

NONSUCH ABBEYFIELD
FINANCIAL STATEMENTS
AT
30th SEPTEMBER 2014

MAURICE ANDREWS
Chartered Accountants
Grove House
25 Upper Mulgrave Road
Cheam, Sutton
Surrey, SM2 7BE

NONSUCH ABBEYFIELD

TABLE OF CONTENTS

| Pages | |
|---------|--|
| 1 - 3 | Chairman's Report |
| 4 - 6 | Report of the Executive Committee |
| 7 - 8 | Independent Auditor's Report |
| 9 | Balance Sheet |
| 10 | Income and Expenditure Account |
| 10 | Statement of Total Recognised Gains and Losses |
| 11 - 16 | Notes to the Financial Statements |

NONSUCH ABBEYFIELD

CHAIRMAN'S REPORT

A new Abbeyfield has arrived in your community

Nonsuch Abbeyfield completed its merger with The Abbeyfield Purley Society Limited (Abbeyfield Purley) on 30th September 2014 to create a new Society, which will operate under the name of Abbeyfield Southern Oaks (we are still awaiting the approval of this name by the relevant authorities). The assets and undertaking of the new Society have been vested in the entity called Abbeyfield Purley, whose name should change to Abbeyfield Southern Oaks once the necessary approvals have been received from the relevant authorities. The Nonsuch Abbeyfield entity will remain in being until the Ewell planning application is determined (see below).

The new Society has been created as a consequence of a determined intention to consolidate and focus Abbeyfield's local charitable resources to build, own and operate extra-care serviced apartments for older people living in our local community. Our Trustees consider that such developments are critical to our ability to continue to provide Abbeyfield services to older people in the long-term.

More than ever before our Trustees will be needing your support, encouragement and charity during the next stage of our development. If you want to help, please contact admin@nonsuchabbeyfield.org.

Our aim is to develop the facilities needed to ensure that future generations of older people from Epsom in the west to Croydon in the east will be able to experience the same loving care, companionship and comfortable accommodation that our residents have enjoyed over the last 40-50 years.

What will be different, however, is that this accommodation will be in the form of self-contained apartments with communal dining and leisure facilities, rather than the current 'bed-sitter' studios that have served us so well in the past and continue to do so today. Also, there will be the facility to provide domiciliary and some nursing care on site, so that as people grow frailer there will be only a very limited need for them to have to move house in search of the necessary care support.

We expect that these new Abbeyfield homes will be attractive to future generations of older people who, on average, will be somewhat younger than our current residents when they take up residence. They will be living in accommodation that is both suitable for independent and active senior citizens and responsive to needing increasing amounts of physical and emotional support. Our services will be enriched by the involvement of a large body of volunteers and, as is the case currently, their cost will contain no profit element.

It will take time for us to secure and deliver this new type of accommodation (called Extra Care accommodation) but we would be disappointed if we did not have the first one up and running before the end of the next five year period.

Meanwhile, you should expect our services within our current houses to be sustained throughout this development period and beyond. So long as there is ongoing demand for these houses, we will continue to provide their unique form of service. Also in accordance with our historical policy, residents in our traditional houses will have priority entitlement to be considered for residence in available rental properties within our new extra care facilities.

Our sheltered houses and our residents

We now serve thirty-five residents in four houses:

| | |
|-------------------------|--|
| Abbeyfield Cheam (8) | 82 York Road, Cheam, SM2 6HJ |
| Abbeyfield Sutton (7) | 82 Mulgrave Road, Sutton, SM2 6LZ |
| Abbeyfield Nonsuch (10) | The Old House, Epsom Road, Ewell, KT17 1JZ |
| Abbeyfield Purley (10) | 2 Purley Knoll, Purley, CR8 3AE |

NONSUCH ABBEYFIELD

CHAIRMAN'S REPORT

Our sheltered houses and our residents *(continued)*

Four dedicated housekeepers, supported by relief housekeepers, look after the residents of our houses. Each house is managed by its own House committee of volunteers, all of whom are committed to help provide care and companionship to the residents of their house.

It has been a sad year in that we have had to say farewell to many old friends – who are sorely missed but whose memory lives on within the minds of the residents, staff and volunteers of each of our houses.

