

Registered number: 0701225
Regulator of Social Housing number: H2980
Charity number: 233423

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the company, its Trustees and advisers	1 - 2
Chairman's statement	3 - 4
Trustees' report	5 - 6
Independent auditor's report on the financial statements	7 - 10
Statement of financial activities	11
Balance sheet	12 - 13
Statement of cash flows	14
Notes to the financial statements	15 - 29

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees

K E Davis, Chair
R Cummins (resigned 8 September 2021)
S Sharpe, Vice Chair (resigned 28 March 2022)
Rev D Magowan (resigned 28 March 2022)
M Oliver (resigned 28 March 2022)
A Duffy (appointed 28 March 2022)
D Hutchinson (appointed 28 March 2022)
B Thomas (appointed 28 March 2022)

Company registered number

0701225

Charity registered number

233423

Registered office and operations address

11 Maitland Road
Reading
Berkshire
RG1 6NL

Company secretary

D Hutchinson

Regulator of Social Housing registered number

H2980 - deregistered 30th March 2022

Independent auditor

James Cowper Kreston Audit
Chartered Accountants and Statutory Auditor
Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Bankers

Lloyds TSB Bank Plc
Market Place
Reading
Berkshire
RG1 2EQ

CCLA Investment Management Ltd
St. Alphage House
2 Fore Street
London
EC2Y 5AQ

Solicitors

Clifton Ingram LLP
County House
17 Friar Street
Reading
Berkshire
RG1 1DB

THE ABBEYFIELD READING SOCIETY LIMITED
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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

The chairman presents her statement for the year.

Apart from the huge personal and financial impact of the Covid-19 pandemic, the year 2021/22 was very different; a year of re-evaluation and scrutiny and when the Trustees made major decisions to ensure the future of the home. The issues caused by the Covid-19 pandemic had continued in the year and we struggled to attract new residents to Abbeyfield House. The Trustees continued to explore ways to tackle the challenges but by July 2021 we recognised that our options to ensure the future of the home were very limited.

There is a need for all the Abbeyfield societies to be sustainable now and in the future. This requires the ability to address the challenges presented by changing requirements, new laws, supply and demand (empty rooms), affordability and competition from other homes. To address the situation the Trustees decided to merge with another Abbeyfield society to make a bigger and better organisation.

In the past we had benefited from an arrangement with Abbeyfield Wey Valley Society, that provided us with a relief manager when our manager and deputy manager were on sick leave in 2019, and our contact with the society had continued. It was therefore decided that Abbeyfield Wey Valley was the best choice to join with to form one successful, strong organisation. After consultation with residents and relatives and supporters, the merger took effect from 31 January 2022. Abbeyfield Reading Society continues in name only; the home and remaining resources of Abbeyfield Reading Society were passed to Abbeyfield Wey Valley which now operates the home, renamed as Maitland House.

In merging, our prime focus was the protection of the future of Abbeyfield House as the home of our residents and as the workplace for our staff; all staff were moved across to the larger organisation. By joining with another Abbeyfield society we could ensure the ethos and mission remained the same – helping older people to live as independently as possible by providing care, support and companionship, in a warm and friendly environment.

This report covers the year 2021/22 but given the date of the merger, the effective end date for the period is 31 January 2022. The worsening situation in the home was reflected in the financial performance with our net income before transfers at a £1,050k loss, £792k worse than 2020/21. The reduction in income reflects the number of empty rooms in the home; at the start of the financial year there were 11 vacancies and again 11 by the end of January 2022. We budgeted to make an operating loss of £158k and were £892k in excess of that. We were very fortunate in the amount of donations received during the year of £206k. We also received government grants of £26k to help with the Covid-19 crisis.

We took several measures to reduce our costs as much as possible including a pay freeze, making two posts redundant and tightening controls on maintenance and catering spend. To cover our costs during the year we sold the Society's investment funds. We also called down additional loans from the funds available to us from Eventide & Watts amounting to £100k. Since 2018, the almshouse charity had paid £393k to the Society under a series of loan agreements. As part of the merger arrangements these loans were written off with a proviso that should the care home be sold or cease to operate a compensation payment would be made to Eventide & Watts; this agreement ends on 31 January 2025. Abbeyfield Reading had acted as the corporate trustee of Eventide & Watts and we decided that it was in the best interests of Eventide & Watts for the Society to be removed from its position of control and be replaced by named charity trustees and this took effect on 10 January 2022.

On a positive note, we brought our audit processes into line with best practice and introduced a person centred care software system to better to monitor the physical and mental care of the residents. The reception area was refurbished as part of our efforts to attract new residents that also involved a new marketing campaign. Activities were boosted by the re-introduction of weekly church services, a new yoga session and the purchase of a digital activity table. We were fortunate to have two new Trustees from local churches; David Magowan and Mark Oliver who joined the Executive Board in January 2021. A long serving Trustee, Ron Cummins, retired in September 2021 and we express our thanks for his support and care.

