

**THE ABBEYFIELD PURLEY SOCIETY LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>th</sup> SEPTEMBER 2014**

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

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**THE ABBEYFIELD PURLEY SOCIETY LIMITED**

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**THE ABBEYFIELD PURLEY SOCIETY LIMITED**

**CHAIRMAN'S REPORT**

The Directors have pleasure in presenting their report and audited accounts for the year to 30<sup>th</sup> September 2014.

**A new Abbeyfield has arrived in your community.**

The new Abbeyfield Purley Society Limited is the result of the merger of Nonsuch Abbeyfield and the predecessor Abbeyfield Purley. It has come together around a determined intention to work as a single charity 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 and encouragement during the next stage of our development on the borders of South West London. If you want to help please contact our Registered Office or [abbeyfield.purley@gmail.com](mailto:abbeyfield.purley@gmail.com).

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 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 those needing increasing amounts of physical and emotional support. Our services will be enriched by the involvement of a large body of volunteers.

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

## **THE ABBEYFIELD PURLEY SOCIETY LIMITED**

### **CHAIRMAN'S REPORT**

**(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.

**THE ABBEYFIELD PURLEY SOCIETY LIMITED**

**CHAIRMAN'S REPORT**

**(continued)**

**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 contact us at our Registered Office or [abbeyfield.purley@gmail.com](mailto:abbeyfield.purley@gmail.com) if you would like to help us with the next stage of our development.

Graham Walker  
Chairman

**THE ABBEYFIELD PURLEY SOCIETY LIMITED****REPORT OF THE EXECUTIVE COMMITTEE**  
**FOR THE YEAR ENDED 30<sup>th</sup> SEPTEMBER 2014**

The Executive Committee presents its report and the audited financial statements of the Society for the year ended 30<sup>th</sup> September 2014

**OBJECTIVES AND ACTIVITIES**

To provide accommodation, care and companionship for the relief and care of older people of all classes suffering from the disadvantages of old age, or otherwise being in need., in accordance with the aims and principles of The Abbeyfield Society. This activity is provided for the benefit of the community and falls wholly within social housing activities as defined in the Housing and Regeneration Act 2008.

**MERGER WITH NONSUCH ABBEYFIELD**

The process of merging the Society's operations, assets and liabilities with those of Nonsuch Abbeyfield was successfully completed at close of business on 30<sup>th</sup> September 2014. Both Societies were founded by local churches and have the same Christian ethos and Abbeyfield values and objectives. The Trustees of both Societies firmly believe that the merger will provide a stronger Society and considerably improve the quality of life and services available for older people in Purley, Sutton, Cheam, Epsom and Ewell.

Consequently, the balance sheet of the Society in the accompanying accounts reflects the combined assets and liabilities of both Nonsuch Abbeyfield and the Society, as stated immediately prior to the completion of the merger. Except for the reserve adjustment in respect of the merger with Nonsuch Abbeyfield, the Statement of Financial Activities for the year ended 30<sup>th</sup> September 2013 and 2014 reflects solely the results of charitable activities of the Society prior to the merger. In note 15 to the accounts, a proforma summary is presented (for information purposes only) of a combined Statement of Financial Activities for the year ended 30<sup>th</sup> September 2014, on the assumption that the merger had been completed on 1<sup>st</sup> October 2013.

In December 2014 the Executive Committee agreed to change the name of the Society to 'Abbeyfield Southern Oaks', which was subsequently endorsed by the Society's members. As at the date of approving these accounts, the Society is awaiting the approval of this name change from Companies House and the Charities Commission.

**THE ACTIVITIES AND BENEFICIARIES OF THE SOCIETY**

Since the completion of the merger, the Society operates four sheltered houses for older people (one in Purley, two in Sutton and one on the borders of Epsom and Ewell), with a total capacity of 35 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 each contribute to the community in their respective '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 arrangements such as Housing Benefit and 'Supporting People'. The Society is accredited by both the London Borough of Croydon and Surrey County Council as a provider of sheltered accommodation. 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, churches and other organisations supportive of older people. Our admissions procedure and selection criteria are published on our website.