In our Purley house we have two residents who have received telegrams from the Queen and had a respite resident this year who brought the toll to three! All houses have had an active programme of events and entertainments through the year and residents continue to take an active interest in what's going on around them.

For the second year running residents enjoyed a visit to Nonsuch High School for Girls, where 180 year 8 girls entertained them to tea, lots of tea-time chat and a wonderful show of song, music and acrobatics!

Our first prospective extra care operation

Many of you will know that we were disappointed in September 2014 to find that our Planning Application for a new Extra Care operation in Ewell was refused. Details of this application, including drawings of the proposed facilities, can be found at <http://www.nonsuchabbeyfield.org>.

We have taken professional advice as to whether, and if so how to take this matter forward. We are seeking to make a resubmission of an amended form of our application, but if this does not work out we will almost certainly have no reasonable option but to appeal the Council's decision.

We remain positive about this opportunity, given the outstanding value that it will offer to the local community.

The management of our Society

The drive towards a future of Extra-Care means that we expect the Society to increase the number of residents it is serving from its total of 35 today to at least 100 in five years' time and almost double that by ten years' time. Over the last two years, in handling the merger of Nonsuch and Purley and in managing the above Planning Application, the Trustees have found the level and sophistication of management effort necessary has far exceeded what is reasonable to expect of volunteer managers.

Because of this, the Society has decided that it must appoint an experienced care home manager to take the lead in managing the transition from Sheltered to Extra Care Accommodation. Gaynor Cavanagh, a highly experienced care manager, will be leaving the employ of Methodist Homes at the end of February to take up post with ourselves in March 2015.

Our Trustees

We have an outstanding Board of Trustees with expertise in Finance, Care Management, Property Development, Engineering and Property Management, and Health and Safety. I enjoy the support of five vice-chairmen, all of whom have the skills and experience to chair the Society in my absence.

NONSUCH ABBEYFIELD

CHAIRMAN'S REPORT

Exemplary Trustees and Staff

Over the last few years we have seen three of our number recognised at national and regional level.

This year **Jean Thompson**, housekeeper of our York Road house was awarded a Certificate of Excellence from our Regional Strategy Head.

Over the last few years The Royal Patron's Award has been granted to both **Jill Ohlson**, past chairman of our York Road house, and **John Shelton**, recently the much loved past chairman of Abbeyfield Purley, and now the Vice Chairman of the Society and Chairman of our Operations Team.

This report cannot go to press without recording the exceptional service provided by Jill Ohlson, who had to retire as chairman of our York Road house on account of continuing health problems. Jill has been chairman of the York Road house from a date prior to its opening in 1980 – 34 years plus!! She has left a legacy of a vibrant and youthful committee well up to the task of succeeding her. A big thank you is due to Jill – and a deserving improvement in her current health condition.

Can you help us?

Please take the time to contact us at admin@nonsuchabbeyfield.org. If you would like to help us with the next stage of our development.

Graham Walker
Chairman

NONSUCH ABBEYFIELD

REPORT OF THE EXECUTIVE COMMITTEE
FOR THE YEAR ENDED 30th SEPTEMBER 2014

The Executive Committee submits its report and financial statements for the year ended 30th September 2014.

THE OBJECTS OF THE SOCIETY

Since its formation in 1975, the objects of the Society have been to carry on for the benefit of the community the provision and management of housing for letting for the relief and care of older people of all classes suffering from the disabilities of old age, or otherwise being in need.

THE ACTIVITIES AND BENEFICIARIES OF THE SOCIETY

At present the Society operates three sheltered houses for older people (two in Sutton and one on the borders of Epsom and Ewell), with a total capacity of 25 Residents. Our policy is to provide older people who no longer wish to live alone with support, good home cooking and companionship, whilst helping them to maintain their independence, privacy and dignity.

We welcome as Residents people from all backgrounds and sectors of society who will contribute to the community in each 'family-style' sheltered home. Whilst some of our residents are able to meet our charges from their own resources, others have recourse to the support available from the local council through Housing Benefit. We do not enquire about people's means when they apply, or offer any financial advice, but are happy to suggest where they may be able to obtain such advice and assistance with complete confidentiality. Our services are advertised to the public via our website and through advertisements in the local press. Our admissions procedure and selection criteria are published on our website.

