

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

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ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND DIRECTORS
AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees and Directors	Canon P K Warren, President Dr A Wells Mr J W Robson, Chair Mrs S Caddy Mr M Casson Mr A G Davies Dr J Greenwell Mrs J Jones Dr N Martin Mr M J Moon (resigned 6 April 2020) Mr K E Porcher (resigned 20 October 2020) Mr M Rhodes Mr R Richardson (resigned 24 September 2020) Mr J F Whalley (appointed 23 February 2021)
Company registered number	10845391
Charity registered number	1174376
Registered office	Cove House Cove Road Silverdale Carnforth Lancashire LA5 0SG
Company Secretary	Catherine Humphreys ACMA
Chief Executive Officer	Catherine Humphreys ACMA
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants and Statutory Auditors Fairview House Victoria Place Carlisle Cumbria CA1 1HP
Bankers	NatWest Business Centre 1st Floor 1 St Pauls Place 121 Norfolk Street Sheffield S1 2JF CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ

ABBNEYFIELD SILVERDALE SOCIETY
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND DIRECTORS
AND ADVISERS (CONTINUED)**
FOR THE YEAR ENDED 31 MARCH 2021

Solicitors

Progression Solicitors
11 Queen Street
Ulverston
Lancashire
LA12 7AF

ABBNEYFIELD SILVERDALE SOCIETY
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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

The chairman presents his statement for the year.

For us as, for other care homes up and down the country, 2020-2021 has been the year of the pandemic. As I write this report the third wave of infections continues to grow but we are remaining vigilant and are confident that we can meet the demands of the situation. I wish to pay tribute to our staff whose behaviour has been magnificent and particularly to the leadership of our CEO and RCM. We have lost three residents to the pandemic but have done well by national standards. The impact of the pandemic on life at Cove House has been substantial but the sheltered environment and our spacious gardens and grounds have helped with the fundamental tasks of caring for our elderly and vulnerable residents and alleviating loneliness. Visits have, of necessity, been severely restricted but the deployment of our visiting pod has been popular and the facility is now well used. I would like to thank Dr Jerry Martin for suggesting and organising the purchase.

Board meetings throughout the year were held virtually which worked better than we originally envisaged. Regular hub calls with our sister houses around Morecambe Bay have been important for keeping us in touch with each other and with developments in the Abbeyfield family more widely. Regular local communications have made us feel less isolated and the sharing of ideas and experience have promoted greater resilience. The MOU group has continued discussions throughout the year.

Occupancy figures for the year as a whole are slightly below 90%. These figures are consistent with the national picture. The elderly residential care sector has been hit hard by the pandemic and by sometimes sensationalist reporting in the national media. Enquiries fell over the course of the year but are now picking up. It remains to be seen whether the government will address the issues facing the management and funding of social care.

We have continued to play an active part in the development of the national Abbeyfield strategy. We were shocked and saddened by the sudden death of David McCullough, The Abbeyfield Society CEO, but are determined to contribute to the realisation of his vision for the organisation. In closing I want to thank everyone, our residents, their families, our staff, our trustees, our volunteers and our supporters in the wider community for helping us to negotiate a difficult year successfully.

Dr Andrew Wells stepped down as Chair following the year end and John Robson was elected to the position of Chair of the Board of Trustees.

.....
Mr J W Robson
Chair

Date:

ABBNEYFIELD SILVERDALE SOCIETY
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited financial statements of the company for the year 1 April 2020 to 31 March 2021. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The principal purpose of the Society is:

The relief and care of elderly persons suffering from the disabilities of old age or otherwise being in need, including by the provision and management of housing and/or residential care homes and/or hostels.

In the furtherance of these objects, but not otherwise, the Society may:

- (a) provide and maintain or assist in providing and maintaining housing and/or residential care homes and/or hostels for such elderly persons; and
- (b) provide or assist in providing care, support, amenities or services for the benefit of such elderly persons.

The Society operates a residential care home for 23 elderly people, one supported living unit and a retirement living complex, Cove Orchard, on its site in Silverdale, north Lancashire. This forms the basis of the Society's primary activities, which are to provide care and support to older people. The Abbeyfield Silverdale Society is a member of the Abbeyfield movement, whose purposes have been regarded as being for the public benefit for over 50 years. By providing accommodation and services the Society meets the needs of older people for accommodation and other services suited to their needs. These services are open to all older people in need regardless of their mental or physical frailty. These include, but are not limited to, people suffering from dementia, Parkinson's as well as those being supported at the end of their life.