**THE ABBEYFIELD PURLEY SOCIETY LIMITED**

**REPORT OF THE EXECUTIVE COMMITTEE**  
**FOR THE YEAR ENDED 30<sup>th</sup> SEPTEMBER 2014**  
**(continued)**

THE ACTIVITIES AND BENEFICIARIES OF THE SOCIETY *(continued)*

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 income from investments, which result principally from past legacies.

As noted in the Chairman's report, the Society is pursuing the objective of acquiring a development site on which it can build and operate an extra care home for 60 to 90 residents.

The Members of the Executive Committee have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to guidance published by the Charity Commission concerning the public benefit requirement.

**ACHIEVEMENTS AND PERFORMANCE**

The Society has successfully fulfilled its objectives during the year under review. Further information detailing the achievements and performance of the Society can be found in the Chairman's Report annexed hereto.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Abbeyfield Purley Society Limited was established on 6<sup>th</sup> September 1962 under a Memorandum and Articles of Association which set out its objects, powers and governance arrangements.

The Society is a registered charity (No. 247308) and a registered housing association (No. H1185). It is a company limited by guarantee (No. 00734705) which does not have a share capital. Every member of the Society undertakes to contribute an amount not exceeding £1 to the assets of the Society in the event of winding up. The total number of such members at 30<sup>th</sup> September 2014 was 18 (30.9.2013 - 17). Upon the completion of the merger with Nonsuch Abbeyfield, the number of members rose to 55.

The activities of the Society are overseen by an Executive Committee whose members are elected at an Annual General Meeting and who serve for a period of three years after which they must seek re-election if wishing to continue in office. The Executive Committee meets at least eight times a year.

The Society seeks new members of the Executive Committee based on the skills required to assist in the management and administration of the Society. New members of the Executive Committee are provided with full details of the Society and its activities and are provided with such additional training as may be required for them to participate fully in the activities of the Society.

The Executive Committee has conducted a review of the major risks to which the Society is exposed. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks that the Society faces. The systems of internal controls are externally examined in that the Society has received the Abbeyfield Gold Standard and has also been accredited by the London Borough of Croydon and the Surrey County Council.

**THE ABBEYFIELD PURLEY SOCIETY LIMITED**

**REPORT OF THE EXECUTIVE COMMITTEE**  
**FOR THE YEAR ENDED 30<sup>th</sup> SEPTEMBER 2014**  
**(continued)**

**FINANCIAL REVIEW**

The results for the year are as set out in the Statement of Financial Activities on page 12.

The Society made a surplus for the year of £13,863 (2013 - £11,258).

The Committee considers that the state of affairs of the Society is satisfactory.

As a result of the merger of Nonsuch Abbeyfield at close of business on 30th September 2014, there was an uplift in funds of £5,511,162.

Note 8 summarises the changes to the amounts of cost and depreciation on housing land and buildings and the changes in fixtures, fittings and equipment. The Executive 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 financial statements.

**INVESTMENT POLICY**

Investments in marketable securities are managed by an independent fund manager working under the direction of the Society's Trustees. Currently, the Trustees' investment policy is set so as to sustain the capital value of its investments with a view to their being realised in the short term for re-investment in the Society's proposed Extra-Care development.

**RESERVES POLICY**

The accumulated funds are free reserves that have been built up over time to cover future expenditure on projects designed to improve and extend the Society's ability to pursue its charitable objectives. Given the anticipated growth in the demand for the Society's services, and given the challenges involved in establishing new facilities suitable to meet future service needs, the Trustees consider that the current level of reserves is appropriate to its current market circumstances.

**FUTURE DEVELOPMENTS**

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 60-90 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.

Pending the acquisition of a suitable site, the Society is investing surplus resources in investment properties and marketable securities.