Our strategy is to be volunteer governed and supported and the Society is supported by an extensive and active volunteer base with a broad range of skills. We receive income from charges made to residents for the provision of accommodation and services and also from investments, which result principally from past legacies.

As noted in the Chairman's report, the Society continues to pursue its objective of acquiring a development site to build and operate an extra care home for 60 to 90 residents.

On 4th December 2013 the Board approved the merger of the Society with that of Abbeyfield Purley. The merger was completed on 30th September 2014 pursuant to which the assets, liabilities and undertakings of the Society were transferred to Abbeyfield Purley.

RESULTS

The results for the year are as set out in the income and expenditure account on page 10. The Committee considers that the state of affairs of the Society is satisfactory.

FIXED ASSETS

Note 3 (page 13) summarises the changes to the amounts of cost and depreciation on housing land and buildings and the changes in fixtures, fittings and equipment. The Committee is of the opinion that the market value for existing use of the land and buildings exceeds their original cost, as recorded in the original statements.

NONSUCH ABBEYFIELD

REPORT OF THE EXECUTIVE COMMITTEE
FOR THE YEAR ENDED 30th SEPTEMBER 2014

(continued)

EXECUTIVE COMMITTEE

The members of the Executive Committee who are Trustees of the Society and served during the year were:

Michael Bletcher
Jane Hicks
Andrew Macdonald
Nigel Macdonald (Vice Chairman)
Lyn Maggs
Yvonne McPhee
Jill Ohlson (resigned 13th August 2014)
Maurice Pagella (Financial Convenor and Vice Chairman)
Rohitbhai Patel
Bill Scott
Dr Malcolm Wakerley (Vice Chairman)
Eveline Walker (resigned 5th March 2014)
Graham Walker (Chairman)
Susanna Walker
Austine Young (resigned 13th August 2014)

In accordance with the Registered Rules of the Society, 5 members retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting to be held on 5th March 2015.

STATEMENT OF RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE

The Executive Committee are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Executive Committee are required to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Society and of its income and expenditure for that period. In preparing these financial statements, the Executive Committee are required to:

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

The Executive Committee are responsible for maintaining satisfactory systems of internal control and keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NONSUCH ABBEYFIELD

REPORT OF THE EXECUTIVE COMMITTEE
FOR THE YEAR ENDED 30th SEPTEMBER 2014

(continued)

AUDITORS

The Executive Committee has appointed Maurice Andrews, Chartered Accountants, of 25 Upper Mulgrave Road, Cheam, Surrey SM2 7BE to audit the Accounts of the Society for the year ended 30th September 2014.

APPROVAL

The report of the Executive Committee was approved by the board on 10th February 2015 and signed on its behalf by the Society Secretary:-

Margaret Angus
Society Secretary

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NONSUCH ABBEYFIELD

We have audited the financial statements of Nonsuch Abbeyfield for the year ended 30th September 2014 which comprise the Balance Sheet, the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses 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).

This report is made solely to the Society's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. 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 Executive Committee and Auditors

As explained more fully in the Executive Committee's Responsibilities Statement, the Executive Committee is responsible for the preparation of financial statements which 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 (APB'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 Society's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Executive Committee, 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. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Society's affairs as at 30th September 2014 and of its income and expenditure for the year then ended, and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and with the Co-operative and Community Benefit Societies Act 2014.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NONSUCH ABBEYFIELD

(continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 require us to report to you if, in our opinion:

- proper books of account have not been kept by the Society in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the Society in accordance with the requirements of the legislation;
- the revenue account to which our report relates, and the balance sheet are not in agreement with the books of account of the Society; and
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Grove House
25 Upper Mulgrave Road
Cheam, Sutton
Surrey SM2 7BE
10th February 2015