THE ABBEYFIELD READING SOCIETY LIMITED
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CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

During the year we received valuable support from the Abbeyfield Society in St. Albans especially in guiding us through some staffing issues, including two redundancies, keeping us up to date with the changes in Covid-19 guidelines and other requirements.

Finally, it just remains for me to thank all past and present staff, trustees, volunteers and residents' families for their excellent support over the 25 years the home had been operated by Abbeyfield Reading. We wish Abbeyfield Wey Valley and Maitland House every success in the future.



Kathleen Davis 07 Mar 2023 10:33:18 GMT (UTC +0)

K E Davis
Chairman

Date: 07 March 2023

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees (who are also directors of the charity for the purposes of Companies Act) present their annual report together with the audited financial statements of the company. The Abbeyfield Reading Society Limited (the company) for the year ended 31 March 2022. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the 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 (FRS 102) (effective 1 January 2019).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

CONSTITUTION

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 18 August 1961.

The company is constituted under a Memorandum of Association dated 18 August 1961 and is a registered charity number 233423.

CHARITABLE OBJECTS AND PRINCIPAL ACTIVITIES

The objects of the Society and the principal activities of the Society are to provide accommodation for lonely and elderly people in accordance with the aims and principles of The Abbeyfield Society Limited. These activities fall wholly within hostel housing activities as defined in the Housing Act 1996.

ORGANISATIONAL STRUCTURE

The trustees who have served during the year are set out on page 1. The body of the trustees consist of the Executive Committee who are appointed by the members of the Society.

The Society is a member of the Abbeyfield Society of 55 Victoria Street, St. Albans, Herts., a federation of independent charities.

The Society acted as a corporate trustee to the Eventide and Watts Charity until 10 January 2022.

Recruitment and induction of Trustees is no longer taking place since the merger.

REVIEW OF ACTIVITIES

See Chairman's Statement on page 3.

RESERVES POLICY

The Abbeyfield Reading Society merged with Abbeyfield Wey Valley Society during the year and all reserves were transferred.

RISK MANAGEMENT

The Trustees have considered the major risks which the Society faces and confirm that systems have been established to ensure that the necessary actions may be taken.

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

EXECUTIVE COMMITTEE

The Members of the Executive Committee, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year are listed on page 1.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the charitable company in the event of a winding up. At the Balance Sheet date there were 4 members each guaranteeing to contribute £1.

INFORMATION ON FUNDRAISING PRACTICES

The Society used an external fundraiser, Complete Fundraising Ltd, to raise donations for which it paid a commission fee. The performance of the fundraiser was monitored by quarterly reporting and biannual meetings. It has received no complaints with regard to its fundraising activity and fully complies with fundraising regulations.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of The Abbeyfield Reading Society Limited 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 year. 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities' SORP
- Make judgements and accounting estimates that are reasonable
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

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

- So far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is 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 information needed by the charitable company's auditor in connection with preparing the report and to establish that the charitable company's auditor is aware of that information

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



Kathleen Davis 07 Mar 2023 10:33:18 GMT (UTC +0)

K E Davis

Chair

Date: 07 March 2023

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD READING SOCIETY LIMITED

Opinion

We have audited the financial statements of The Abbeyfield Reading Society Limited (the 'charitable company') for the year ended 31 March 2022 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 2022 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 Auditor's 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.

Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to Note 1.3 to the financial statements which explains that the trustees have merged the charity with Abbeyfield Wey Valley Society Limited and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 1.3. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

THE ABBEYFIELD READING SOCIETY LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD READING SOCIETY LIMITED (CONTINUED)

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.

THE ABBEYFIELD READING SOCIETY LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD READING SOCIETY LIMITED (CONTINUED)

Auditor's 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 Auditor's 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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 Auditor's report.

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD READING SOCIETY LIMITED (CONTINUED)

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 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

James Cowper Kreston Audit
Chartered Accountants and Statutory Auditor
Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Date:

James Cowper Kreston Audit are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	24,700	594,195	618,895	180,347
Charitable activities	4	-	659,952	659,952	824,188
Other income	8	-	-	-	1,944
Total income		24,700	1,254,147	1,278,847	1,006,479
Expenditure on:					
Raising funds		-	14,870	14,870	21,978
Charitable activities		138,870	2,175,979	2,314,849	1,243,215
Total expenditure		138,870	2,190,849	2,329,719	1,265,193
Net expenditure before net gains on investments		(114,170)	(936,702)	(1,050,872)	(258,714)
Net gains on investments		-	10,420	10,420	34,655
Net movement in funds		(114,170)	(926,282)	(1,040,452)	(224,059)
Reconciliation of funds:					
Total funds brought forward		114,170	926,282	1,040,452	1,264,511
Net movement in funds		(114,170)	(926,282)	(1,040,452)	(224,059)
Total funds carried forward		-	-	-	1,040,452

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 15 to 29 form part of these financial statements.