Through the provision of its services, the Society aims also to combat the loneliness and social isolation that is often associated with old age and improve the physical, mental and social wellbeing of residents through the provision of appropriate and inclusive activities, often carried out by volunteers.

The Society serves the local community but does not apply any form of restriction, geographical or otherwise to members of the public who would seek to make use of its services. The Society's residential care operations are regulated by the Care Quality Commission, which has rated its services as 'Good' for several years.

The services offered by the Trustees of the Society are deemed to be beneficial by their nature and are available to a large section of the public. In common with many charitable care homes, the Society charges for its services in order to provide sustainable, high-quality care for older people. The charges are in a broad range and considered affordable in the market. Beneficiaries need to be able to afford their accommodation and service costs either from their own means or from funders such as local authorities. The number of local authority funded residents varies from time to time and no limit is placed on the number accepted by the Society. Different styles of accommodation are offered at different rates in order to promote maximum inclusivity and access to the Society's services. In addition, some services provided by the Society are subsidised to ensure that they are widely affordable, for example when meals are provided to the residents of Cove Orchard this is done so at cost price and assistance equipment supplied free of charge.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

b. Main activities undertaken to further the company's purposes for the public benefit

The Trustees have considered the guidance issued by the Charity Commission in respect of public benefit and confirm through their activities and objectives that they adhere to this guidance.

The views and opinions of our residents and their families are regularly sought about the activities that the Society undertakes. A record of these consultations are available for inspection.

Achievements and performance

a. Review of activities

The financial year ending in March 2021 has been entirely dominated by the COVID-19 worldwide pandemic. Whilst the Society was less adversely affected than other adult social care providers, it has undoubtedly been the most challenging year in the history of the Society. There have been significant impacts on both operational and governance arrangements resulting from government regulation required to combat the effects of COVID-19.

Cove House experienced an outbreak of COVID-19 in April 2020 and sadly lost two residents to the virus, with a third recorded as unconfirmed. A large proportion of the Society's staff were also infected, which resulted in significant operational disruption for a short period of time but no fatalities. CQC have completed their own review of deaths in care homes throughout England and Wales and the published results can be seen on their website.

The overall occupancy level for the year was just under 90%, which, in the circumstances of the pandemic, the trustees are satisfied with and feel that its duties have been discharged in meeting the needs of older people in the area and maintaining a safe environment for residents and staff at Cove House during the pandemic. However, some services had to be suspended, including day care and respite care.

Prior to the onset of the pandemic, the Society had begun a review of its strategy focussing on two key goals, namely the provision of the highest quality service and financial stability through the growth and diversification of services. Progress on rolling out the strategy was suspended completely during the financial year in question and work on implementation of the strategy has only tentatively begun in the post year end period. The board of trustees remains ambitious to achieve an outstanding rating from CQC as well as develop its site in Silverdale to facilitate diversification of services to older people. The working group that had been formed to consider the Cove House Improvement Plan has been able to meet remotely and to make some progress in this area.

Clearly the pandemic has had an unprecedented impact on the residents of both Cove House and Cove Orchard. Residents were unable to have visitors in person and day to day activities for the Cove House residents have been severely impacted. The pandemic meant that the regular programme of activities involving external entertainers as well as outings to local places of interest was suspended. Staff have carried out many in house activities which have ensured that residents have been able to retain some sense of normality and social interaction within the Cove House bubble. The Society has always placed great emphasis on residents maintaining contact with family and friends and to that end facilitated video calls in addition to residents using their own telephone. In December 2020, the Society purchased a visiting pod to further enhance safe visiting arrangements and this has continued to be used extensively.

The residents of Cove Orchard have been supported as far as possible within the pandemic regulations. This year has seen three properties change hands and, whilst the Society does not provide direct personal care, the aging nature of the residents has meant that the Society's staff continue to become more involved in the lives of the Cove Orchard residents. The Society is proud to be one of the few organisations in this region to have developed housing specially designed for older people to enable them to successfully live independently into older age, with many of the Cove Orchard residents now in their nineties.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

The pandemic has brought together the local Abbeyfield societies to provide mutual support and direct assistance to each other where necessary. The chairs of each society have met regularly on a virtual platform to discuss the effect of the pandemic facing each society and to develop a common approach to the key issues. During the year 2020-2021, the Society has continued with its close working relationship with the sister Abbeyfield society, the Lakeland (Extra Care) Society, although the paid secondment of the Chief Executive Officer finished at the end of December 2020. In addition, the board agreed to enter into a Memorandum of Understanding with three other local societies; the group, including Abbeyfield Silverdale Society, is made up of the Abbeyfield Barrow in Furness Society, the Furness Extra Care Society and the Abbeyfield Lakeland Extra Care Society and has chosen to call itself the Morecambe Bay Group.