MAURICE ANDREWS
CHARTERED ACCOUNTANTS
STATUTORY AUDITORS

NONSUCH ABBEYFIELD**BALANCE SHEET**
30th SEPTEMBER 2014

| | <u>Notes</u> | <u>2014</u> | | <u>2013</u> | |
|--|--------------|-------------|-----------|------------------|------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 3 | | - | | 2,184,808 |
| Investments | 4 | | - | | <u>1,095,951</u> |
| | | | - | | 3,280,759 |
| CURRENT ASSETS | | | | | |
| Stock of provisions and cleaning materials | | - | | 1,200 | |
| Debtors and prepayments | | 91 | | 8,759 | |
| Cash at bank and in hand | | - | | <u>2,440,855</u> | |
| | | - | | <u>2,450,814</u> | |
| CURRENT LIABILITIES | | | | | |
| Sundry creditors and accruals | | - | | <u>35,916</u> | |
| | | - | | <u>35,916</u> | |
| NET CURRENT ASSETS | | | <u>91</u> | | <u>2,414,898</u> |
| NET ASSETS | | | <u>91</u> | | <u>5,695,657</u> |
| | | | ===== | | ===== |
| CAPITAL AND RESERVES | | | | | |
| Share capital | 5 | | 91 | | 91 |
| Investment property revaluation reserve | 6 | | - | | 480,000 |
| Restricted reserves | 6 | | - | | 8,268 |
| Designated reserves | 6 | | - | | 231,367 |
| General reserves | 6 | | - | | <u>4,975,931</u> |
| | | | 91 | | <u>5,695,657</u> |
| | | | ===== | | ===== |

The financial statements were approved on 10th February 2015 by
the Executive Committee and signed on its behalf by:-

| | | |
|------------|---|------------------|
| G. Walker | - | Committee Member |
| M. Pagella | - | Committee Member |
| R. Patel | - | Committee Member |

NONSUCH ABBEYFIELD
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30th SEPTEMBER 2014

| | <u>Notes</u> | <u>2014</u> £ | <u>2013</u> £ |
|---|--------------|------------------|------------------|
| TURNOVER | 7 | 371,095 | 356,546 |
| Direct costs | 7 | (278,545) | (262,654) |
| | | 92,550 | 93,892 |
| Administrative expenses | 7 | (66,923) | (100,622) |
| OPERATING SURPLUS (2013 – DEFICIT) | 8 | 25,627 | (6,730) |
| Other income | 9 | 930 | 33,964 |
| Investment income | 10 | 44,518 | 57,862 |
| Gain on sale of investments | | - | 52,891 |
| Write off of development costs | 3 | (258,600) | - |
| DEFICIT (2013 - SURPLUS) FOR THE FINANCIAL YEAR | 6 | (187,525) | 137,987 |
| Transfers from (to) restricted reserve | 6 | 1,450 | (4,434) |
| Transfer from designated reserves | | - | (16,000) |
| DEFICIT (2013 - SURPLUS) FOR THE FINANCIAL YEAR | 6 | (186,075) | 117,553 |

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30th SEPTEMBER 2014

| | <u>2014</u> £ | <u>2013</u> £ |
|---|------------------|------------------|
| Deficit (2013-surplus) for the financial year | (187,525) | 137,987 |
| Unrealised gains on revaluation of investment portfolio | 3,121 | 3,887 |
| Total recognised deficit (2013-surplus) for the year | (184,404) | 141,874 |

NONSUCH ABBEYFIELD**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30th SEPTEMBER 2014

1. STATUS AND ACTIVITIES OF THE SOCIETY

The Society was historically registered under the Industrial and Provident Societies Act 1965 to 2002 (Registered Number 21620R) and is now covered by the Co-operative and Community Benefit Societies Act 2014. The Society is wholly engaged in social housing activities.

The Society is associated by name and objects with, and is a member of, The Abbeyfield Society, which provides guidance, co-ordination, initiative, development and representation to independent Abbeyfield Societies throughout the United Kingdom. The Abbeyfield Society owns one share in the Society.

Since its formation in 1975, the objects of the Society have been to carry on, for the benefit of the community, the provision and management of housing for letting for the relief and care of older people of all classes suffering from the disabilities of old age, or otherwise being in need.

The Society operated three Abbeyfield houses at 82 York Road, Cheam, Surrey, 82 Mulgrave Road, Sutton, Surrey, and The Old House, Mongers Lane, Epsom Road, Ewell, Surrey during the current and preceding year.

Under the terms of a merger agreement with the members of a neighbouring society, all the activities, as well as the assets and liabilities of the Society were transferred to the ownership of The Abbeyfield Purley Society Limited, a company limited by guarantee and a registered charity, with effect from the close of business at 30th September 2014.