**THE ABBEYFIELD PURLEY SOCIETY LIMITED**

**REPORT OF THE EXECUTIVE COMMITTEE**  
**FOR THE YEAR ENDED 30<sup>th</sup> SEPTEMBER 2014**  
**(continued)**

**REFERENCE AND ADMINISTRATIVE INFORMATION**

Charity registration number	247308	
Company registration number	00734705	
Homes and Communities Agency number	H1185	
Registered Office and operational address	2 Purley Knoll Purley Surrey CR8 3AE	(to 13.10.2014)
	The Old House Mongers Lane Ewell Surrey KT17 1JZ	(from 13.10.2014)

**EXECUTIVE COMMITTEE**

The current members of the Executive Committee who are also Trustees of the Society and Directors of the Company, or served during the year ended 30 September 2014 are:

Robert Anthony  
Michael Bletcher  
Anne Carrington (Vice Chairman)  
Janet Fisher  
Stephen Hunt  
Trevor Jones  
Andrew Macdonald  
Nigel Macdonald (Appointed Vice Chairman with effect from 13.10.2014)  
Lyn Maggs  
Marjorie Marsh  
Yvonne McPhee  
Maurice Pagella (Appointed Development Financial Trustee with effect from 13.10.2014)  
Rohitbhai Patel (Appointed Society Financial Trustee with effect from 13.10.2014)  
Bill Scott  
John Shelton (Resigned as Chairman and Appointed Vice Chairman with effect from 13.10.2014)  
Dr Malcolm Wakerley (Appointed Vice Chairman with effect from 13.10.2014)  
Graham Walker (Appointed Chairman with effect from 13.10.2014)  
Susanna Walker

Robert Anthony served as a member of the Executive Committee from 17.3.2014 to 4.10.2014. Stephen Hunt resigned as a member of the Executive Committee on 30.9.2014.

Michael Bletcher, Janet Hicks, Andrew Macdonald, Nigel Macdonald, Lyn Maggs, Yvonne McPhee, Maurice Pagella, Rohitbhai Patel, Bill Scott, Dr Malcolm Wakerley, Graham Walker and Susanna Walker were appointed members of the Executive Committee on 13.10.2014. Janet Hicks resigned on 15.11.2014.

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 5 March 2015.

**THE ABBEYFIELD PURLEY SOCIETY LIMITED**

**REPORT OF THE EXECUTIVE COMMITTEE**  
**FOR THE YEAR ENDED 30<sup>th</sup> SEPTEMBER 2014**  
**(continued)**

**BANKERS AND OTHER ADVISERS**

Bankers	National Westminster Bank plc 9 High Street Cobham Surrey KT11 3DJ
	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Auditor	Maurice Andrews, Chartered Accountants Grove House 25 Upper Mulgrave Road Cheam, Sutton Surrey SM2 7BE
Solicitors	Wedlake Bell 52 Bedford Row London WC1R 4LR

**RESPONSIBILITIES OF MEMBERS OF THE EXECUTIVE COMMITTEE**

Company law requires the Members of the Executive Committee to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Society and of its incoming resources and application of resources, including the income or expenditure of the Society for the period.

In preparing these financial statements, the Members of the Executive Committee are required to:-

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Members of the Executive Committee are responsible for 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 Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords Determination 2006. 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.

**THE ABBEYFIELD PURLEY SOCIETY LIMITED**

**REPORT OF THE EXECUTIVE COMMITTEE**  
**FOR THE YEAR ENDED 30<sup>th</sup> SEPTEMBER 2014**  
**(continued)**

**RESPONSIBILITIES OF MEMBERS OF THE EXECUTIVE COMMITTEE** *(continued)*

In so far as the Members of the Executive Committee are aware there is no relevant audit information of which the Society's auditor is unaware and the Members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**AUDITOR**

Maurice Andrews have indicated their willingness to continue in office as auditor and a resolution dealing with their re-appointment will be put to the members at the next Annual General Meeting.

