597</u>	<u>66,729</u>
Less Expenditure		
House Operational Costs		
Staff costs	40,386	34,504
Food and other household costs	10,149	10,170
Garden	1,403	1,734
Water	2,204	2,020
Council tax	1,647	2,163
Gas	3,684	2,574
Electricity	1,956	2,028
Other expenditure	1,265	1,376
Insurances	1,358	1,501
24 Hour Call System	750	773
Cleaning	2,020	1,996
	<u>66,822</u>	<u>60,839</u>
General administrative expenses		
Telephone and fax	1,033	530
Expenses and advertising	1,765	1,271
Accountants remuneration	1,020	1,020
Membership and other fees	1,893	1,424
Repairs and maintenance	4,452	4,233
Depreciation	1,696	1,910
Officers' allowances	3,306	3,250
	<u>15,165</u>	<u>13,638</u>
Total expenditure	<u>81,987</u>	<u>74,477</u>
Operating deficit for the year	(14,390)	(7,748)
Interest receivable	328	350
Interest payable	(905)	(924)
Deficit for the year	<u>(14,967)</u>	<u>(8,322)</u>