The Society has entered into an agreement to purchase land, subject to the receipt of suitable planning permission, with a view to building and operating an Extra Care home for 60 to 90 older people within reach of its existing houses. An Extra Care home is a specialised form of sheltered accommodation, comprising one and two bedroom apartments with shared social and catering facilities, which is designed to support residents who have varying degrees of care needs. Where there are such care needs, they will be commissioned by the resident from independent care suppliers in the knowledge that the facilities of the home will be flexible enough to deal with their changing circumstances.

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with the provisions of the Co-operative and Community Benefit Societies Act 2014, the Statement of Recommended Practice on accounting by Registered Social Housing Providers 2010 and the Accounting Direction for Private Registered Providers of Social Housing in England 2012. The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Social Housing Grant

The Society is in receipt of Social Housing Grants, formerly called Housing Association Grants (HAG). Where developments have been wholly or partially funded by such grants, the cost of these developments has been reduced by the value of the grant received. The value of the grant is disclosed as a separate item. These grants may be repayable in the event that the relevant property is sold by the Society, or if certain other relevant events take place, but can be rolled over into other purchase or development activities in certain circumstances.

NONSUCH ABBEYFIELD**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30th SEPTEMBER 2014
(continued)2. ACCOUNTING POLICIES *(continued)***Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated on a straight line basis at the following rates in order to write off each asset over its useful economic life:

| | |
|----------------------------------|-----|
| Freehold buildings | 2% |
| Fixtures, fittings and equipment | 10% |

Investment Properties

Freehold investment properties are included in the financial statements at their open market value.

The FRSSSE states that such properties should not be depreciated unless held as leasehold property where the lease has less than 20 years to run.

The Society has therefore provided no depreciation on investment properties in order to give a true and fair view.

Investment Portfolio

The investments held are valued at mid market value at the balance sheet date.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Taxation

The society is not subject to corporation tax.

The society is not registered for VAT. VAT is not therefore charged to residents. Expenditure charged includes any relevant VAT element.

Turnover

The net income from residential charges is the maximum potential income if all properties are let all year plus income from short term stays. The reduction for voids and absences is the refund made to residents for meals when they are not in their flat and an allowance for voids when properties are empty. The total turnover in the accounts is the income due for the year.

Legacies and donations

Donations to the Society are credited in the accounts on a receipts basis.

Allocation of expenses

Expenses are allocated to development, management, repairs and service costs on the basis of the proportion attributable to these activities.

NONSUCH ABBEYFIELD**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30th SEPTEMBER 2014
(continued)

| 3. FIXED ASSETS | <u>Freehold investment property</u> £ | <u>Freehold operating properties</u> £ | <u>Property under development</u> £ | <u>Fixtures, fittings & equipment</u> £ | <u>Total</u> £ |
|----------------------------------|--|---|--|--|--------------------|
| Cost/valuation | | | | | |
| At 1.10.2013 | 1,350,000 | 1,475,994 | 22,576 | 106,423 | 2,954,993 |
| Additions | - | - | 236,024 | 9,880 | 245,904 |
| Write off | - | - | (258,600) | - | (258,600) |
| At 30.9.2014 | <u>1,350,000</u> | <u>1,475,994</u> | <u>-</u> | <u>116,303</u> | <u>2,942,297</u> |
| Housing Association Grant | | | | | |
| At 1.10.2013 and 30.9.2014 | <u>-</u> | <u>(575,238)</u> | <u>-</u> | <u>-</u> | <u>(575,238)</u> |
| | 1,350,000 | 900,756 | - | 116,303 | 2,367,059 |
| Transfer to Abbeyfield Purley | <u>(1,350,000)</u> | <u>(900,576)</u> | <u>-</u> | <u>(116,303)</u> | <u>(2,367,059)</u> |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Depreciation | | | | | |
| At 1.10.2013 | - | 150,797 | - | 44,149 | 194,946 |
| Charge for year | - | <u>11,500</u> | - | <u>11,626</u> | <u>23,126</u> |
| | - | 162,297 | - | 55,775 | 218,072 |
| Transfer to Abbeyfield Purley | <u>-</u> | <u>(162,297)</u> | <u>-</u> | <u>(55,775)</u> | <u>(218,072)</u> |
| At 30.9.2014 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net book value | | | | | |
| At 30.9.2014 | - | - | - | - | - |
| | ===== | ===== | ===== | ===== | ===== |
| At 30.9.2013 | 1,350,000 | 749,959 | 22,576 | 62,274 | 2,184,808 |
| | ===== | ===== | ===== | ===== | ===== |

The historic cost of the freehold investment property at the year end was £Nil (2013 - £870,000).