**REPORTING PROVISIONS**

The report of the Executive Committee has been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**APPROVAL**

The report of the Executive Committee was approved by the Board on 10<sup>th</sup> February 2015 and signed on its behalf by the Chairman of the Society:-

GRAHAM WALKER  
CHAIRMAN

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF THE ABBEYFIELD PURLEY SOCIETY LIMITED**  
**YEAR ENDED 30<sup>th</sup> SEPTEMBER 2014**

We have audited the financial statements of The Abbeyfield Purley Society Limited for the year ended 30<sup>th</sup> September 2014 which comprise the Statement of Financial Activities (incorporating an Income and Expenditure Account), the Balance Sheet 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 charitable company's members, as a body, in accordance with Chapter 3 of Section 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Statement of Responsibilities of Members of the Executive Committee set out on pages 8 and 9, the members of the Executive Committee (who are also directors of the The Abbeyfield (Purley) Society Limited 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 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30<sup>th</sup> September 2014 and of its results 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.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Report of the Executive Committee for the financial period for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF THE ABBEYFIELD PURLEY SOCIETY LIMITED**  
**YEAR ENDED 30<sup>th</sup> SEPTEMBER 2014**

**(continued)**

**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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

MICHAEL PETTIT (Senior Statutory Auditor)

For and on behalf of

MAURICE ANDREWS  
CHARTERED ACCOUNTANTS  
& STATUTORY AUDITORS

25 Upper Mulgrave Road  
Cheam, Sutton  
Surrey SM2 7BE

10<sup>th</sup> February 2015

**THE ABBEYFIELD PURLEY SOCIETY LIMITED****STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 30<sup>th</sup> SEPTEMBER 2014**

## INCOME AND EXPENDITURE ACCOUNT

	Notes	<u>2014</u> £	<u>2013</u> £
<b>Incoming resources</b>			
<b>Incoming resources from generated funds:</b>			
Voluntary income			
Donations		16,158	4,712
Fundraising		2,698	3,681
Activities for generating funds			
Investment income	3	383	399
Other income		3,764	550
<b>Incoming resources from charitable activities:</b>			
Income from residents	4	<u>116,978</u>	<u>110,205</u>
<b>Total incoming resources</b>		<u>139,981</u>	<u>119,547</u>
<b>Resources expended</b>			
<b>Costs of generating funds</b>			
Fundraising		915	1,182
<b>Charitable activities</b>	5	99,117	86,340
<b>Governance costs</b>	5	<u>26,086</u>	<u>20,767</u>
<b>Total resources expended</b>		<u>126,118</u>	<u>108,289</u>
<b>Net incoming (outgoing) resources</b>		13,863	11,258
Merger of Nonsuch Abbeyfield	12/13	<u>5,511,162</u>	-
<b>Net movement in funds for the year</b>		5,525,025	11,258
<b>Fund balance brought forward 1.10.2013</b>		<u>475,118</u>	<u>463,860</u>
<b>Fund balance carried forward 30.9.2014</b>		<u>6,000,143</u>	<u>475,118</u>

**THE ABBEYFIELD PURLEY SOCIETY LIMITED****BALANCE SHEET**  
**30<sup>th</sup> SEPTEMBER 2014**

	<u>Notes</u>	<u>2014</u>		<u>2013</u>	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8		2,258,597		110,360
Investments	9		<u>1,089,380</u>		<u>-</u>
			3,347,977		110,360
<b>CURRENT ASSETS</b>					
Stock		1,200		-	
Debtors	10	26,275		961	
Cash at bank and in hand		<u>2,667,038</u>		<u>386,881</u>	
		2,694,513		387,842	
<b>CREDITORS: amounts falling due within one year</b>	11	<u>42,347</u>		<u>23,084</u>	
<b>NET CURRENT ASSETS</b>			<u>2,652,166</u>		<u>364,758</u>
<b>NET ASSETS</b>			6,000,143		475,118
			=====		=====
<b>CAPITAL AND RESERVES</b>					
Accumulated funds					
Unrestricted	12		5,993,325		475,118
Restricted	13		<u>6,818</u>		<u>-</u>
			6,000,143		475,118
			=====		=====

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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

G. Walker	-	Committee Member
J. Shelton	-	Committee Member
R. Patel	-	Committee Member

The notes on pages 14 to 21 form part of the financial statements.