b. Fundraising activities and income generation

The Charities Act 2011 requires charities to make a statement regarding fundraising activities. The COVID-19 pandemic has meant that all fundraising activities have been suspended until Government regulations are lifted. Where fundraising is carried out, any amounts raised are presented in the accounts as voluntary income and includes legacies and grants. No fundraising was carried out during the financial year due entirely to the COVID-19 pandemic restrictions.

c. Investment policy and performance

The Society does not currently hold an investment portfolio in stocks, shares or other investment vehicle.

Financial review

a. Going concern

The purpose of the Society's reserves is to provide sufficient protection for the Society against changing financial circumstances and to support future business development initiatives to enable the Society to continue to fulfil its principal purpose. The level of general reserves as reflected in Note 16 to the financial statements is represented by tangible assets and net current assets and is considered sufficient for the Society to meet its short to medium term expenditure obligations. The Society's cash reserves significantly outweigh its short term and long term liabilities.

The Trustees have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Reserves policy

The Society's reserves are made up of both cash reserves and physical assets and the Trustees have structured the reserves into designated funds in order to meet the needs of both its strategic plans and its operational activities. The main physical asset of the Society is Cove House for which the Maintenance Fund is designated to cover ongoing repairs and renovations to the house to ensure it meets the needs of the residents. The remaining funds are structured to support the Society's strategic objectives and its obligations under the Cove Orchard lease.

The Society's free reserves are made up of the nominal balance sheet value of its main physical assets, including Cove House plus the value of three months operating costs. The operating costs are based on the cost per day of providing residential care services.

ABBEEYFIELD SILVERDALE SOCIETY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

c. Financial review

The financial year 2020-21 has proved financially challenging and the year end surplus is largely the result of government grants provided to support additional costs incurred by front line services during the pandemic.

The main income source for the Society comes from its residential fees and the Trustees are always mindful of the cost of residential care and the impact of fee increases. In 2020-21, the fees remained in line with other providers in the area.

During the year, government grant income totalled £52,183. There was a requirement to provide regular returns to Lancashire County Council to confirm that the Society expended the grant money in line with the terms on which it had been given. The Infection Control Fund grant provided additional financial resource to support the cost of the visiting pod, additional infection control materials and equipment as well as ensuring that staff are able to isolate on full pay. Although the Society achieved an overall surplus of £34,015, after excluding the value of the grant income of £52,183, the Society went into a deficit of £18,168. The reduction in income and the increase in costs is due entirely to the circumstances of the pandemic. New admissions were severely curtailed as families were anxious about the circumstances facing residential care homes and many chose to 'hang on' until the situation improved. Day care and respite services have been suspended for the entirety of the financial year and unlikely to begin again until late 2021. The Society has also faced significant additional staffing costs as a result of COVID-19, with the staff sickness rate rising to 5% from a year on year average of just 2%. However the Society remains committed to paying its staff the real living wage and being recognised as a Living Wage Foundation employer.

The Society however was able to continue investing in the fabric of its buildings and grounds and to address legacy maintenance issues. The Society carried out a complete renovation of the residents' lounge at a capital cost of £96,000 and carried out work in Orchard House to create additional office space at a cost of £22,000. Otherwise only essential maintenance was carried out to Cove House during the year.

The Society's financial resources consist mainly of cash reserves and bank deposits, which are sufficient to meet its day to day requirements. The Statement of Cashflows on page 18 of the financial statements details the movement in cash during the financial year. Towards the end of the financial year, the Trustees agreed to engage Cascade Cash Management to manage the transfer of £1.02 million of the Society's cash reserves into deposit holdings of £85,000 in order to ensure the funds are protected under the Financial Services Compensation Scheme. In terms of risk evaluation, the Trustees felt that the financial protection of the Society's reserves was a higher priority than financial return through higher interest rates.

d. COVID-19 pandemic

Throughout the 2020-21 financial year the Society has had to manage the impact of COVID-19. This is reflected in the financial impact on the Society of lost income as a result of a significant drop in demand for residential care as well as the increased staff costs and the cost of additional infection prevention measures. Day care was suspended and is unlikely to resume until late 2021. Staff recruitment has not been significantly impacted with vacancies filled in relatively short time and whilst there has been a need to use agency staff, this has been limited.