The cost of freehold operating properties shown above of £1,475,994 includes £530,000 attributed to the land element of the properties and £945,994 to the buildings element, as estimated by the Executive Committee.

On September 4, 2014, planning permission for the proposed development was refused. The Society is currently considering submission of an amended application but in view of the Council's current stance, has written off the related development costs in the current year.

NONSUCH ABBEYFIELD**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30th SEPTEMBER 2014
(continued)

4. FIXED ASSET INVESTMENTS

| | <u>2014</u> | <u>2013</u> |
|---|--------------------|----------------|
| | £ | £ |
| a) Investment portfolio | | |
| Market value brought forward | 1,095,951 | 1,097,450 |
| Additions | 50,841 | 123,408 |
| Disposal proceeds | (60,533) | (128,794) |
| Net gains for the year | 3,121 | 3,887 |
| Transfer to Abbeyfield Purley | <u>(1,089,380)</u> | <u>-</u> |
| Market value carried forward | - | 1,095,951 |
| | ===== | ===== |
| b) Analysis of market value of portfolio | | |
| Cash deposits held by investment advisors | - | 80,216 |
| UK government securities | - | 585,553 |
| Fixed interest securities | - | 183,439 |
| Equities and Unit Trusts | <u>-</u> | <u>246,743</u> |
| | - | 1,095,951 |
| | ===== | ===== |

5. SHARE CAPITAL

| | <u>2014</u> | <u>2013</u> |
|--------------------------------------|-------------|-------------|
| | £ | £ |
| Issued share capital brought forward | 91 | 94 |
| Shares cancelled during year | <u>-</u> | <u>(3)</u> |
| Issued share capital carried forward | 91 | 91 |
| | === | === |

The Society shares has 91 shares of £1 each in issue and fully paid at the year end.

6. RESERVES

| | <u>Investment</u> | <u>Restricted</u> | <u>Designated</u> | <u>General</u> | <u>Total</u> |
|--|--------------------|-------------------|-------------------|--------------------|--------------------|
| | <u>Property</u> | <u>Reserves</u> | <u>Reserves</u> | <u>Reserves</u> | |
| | <u>Revaluation</u> | <u>Reserves</u> | <u>Reserves</u> | <u>Reserves</u> | |
| | £ | £ | £ | £ | |
| At 1.10.2013 | 480,000 | 8,268 | 231,367 | 4,975,931 | 5,695,566 |
| Deficit for year | - | - | - | (187,525) | (187,525) |
| Transfers | - | (1,450) | - | 1,450 | - |
| Unrealised gains on investments | - | - | - | 3,121 | 3,121 |
| Transfer to Abbeyfield Purley(480,000) | <u>(480,000)</u> | <u>(6,818)</u> | <u>(231,367)</u> | <u>(4,792,977)</u> | <u>(5,511,162)</u> |
| At 30.9.2014 | - | - | - | - | - |
| | ===== | ===== | ===== | ===== | ===== |

NONSUCH ABBEYFIELD**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30th SEPTEMBER 2014
(continued)