**THE ABBEYFIELD PURLEY SOCIETY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>th</sup> SEPTEMBER 2014**

## 1. STATUS AND ACTIVITIES OF THE SOCIETY

The Abbeyfield Purley Society Limited is a registered charity (No. 247308), a registered housing association (No. H1185) and a company limited by guarantee (No. 00734705) which does not have a share capital. The Society is wholly engaged in social housing activities as defined in the Housing and Regeneration Act 2008.

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.

Since its formation, 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 process of merging the Society's operations, assets and liabilities with that of Nonsuch Abbeyfield was successfully completed at close of business on 30th September 2014. Both Societies were founded by local churches and have the same Christian ethos and Abbeyfield values and objectives. The Trustees of both Societies firmly believe that the coming together will provide a stronger Society and considerably improve the quality of life and services for older people in Purley, Sutton, Cheam, Epsom and Ewell.

Since the completion of the merger, the Society operates four Abbeyfield houses at 2 Purley Knoll, Purley, Surrey, 82 York Road, Cheam, Surrey, 82 Mulgrave Road, Sutton, Surrey, and The Old House, Mongers Lane, Epsom Road, Ewell, Surrey. 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 60-90 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.

Pending the acquisition of a suitable site, the Society is investing surplus resources in investment properties and marketable securities.

## 2. ACCOUNTING POLICIES

**Accounting basis and standards**

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), Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005), Schedule 1 to the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing in England 2012.

**THE ABBEYFIELD PURLEY SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>th</sup> SEPTEMBER 2014**  
**(continued)**

2. ACCOUNTING POLICIES *(continued)*

**Incoming resources**

All incoming resources are recognised in the period in which the Society is entitled to receipt and the amount can be measured with reasonable certainty.

**Resources expended**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. The cost of overall direction and administration on each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of time spent and other relevant factors attributable to each activity.

**Tangible fixed assets**

Housing land and buildings are stated at cost less accumulated depreciation and grants receivable. Depreciation is calculated on a straight line basis at the following annual rate in order to write off the asset over its estimated useful life:

Freehold buildings	2%
Fixtures, fittings and equipment	10%

**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.

**Investment Properties**

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

The FRSSE 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.

**THE ABBEYFIELD PURLEY SOCIETY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>th</sup> SEPTEMBER 2014**  
**(continued)**

3.	INVESTMENT INCOME		
		<u>2014</u>	<u>2013</u>
		£	£
	Bank and short term deposits – gross	383	399
		====	====
4.	INCOME FROM RESIDENTS		
		<u>2014</u>	<u>2013</u>
		£	£
	Income receivable from letting of all units based on 100% occupancy	134,469	133,466
	<u>Less:</u> vacancies and void losses	<u>17,491</u>	<u>23,261</u>
		116,978	110,205
		=====	=====
	No specific charge is made for services within residents' charges. The number of units excludes housekeeper and guest rooms.		
5.	RESOURCES EXPENDED		
		<u>2014</u>	<u>2013</u>
		£	£
	<b>Charitable activities</b>		
	Food and household	19,156	22,092
	Salaries and NI contributions	41,043	21,661
	Repairs and redecorations	19,715	16,443
	Lighting and heating	5,976	12,444
	Rates and insurance	8,903	9,521
	Telephone	989	1,178
	Training	608	215
	Sundries	1,977	2,036
	Depreciation	<u>750</u>	<u>750</u>
		99,117	86,340
		=====	=====
	<b>Governance costs</b>		
	Salaries and NI contributions	9,940	8,440
	Affiliation fees – The Abbeyfield Society	2,794	2,583
	Office expenses – postage, stationery etc.	2,929	2,434
	Fines and penalties	-	1,550
	Professional fees	5,623	960
	Audit fee	<u>4,800</u>	<u>4,800</u>
		26,086	20,767
		=====	=====