There has been a significant impact on governance arrangements during the financial year 2020-21. All Trustee meetings, including the Society's AGM moved to a virtual platform and were conducted in accordance with the Charity Commission guidance on holding trustee meetings during the COVID-19 pandemic.

In all other matters, the Trustees are confident that the Society is able to continue its operations during the current phase of the COVID-19 pandemic.

ABBNEYFIELD SILVERDALE SOCIETY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management

a. Constitution

The company is registered as a members' limited liability company number 10845391 and was set up by Memorandum of Association on 30 June 2017.

The Society is also registered with and regulated by the Charity Commission for England and Wales, registration number 1174376.

b. Methods of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. The composition of the Board, the method of appointment of Trustees and the retirement or removal of Trustees is covered in detail in clauses 19 and 20 of the Articles of Association of the Society.

c. Organisational structure and decision making policies

All operational decision making is delegated by the Board of Trustees to the Chief Executive Officer as head of staff. Financial delegation is documented in the Society's Financial Standing Orders.

The Board of Trustees currently meets ten times per annum and receives detailed financial and operational reports from the Chief Executive Officer and the Registered Care Manager, which enables the Trustees to discharge their statutory and governance duties.

d. Policies adopted for the induction and training of Trustees

All Trustees receive documents published by the Charity Commission relating to the role of a Trustee. In addition, Trustees are able to attend The Abbeyfield Society induction course for new Trustees. New Trustees spend time with the Chief Executive Officer and the Registered Care Manager in order to get a detailed understanding of the financial position and other operational issues affecting the Society. However throughout the COVID-19 pandemic this has not been possible and the new Trustee appointment was provided with Charity Commission documentation to support the initial induction phase.

e. Pay policy for key management personnel

The Remuneration committee, a sub-committee of the Board of Trustees, meets on an annual basis to consider the salaries of the Chief Executive Officer and the Registered Care Manager. The Remuneration committee makes a recommendation to the Board of Trustees for approval. The Remuneration committee is chaired by a Trustee other than the Chair of the Society.

f. Financial risk management

The Chief Executive Officer presents the Society's corporate risk register to the Trustees for consideration and review. The corporate risk register evaluates the major risks to which the Society is exposed, in particular those relating to finance, governance and operations and the Trustees are satisfied that there are systems and procedures in place to mitigate the Society's exposure to the most significant risks.

g. Trustees and Directors' indemnities

Trustees are indemnified by a Trustee indemnity insurance policy provided by The Abbeyfield Society as part of the membership agreement.

ABBNEYFIELD SILVERDALE SOCIETY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Plans for future periods

The COVID-19 pandemic has acted as a catalyst to bring together the four independent Abbeyfield societies in the Morecambe Bay area into a formal cooperative agreement to support governance and business operations. The impact of the pandemic on charitable organisations has been significant and there is a realisation amongst the Trustees of each of the parties in the Memorandum of Understanding (MOU) that closer working is necessary to build organisational and business resilience. The Morecambe Bay Group has been created with representation from each of the societies included in the MOU through the Chairs and one other nominated trustee. The Morecambe Bay Group is also supported by the CEO of Abbeyfield Silverdale Society. The Group is actively considering plans for future collaboration, which may include a formal merger in due course.

The Society's two principal strategic goals of a) to provide the highest quality of care, and b) to deliver financial stability remain in place.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Disclosure of information to auditors (continued)

Auditors

The auditors, Armstrong Watson Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

.....
Mrs C M Humphreys ACMA
Secretary

.....
Mr J W Robson
Chair

Date:

ABBEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ABBEYFIELD SILVERDALE SOCIETY

Opinion

We have audited the financial statements of Abbeyfield Silverdale Society (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

ABBEYFIELD SILVERDALE SOCIETY
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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ABBEYFIELD SILVERDALE SOCIETY
(CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ABBEYFIELD SILVERDALE SOCIETY
(CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with Trustees and other management, and from our commercial knowledge and experience of the residential care home sector;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ABBNEYFIELD SILVERDALE SOCIETY
(CONTINUED)

- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Armstrong Watson Audit Limited

Chartered Accountants and Statutory Auditors
Carlisle

Date:

Armstrong Watson Audit Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

ABBNEYFIELD SILVERDALE SOCIETY
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Donations and legacies	4	53,299	53,299	675,917
Charitable activities	5	924,872	924,872	977,366
Other trading activities	6	-	-	651
Investments	7	760	760	1,451
Total income		978,931	978,931	1,655,385
Expenditure on:				
Charitable activities	8	944,916	944,916	931,961
Total expenditure		944,916	944,916	931,961
Net movement in funds		34,015	34,015	723,424
Reconciliation of funds:				
Total funds brought forward		2,011,527	2,011,527	1,288,103
Net movement in funds		34,015	34,015	723,424
Total funds carried forward		2,045,542	2,045,542	2,011,527

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 19 to 39 form part of these financial statements.