7. ANALYSIS OF SOCIAL HOUSING INCOME AND EXPENDITURE

| | <u>Social</u> <u>2014</u> £ | <u>Non-social</u> <u>2014</u> £ | <u>Total</u> <u>2014</u> £ | <u>Social</u> <u>2013</u> £ | <u>Non-social</u> <u>2013</u> £ | <u>Total</u> <u>2013</u> £ |
|---|-----------------------------------|---------------------------------------|----------------------------------|-----------------------------------|---------------------------------------|----------------------------------|
| Turnover | | | | | | |
| Income receivable from letting of all units based on 100% occupancy | 374,252 | - | 374,252 | 354,266 | - | 354,266 |
| Vacancies and void losses | (49,910) | - | (49,910) | (40,856) | - | (40,856) |
| Grant income | 10,000 | - | 10,000 | - | - | - |
| Investment property income | <u>-</u> | <u>36,753</u> | <u>36,753</u> | <u>-</u> | <u>43,136</u> | <u>43,136</u> |
| | <u>334,342</u> | <u>36,753</u> | <u>371,095</u> | <u>313,410</u> | <u>43,136</u> | <u>356,546</u> |
| Direct costs | | | | | | |
| Employee costs | 92,838 | - | 92,838 | 88,745 | - | 88,745 |
| Food and household costs | 50,137 | 6,813 | 56,950 | 46,767 | 620 | 47,387 |
| Other direct costs | 36,277 | 9,344 | 45,621 | 47,289 | 18,315 | 65,604 |
| Depreciation | 23,126 | - | 23,126 | 22,059 | 538 | 22,597 |
| Repairs – current | 56,673 | 3,337 | 60,010 | 24,102 | 3,204 | 27,306 |
| Repairs – cyclical | <u>-</u> | <u>-</u> | <u>-</u> | <u>11,015</u> | <u>-</u> | <u>11,015</u> |
| | 259,051 | 19,494 | 278,545 | 239,977 | 22,677 | 262,654 |
| Administrative expenses | <u>61,471</u> | <u>5,452</u> | <u>66,923</u> | <u>55,709</u> | <u>44,913</u> | <u>100,622</u> |
| | <u>320,522</u> | <u>24,946</u> | <u>345,468</u> | <u>295,686</u> | <u>67,590</u> | <u>363,276</u> |
| Operating surplus/(deficit) | 13,820 | 11,807 | 25,627 | 17,724 | (24,454) | (6,730) |
| | ===== | ===== | ===== | ===== | ===== | ===== |

8. OPERATING SURPLUS

| | <u>2014</u> £ | <u>2013</u> £ |
|--|------------------|------------------|
| Operating surplus is stated after charging | | |
| Auditor's remuneration (including VAT) | 5,000 | 5,000 |
| Depreciation | 23,126 | 22,597 |
| | ===== | ===== |

9. OTHER INCOME

| | <u>2014</u> £ | <u>2013</u> £ |
|--------------------|------------------|------------------|
| Gifts and legacies | 930 | 33,964 |
| | ===== | ===== |

NONSUCH ABBEYFIELD**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30th SEPTEMBER 2014
(continued)

| | | | |
|-----|--------------------------------------|---------------|---------------|
| 10. | INVESTMENT INCOME | | |
| | | <u>2014</u> | <u>2013</u> |
| | | £ | £ |
| | Bank interest | 9,486 | 19,260 |
| | Income from investment portfolio | <u>35,032</u> | <u>38,602</u> |
| | Issued share capital carried forward | 44,518 | 57,862 |
| | | ===== | ===== |

| | | | |
|-----|-----------------------|--------------|--------------|
| 11. | STAFF COSTS | | |
| | | <u>2014</u> | <u>2013</u> |
| | | £ | £ |
| | Salaries | 141,842 | 142,565 |
| | Social security costs | <u>7,081</u> | <u>8,820</u> |
| | | 148,923 | 151,385 |
| | | ===== | ===== |

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

| | | |
|----------------------|----------|----------|
| | No. | No. |
| Social housing staff | 12 | 9 |
| Administration staff | <u>3</u> | <u>4</u> |
| | 15 | 13 |
| | ===== | ===== |

No member of the Executive Committee has received fees, remuneration or expenses in respect of their duties as members of the Executive Committee during the current or previous year.

| | | | | | |
|-----|--|----------------------------|-----------|------------------------|-----------|
| 12. | HOUSING STOCK | | | | |
| | | Units under development | | Units in management | |
| | | 30.9.2014 | 30.9.2013 | 30.9.2014 | 30.9.2013 |
| | Social Housing Accommodation | | | | |
| | Number of bed spaces, excluding housekeeper and guest rooms | 0 | 0 | 0 | 25 |

13. TRANSFER OF OPERATIONS

As stated in note 1, the Society's assets, liabilities and operations were transferred to the Abbeyfield Purley Society Limited at close of business on September 30, 2014. The Society will remain registered with HCA and FCA until it has completed its planning resubmission and if necessary appeal against any further refusal by the Epsom & Ewell Council. Any costs incurred in respect of this process will be reimbursed by the Abbeyfield Purley Society.