**THE ABBEYFIELD PURLEY SOCIETY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>th</sup> SEPTEMBER 2014**  
**(continued)**5. RESOURCES EXPENDED (*continued*)

Resources expended include

	<u>2014</u>	<u>2013</u>
	£	£
Auditor's remuneration (including VAT)	4,800	4,800
Depreciation	750	750
	=====	=====

No member of the Executive Committee was paid or reimbursed expenses during the year.

## 6. STAFF COSTS (including officers)

	<u>2014</u>	<u>2013</u>
	£	£
Salaries	50,478	29,154
Social security costs	<u>505</u>	<u>947</u>
	50,983	30,101
	=====	=====

No employee received emoluments of more than £60,000.

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

	No.	No.
Office	1	1
Social housing staff	<u>8</u>	<u>6</u>
	9	7
	====	====

## 7. TAXATION

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

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

**THE ABBEYFIELD PURLEY SOCIETY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>th</sup> SEPTEMBER 2014**  
**(continued)**

## 8. TANGIBLE FIXED ASSETS

	Freehold investment property £	Freehold operating properties £	Fixtures, fittings & equipment £	Total £
Cost/valuation				
At 1.10.2013	-	427,872	-	427,872
Transfer from Abbeyfield Nonsuch	<u>1,350,000</u>	<u>1,475,994</u>	<u>116,303</u>	<u>2,942,297</u>
At 30.9.2014	<u>1,350,000</u>	<u>1,903,866</u>	<u>116,303</u>	<u>3,370,169</u>
Housing Association Grant				
At 1.10.2013	-	301,574	-	301,574
Transfer from Abbeyfield Nonsuch	<u>-</u>	<u>575,238</u>	<u>-</u>	<u>575,238</u>
At 30.9.2014	<u>-</u>	<u>876,812</u>	<u>-</u>	<u>876,812</u>
	<u>1,350,000</u>	<u>1,027,054</u>	<u>116,303</u>	<u>2,493,357</u>
Depreciation				
At 1.10.2013	-	15,938	-	15,938
Charge for year	-	750	-	750
Transfer from Abbeyfield Nonsuch	<u>-</u>	<u>162,297</u>	<u>55,775</u>	<u>218,072</u>
At 30.9.2014	<u>-</u>	<u>178,985</u>	<u>55,775</u>	<u>234,760</u>
Net book value				
At 30.9.2014	<u>1,350,000</u>	<u>848,069</u>	<u>60,528</u>	<u>2,258,597</u>
At 30.9.2013	<u>-</u>	<u>110,360</u>	<u>-</u>	<u>110,360</u>

The historic cost of the freehold investment property at the year end was £870,000 (2013 - Nil) being the probate value at the date of its receipt by the Society. It has been valued by the Executive Committee at the year end on the basis of its open market value.

The cost of freehold operating properties shown above of £1,903,866 (2013 - £427,872) includes £630,000 (2013 - £100,000) attributed to the land element of the properties as estimated by the Executive Committee.

The Executive Committee is of the opinion that the market value for existing use of the land and buildings exceeds their cost, as recorded above.

**THE ABBEYFIELD PURLEY SOCIETY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>th</sup> SEPTEMBER 2014**  
**(continued)**