ABBNEYFIELD SILVERDALE SOCIETY

(A company limited by guarantee)

REGISTERED NUMBER: 10845391

**BALANCE SHEET
AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	684,574	588,875
		684,574	588,875
Current assets			
Debtors	14	26,696	116,300
Cash at bank and in hand		1,419,077	1,445,946
		1,445,773	1,562,246
Creditors: amounts falling due within one year	15	(84,805)	(139,594)
Net current assets		1,360,968	1,422,652
Total assets less current liabilities		2,045,542	2,011,527
Total net assets		2,045,542	2,011,527

ABBNEYFIELD SILVERDALE SOCIETY

(A company limited by guarantee)

REGISTERED NUMBER: 10845391

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Charity funds			
Restricted funds	16	-	-
Unrestricted funds	16	2,045,542	2,011,527
Total funds		2,045,542	2,011,527

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....
Mr J W Robson
Chair

.....
Dr A Wells
Trustee

Date:

The notes on pages 19 to 39 form part of these financial statements.

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	116,134	757,999
Cash flows from investing activities		
Dividends, interests and rents from investments	760	1,451
Purchase of tangible fixed assets	(143,763)	(23,326)
Net cash used in investing activities	(143,003)	(21,875)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(26,869)	736,124
Cash and cash equivalents at the beginning of the year	1,445,946	709,822
Cash and cash equivalents at the end of the year	1,419,077	1,445,946

The notes on pages 19 to 39 form part of these financial statements

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Abbeyfield Silverdale Society is a charitable company without share capital, incorporated in England and Wales. The registered office is Cove House, Cove Road, Silverdale, Carnforth, Lancashire, LA5 0SG and the company number is 10845391.

The Charity's principal business activity is the provision of residential care to the elderly.

The presentational and functional currency of the financial statements is Pound Sterling.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Companies Act 2006.

Abbeyfield Silverdale Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2.3 Going concern

The Trustees have indicated that they believe that the charity is a going concern. When making this assessment, the Trustees have considered the financial impact the COVID-19 pandemic will have on the charity for a period beyond 12 months from the date of signing the financial statements. Net assets at the balance sheet date were £2,046k and cash reserves were £1,419k, and the charity entered the pandemic in surplus.

The Trustees believe the level of liquid reserves held by the charity are sufficient to allow the charity to meet its liabilities as they fall due and so consider the charity a going concern.

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the company, can be reliably measured.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

ABBNEYFIELD SILVERDALE SOCIETY

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives,

Depreciation is provided on the following bases:

Freehold property	- 1-2% straight line
Care equipment	- 10-33% straight line
Fixtures and fittings	- 10-33% straight line
Office equipment	- 10-33% straight line

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.12 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.14 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

a) Establishing useful economic lives

Establishing useful economic lives for depreciation purposes of property, plant and equipment comprise a significant portion of the total fixed assets. The annual depreciation charge depends primarily on the estimated useful economic lives of each type of asset and estimates of residual values. The directors regularly review these assets useful economic lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset useful lives can have a significant impact on depreciation charges for the period. Details of the depreciation policies based on estimated useful economic lives are included in accounting policies note 2.8.

b) Providing for doubtful debts

The company makes an estimate of the recoverable value of trade and other debtors. The company uses estimates based on historical experience in determining the level of debts, which the company believes, will not be collected. These estimates include such factors as the credit rating of the debtor, the ageing profile of debtors and historical experience. Any significant change in the level of customers that default on payments or other significant improvements that resulted in a change in the level of bad debt provision would have an impact on the operating results. The level of provision required is reviewed on an on-going basis.

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

4. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £
Legacies	1,116	1,116
Grants	52,183	52,183
Total 2021	<u>53,299</u>	<u>53,299</u>

Sums recovered through the Coronavirus Job Retention Scheme are included within grants.

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Legacies	675,917	675,917

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
Provision of residential care at Cove House	886,042	886,042
Independent living at Cove Orchard	38,830	38,830
Total 2021	<u>924,872</u>	<u>924,872</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Provision of residential care at Cove House	929,871	929,871
Independent living at Cove Orchard	47,495	47,495
<i>Total 2020</i>	<u>977,366</u>	<u>977,366</u>

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

6. Income from other trading activities

Income from fundraising events

		Total funds 2021 £
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Fundraising	651	651
	<u>651</u>	<u>651</u>

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income	760	760
	<u>760</u>	<u>760</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Investment income	1,451	1,451
	<u>1,451</u>	<u>1,451</u>

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £
Provision of residential care at Cove House	893,376	893,376
Independent living at Cove Orchard	51,540	51,540
Total 2021	<u>944,916</u>	<u>944,916</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Provision of residential care at Cove House	899,852	899,852
Independent living at Cove Orchard	32,109	32,109
<i>Total 2020</i>	<u>931,961</u>	<u>931,961</u>

Summary by expenditure type

	Staff costs 2021 £	Depreciation 2021 £	Other costs 2021 £	Total funds 2021 £
Provision of residential care at Cove House	593,825	43,283	256,268	893,376
Independent living at Cove Orchard	18,117	4,782	28,641	51,540
	<u>611,942</u>	<u>48,065</u>	<u>284,909</u>	<u>944,916</u>

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. Analysis of expenditure on charitable activities (continued)

Summary by expenditure type (continued)

	<i>Staff costs 2020 £</i>	<i>Depreciation 2020 £</i>	<i>Other costs 2020 £</i>	<i>Total funds 2020 £</i>
Provision of residential care at Cove House	568,827	43,311	287,714	899,853
Independent living at Cove Orchard	10,783	4,782	16,544	32,109
	<u>579,610</u>	<u>48,093</u>	<u>304,258</u>	<u>931,961</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Provision of residential care at Cove House	764,859	128,517	893,376
Independent living at Cove Orchard	41,426	10,114	51,540
	<u>806,285</u>	<u>138,631</u>	<u>944,916</u>

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Provision of residential care at Cove House	780,922	118,930	899,852
Independent living at Cove Orchard	22,093	10,016	32,109
	<u>803,015</u>	<u>128,946</u>	<u>931,961</u>

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Provision of residential care at Cove House 2021 £	Independ't living at Cove Orchard 2021 £	Total funds 2021 £
Staff costs	498,261	10,783	509,044
Depreciation	43,283	4,782	48,065
Staff training	2,905	-	2,905
Hotels, travel and subsistence	276	-	276
Printing and stationery	2,435	1,050	3,485
Telephone and fax	6,882	360	7,242
Advertising and promotion	5,206	-	5,206
Legal and professional, regulation costs (incl. DBS)	15,620	-	15,620
Equipment hire	535	-	535
Bank charges	1,012	-	1,012
Rates and water	7,186	4,306	11,492
Light and heat	33,775	2,010	35,785
Cleaning	7,911	1,278	9,189
Repairs and maintenance	78,430	16,857	95,287
Residents' comforts & welfare	1,530	-	1,530
Food costs	48,325	-	48,325
Sundry expenses	11,287	-	11,287
Total 2021	764,859	41,426	806,285

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Provision of residential care at Cove House 2020 £</i>	<i>Independent living at Cove Orchard 2020 £</i>	<i>Total funds 2020 £</i>
Staff costs	489,495	3,907	493,402
Depreciation	43,311	4,782	48,093
Staff training	3,239	-	3,239
Hotels, travel and subsistence	2,775	-	2,775
Printing and stationery	3,328	1,050	4,378
Telephone and fax	3,035	370	3,405
Advertising and promotion	7,688	-	7,688
Legal and professional, regulation costs (incl. DBS)	15,647	-	15,647
Equipment hire	562	-	562
Bank charges	1,335	-	1,335
Rates and water	9,141	921	10,062
Light and heat	28,836	1,598	30,434
Cleaning	8,702	1,268	9,970
Repairs and maintenance	99,056	6,875	105,931
Residents' comforts & welfare	4,046	-	4,046
Food costs	51,508	-	51,508
Sundry expenses	3,887	1,322	5,209
Loss on disposal of fixed assets	5,331	-	5,331
<i>Total 2020</i>	<u>780,922</u>	<u>22,093</u>	<u>803,015</u>

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Provision of residential care at Cove House 2021 £	Independ't living at Cove Orchard 2021 £	Total funds 2021 £
Staff costs	95,564	7,334	102,898
Computer costs	18,319	-	18,319
Legal and professional, regulation costs (incl. DBS)	2,639	-	2,639
Auditors' remuneration	5,250	900	6,150
Insurance	6,258	1,880	8,138
Sundry expenses	487	-	487
Total 2021	128,517	10,114	138,631