9.	FIXED ASSET INVESTMENTS		
		<u>2014</u>	<u>2013</u>
		£	£
	a) Investment portfolio		
	Market value brought forward	-	-
	Transfer from Abbeyfield Nonsuch	<u>1,089,380</u>	<u>-</u>
	Market value carried forward	1,089,380	-
		=====	=====
	b) Analysis of market value of portfolio		
	Cash deposits held by investment advisors	25,060	-
	UK government securities	576,416	-
	Fixed interest securities	120,588	-
	Equities and Unit Trusts	<u>367,316</u>	<u>-</u>
		1,089,380	-
		=====	=====
10.	DEBTORS		
		<u>2014</u>	<u>2013</u>
		£	£
	Sundry debtors and prepayments	26,275	961
		=====	=====
11.	CREDITORS: amounts falling due within one year:		
		<u>2014</u>	<u>2013</u>
		£	£
	Taxes and social security costs	407	608
	Other creditors and accruals	<u>41,940</u>	<u>22,476</u>
		42,347	23,084
		=====	=====

**THE ABBEYFIELD PURLEY SOCIETY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>th</sup> SEPTEMBER 2014**  
**(continued)**

## 12. ACCUMULATED FUNDS

	Development Fund	Major Repairing Reserve	Investment Property Revaluation Reserve	General Fund	Total
	£	£	£	£	£
Balance at 1.10.2013	25,000	90,000	-	360,118	475,118
Surplus for period	-	-	-	13,863	13,863
Transfer from Nonsuch Abbeyfield	<u>-</u>	<u>231,367</u>	<u>480,000</u>	<u>4,792,977</u>	<u>5,504,344</u>
Balance at 30.9.2014	<u>25,000</u>	<u>321,367</u>	<u>480,000</u>	<u>5,166,958</u>	<u>5,993,325</u>
	=====	=====	=====	=====	=====
Summary of Net Assets by Fund:					
Fixed Assets	-	-	480,000	2,867,977	3,347,977
Net Current Assets	<u>25,000</u>	<u>321,367</u>	<u>-</u>	<u>2,298,981</u>	<u>2,645,348</u>
	<u>25,000</u>	<u>321,367</u>	<u>480,000</u>	<u>5,166,958</u>	<u>5,993,325</u>
	=====	=====	=====	=====	=====

**Development Fund**

These funds have been set aside to help fund the future development of the Society.

**Major Repairing Reserve**

It is the Executive Committee's opinion that funds will be required for future cyclical and major repairs in the medium and long term for their existing sheltered houses. Amounts previously set aside for this purpose have been carried forward as designated reserves. Amounts similar to those provided in previous years will continue to be set aside as reserves in future years.

The amounts so set aside are based on the Society's obligation to carry out such works on a continuing basis for the future maintenance of its properties, based on planned programmes of work for which grants will not be available.

## 13. ACCUMULATED FUNDS - RESTRICTED

	£
Balance at 1.10.2013	-
Transfer from Nonsuch Abbeyfield	<u>6,818</u>
Balance at 30.9.2014	<u>6,818</u>
	=====
Summary of Net Assets by Fund:	
Net Current Assets	<u>6,818</u>
	<u>6,818</u>
	=====

The Restricted Fund of £6,818 is the balance of a legacy left to the Society for the express use of The Old House in Ewell.

**THE ABBEYFIELD PURLEY SOCIETY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>th</sup> SEPTEMBER 2014**  
**(continued)**

## 14. 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	35	10

25 units were transferred in from Nonsuch Abbeyfield at close of business on 30th September 2014.

## 15. EFFECT OF MERGER ON RESULTS

Had the merger been completed on 1<sup>st</sup> October 2013, the combined results of continuing activities for the merged Society would be as follows:

	Nonsuch £	Purley £	Combined £
Turnover	<u>371,095</u>	<u>123,440</u>	<u>494,535</u>
Operating surplus/(deficit)			
Social Housing	13,820	( 2,678)	11,142
Non Social Housing	<u>11,807</u>	<u>-</u>	<u>11,807</u>
	25,627	( 2,678)	22,949
Other income	<u>930</u>	<u>16,158</u>	<u>17,088</u>
	26,557	13,480	40,037
Investment income	<u>44,518</u>	<u>383</u>	<u>44,901</u>
Surplus for continuing activities for the year	<u>71,075</u>	<u>13,863</u>	<u>84,938</u>