	<i>Provision of residential care at Cove House 2020 £</i>	<i>Independent living at Cove Orchard 2020 £</i>	<i>Total funds 2020 £</i>
Wages and salaries	79,332	6,876	86,208
Telephone and fax	360	360	720
Computer costs	17,718	-	17,718
Legal and professional, regulation costs (incl. DBS)	11,008	-	11,008
Auditors' remuneration	5,100	900	6,000
Insurance	5,212	1,880	7,092
Sundry expenses	200	-	200
Total 2020	118,930	10,016	128,946

10. Auditors' remuneration

	2021 £	2020 £
Fees payable to the company's auditor for the audit of the company's annual accounts	4,150	4,500
Fees payable to the company's auditor in respect of: All assurance services not included above	1,050	1,000

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

11. Staff costs

	2021 £	2020 £
Wages and salaries	564,487	538,490
Social security costs	38,518	32,848
Contribution to defined contribution pension schemes	8,937	8,272
	<u>611,942</u>	<u>579,610</u>

Included within the value of total staff costs are agency costs in respect of the catering function and dedicated care agency personnel.

The average number of persons employed by the company during the year was as follows:

	2021 No.	2020 No.
Management and administration	5	5
Catering and housekeeping	4	2
Care staff	18	19
	<u>27</u>	<u>26</u>

The average headcount expressed as full-time equivalents was 20.

	2021 No.	2020 No.
Management and administration	5	5
Catering and housekeeping	2	2
Care staff	13	13
	<u>20</u>	<u>20</u>

No employee received remuneration amounting to more than £60,000 in either year.

Key management personnel comprise the senior managers of the Society. Their aggregate remuneration was £110,771 (2020 - £101,436).

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, expenses totaling £NIL were reimbursed or paid directly to the Trustees (2020 - £96 to one Trustee).

13. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 April 2020	729,202	86,674	29,546	76,360	921,782
Additions	128,885	-	13,872	1,006	143,763
At 31 March 2021	<u>858,087</u>	<u>86,674</u>	<u>43,418</u>	<u>77,366</u>	<u>1,065,545</u>
Depreciation					
At 1 April 2020	204,976	73,340	19,855	34,736	332,907
Charge for the year	32,885	3,568	3,585	8,027	48,065
At 31 March 2021	<u>237,861</u>	<u>76,908</u>	<u>23,440</u>	<u>42,763</u>	<u>380,972</u>
Net book value					
At 31 March 2021	<u><u>620,226</u></u>	<u><u>9,766</u></u>	<u><u>19,978</u></u>	<u><u>34,603</u></u>	<u><u>684,573</u></u>
At 31 March 2020	<u><u>524,226</u></u>	<u><u>13,334</u></u>	<u><u>9,691</u></u>	<u><u>41,624</u></u>	<u><u>588,875</u></u>

The cost of land and buildings is stated net of the Social Enterprise Investment Fund grant received in January 2012. The value of this grant was £149,961 and was spent entirely on improvements to residential accommodation at Cove House.

The Trustees are aware that the value of the freehold property is in excess of the cost included within the financial statements however have decided not to adopt a policy of revaluation of its properties.

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

14. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	219	96,722
Other debtors	12,974	4,355
Prepayments and accrued income	13,503	15,223
	<u>26,696</u>	<u>116,300</u>

Due to a change in the billing method of residents, a significant variance has arisen within trade debtors. The effect of this timing difference has been to decrease trade debtors by £96,503.

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	12,437	16,850
Other taxation and social security	10,355	15,496
Pension fund creditor	3,145	2,356
Other creditors	11,019	-
Accruals and deferred income	47,849	104,892
	<u>84,805</u>	<u>139,594</u>

	2021 £	2020 £
Deferred income at 1 April 2020	65,861	6,496
Resources deferred during the year	6,499	65,861
Amounts released from previous periods	(65,861)	(6,496)
	<u>6,499</u>	<u>65,861</u>

Due to a change in the billing method of residents, a significant variance has arisen within deferred income. The effect of this change in billing method has decreased deferred income by £59,362.

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds					
Designated funds					
Residents' Funds	-	-	(543)	543	-
Cove Orchard Sinking Fund	16,325	5,813	(3,714)	-	18,424
Future Projects Fund	1,204,390	-	-	(184,390)	1,020,000
Maintenance Fund	150,000	-	(131,049)	81,049	100,000
	<u>1,370,715</u>	<u>5,813</u>	<u>(135,306)</u>	<u>(102,798)</u>	<u>1,138,424</u>
General funds					
General Funds - all funds	<u>640,812</u>	<u>973,118</u>	<u>(809,610)</u>	<u>102,798</u>	<u>907,118</u>
Total Unrestricted funds	<u><u>2,011,527</u></u>	<u><u>978,931</u></u>	<u><u>(944,916)</u></u>	<u><u>-</u></u>	<u><u>2,045,542</u></u>

ABBNEYFIELD SILVERDALE SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2020 £</i>
Unrestricted funds					
Designated funds					
Residents' Funds	558	811	(3,508)	2,139	-
Cove Orchard Sinking Fund	9,387	6,938	-	-	16,325
Future Projects Fund	500,000	-	-	704,390	1,204,390
Maintenance Fund	126,792	-	(112,121)	135,329	150,000
	<u>636,737</u>	<u>7,749</u>	<u>(115,629)</u>	<u>841,858</u>	<u>1,370,715</u>
General funds					
General Fund	<u>651,366</u>	<u>1,647,636</u>	<u>(816,332)</u>	<u>(841,858)</u>	<u>640,812</u>
Total Unrestricted funds	<u>1,288,103</u>	<u>1,655,385</u>	<u>(931,961)</u>	<u>-</u>	<u>2,011,527</u>

17. Summary of funds

Summary of funds - current year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2021 £</i>
Designated funds	1,370,715	5,813	(135,306)	(102,798)	1,138,424
General funds	640,812	973,118	(809,610)	102,798	907,118
	<u>2,011,527</u>	<u>978,931</u>	<u>(944,916)</u>	<u>-</u>	<u>2,045,542</u>

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FOR THE YEAR ENDED 31 MARCH 2021**

17. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2020 £</i>
Designated funds	636,737	7,749	(115,629)	841,858	1,370,715
General funds	651,366	1,647,636	(816,332)	(841,858)	640,812
	<u>1,288,103</u>	<u>1,655,385</u>	<u>(931,961)</u>	<u>-</u>	<u>2,011,527</u>

Unrestricted funds

General funds are the 'free reserves' after allowing for all designated funds.

Designated funds

Residents' fund receives income from fundraising events and makes expenditure on activities for the direct benefit of the residents of Cove House.

Cove Orchard sinking fund - The purpose of this fund is to build up a reserve to cover significant expenditure relating to the external fabric of the Cove Orchard properties. Income is collected from every resident on an annual basis through the estate service charge as laid out in the lease agreement.

The Future Projects fund designates reserves identified for the development of services to be provided in the future by the Society, in accordance with its objects and purposes. These funds may be used to support capital or revenue investment in line with the strategic plan developed by the Society's Trustees and officers.

The Maintenance Fund has been designated by the Society's Trustees to address some of the legacy maintenance issues associated with the upkeep of Cove House residential care home.

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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	684,574	684,574
Current assets	1,445,773	1,445,773
Creditors due within one year	(84,805)	(84,805)
Total	2,045,542	2,045,542

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	588,875	588,875
Current assets	1,562,246	1,562,246
Creditors due within one year	(139,594)	(139,594)
Total	2,011,527	2,011,527

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	34,015	723,424
Adjustments for:		
Depreciation charges	48,065	48,093
Dividends, interests and rents from investments	(760)	(1,451)
Loss on the sale of fixed assets	-	5,332
Decrease/(increase) in debtors	89,603	(71,159)
Increase/(decrease) in creditors	(54,789)	53,760
Net cash provided by operating activities	116,134	757,999

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20. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	1,419,077	1,445,946
Total cash and cash equivalents	1,419,077	1,445,946

21. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	1,445,946	(26,869)	1,419,077
Debt due within 1 year	(2,356)	(789)	(3,145)
	1,443,590	(27,658)	1,415,932

22. Contingent liabilities

A grant received from The Abbeyfield Society Limited in 2016 amounting to £17,000 may require repayment in part or in full if conditions set out in the grant agreement are not met.

23. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £8,937 (2020 - £8,272). Contributions totaling £3,145 (2020 - £2,356) were payable to the fund at the balance sheet date and are included in creditors.

24. Operating lease commitments

At 31 March 2021 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	-	2,783

25. Related party transactions

Dr June Greenwell and her husband are residents of Cove Orchard and pay the standard service fee to the Society.

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NOTES TO THE FINANCIAL STATEMENTS
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26. Controlling party

The ultimate controlling party for all the financial affairs of the Society, as laid out in the Society's Articles of Association is the Executive Committee of the Board of Trustees.