THE ABBEYFIELD READING SOCIETY LIMITED**(A company limited by guarantee)****REGISTERED NUMBER: 0701225****BALANCE SHEET
AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	-	1,157,470
Investments	13	-	156,213
		<hr/>	<hr/>
		-	1,313,683
Current assets			
Debtors	14	-	19,557
Investments	15	-	40
Cash at bank and in hand		-	71,741
		<hr/>	<hr/>
		-	91,338
Creditors: amounts falling due within one year	16	-	(364,569)
		<hr/>	<hr/>
Net current assets / liabilities		-	(273,231)
		<hr/>	<hr/>
Total net assets		-	1,040,452
		<hr/>	<hr/>
Charity funds			
Restricted funds	17	-	114,170
Unrestricted funds	17	-	926,282
		<hr/>	<hr/>
Total funds		-	1,040,452
		<hr/>	<hr/>

THE ABBEYFIELD READING SOCIETY LIMITED

(A company limited by guarantee)

REGISTERED NUMBER: 0701225

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

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:



Kathleen Davis 07 Mar 2023 10:33:18 GMT (UTC +0)

K E Davis, Chair

Date: 07 March 2023

The notes on pages 15 to 29 form part of these financial statements.

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	20	(308,244)	(186,557)
Cash flows from investing activities			
Purchase of tangible fixed assets		(7,654)	(41,245)
Proceeds from sale of investments		166,633	-
Net cash provided by/(used in) investing activities		158,979	(41,245)
Cash flows from financing activities			
Cash inflows from new borrowing		190,000	180,500
Repayments of borrowing		(90,000)	-
Cash transferred to Abbeyfield Wey Valley Society on merger		(22,476)	-
Net cash provided by financing activities		77,524	180,500
Change in cash and cash equivalents in the year		(71,741)	(47,302)
Cash and cash equivalents at the beginning of the year		71,741	119,043
Cash and cash equivalents at the end of the year	21	-	71,741

The notes on pages 15 to 29 form part of these financial statements

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies

1.1 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Abbeyfield Reading Society Limited 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.

1.2 Company status

The company is a private company limited by guarantee, incorporated in England and Wales. 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.

The address of the registered office is Abbeyfield House, 11 Maitland Road, Reading, RG1 6NL. The principal activity of the Company is that of a residential care home.

1.3 Going concern

At midnight on 31st January 2022 The Abbeyfield Reading Society Limited merged its operations with The Abbeyfield Wey Valley Society Limited . All of the assets and liabilities were transferred over to Abbeyfield Wey Valley Society Limited and as such The Abbeyfield Reading Society is no longer a going concern. The Trustees have therefore prepared the accounts on a non going concern basis as the charity will no longer provide care home services or other services.

1.4 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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.5 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.

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.

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.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Resident fees are included in the Statement of financial activities on an accruals basis. Income is accrued or deferred as required depending on the timing of the receipts to ensure that fees are included in the correct period.

1.6 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.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

All expenditure is inclusive of irrecoverable VAT.

1.7 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. Accounting policies (continued)

1.8 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Fixtures and fittings	- 10% -15% straight line

1.9 Housing properties

Housing properties are properties available for rent and properties subject to shared ownership leases.

The property is periodically professionally valued and depreciated in the intervening years.

Housing properties under construction are stated at cost less related social housing grant and other capital grants.

Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Improvements are works which result in an increase in the net rental income, such as an increase in rental income, a reduction in future maintenance costs, or results in a significant extension of the useful economic life of the property in the business. Only the direct overhead costs associated with the new developments or improvements are capitalised.

1.10 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

1.11 Operating leases

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

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.12 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.

1.13 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.

1.14 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.

1.15 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.

1.16 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. Critical accounting estimates and areas of judgment

Estimates and judgments 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. None of the accounting estimates are considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. Income from donations and legacies

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	24,700	181,856	206,556	111,086
Government grants	-	25,621	25,621	69,261
Loan written off	-	386,718	386,718	-
	<u>24,700</u>	<u>594,195</u>	<u>618,895</u>	<u>180,347</u>
	<u><u>81,539</u></u>	<u><u>98,808</u></u>	<u><u>180,347</u></u>	
Total 2021				

4. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Resident fees	659,952	659,952	824,188
	<u>659,952</u>	<u>659,952</u>	<u>824,188</u>
	<u><u>824,188</u></u>	<u><u>824,188</u></u>	
Total 2021			

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

5. Charitable activities

	2022	2021
	£	£
Catering costs	46,929	68,931
Household supplies, medical and laundry	19,648	46,514
Temporary staff costs and staff welfare	66,559	48,841
Recruitment, training and clothing	13,335	3,770
Water charges	4,270	7,300
Rates	2,077	1,589
Light and heat	31,809	30,202
Insurance	9,412	7,991
Maintenance, repairs and renewals	64,691	84,448
Cleaning and waste disposal	14,878	17,331
Office costs	16,757	22,534
Equipment leasing costs	1,711	6,773
Abbeyfield affiliation fees	7,524	8,940
Professional fees and bookkeeping	94,526	30,838
Loan interest	5,873	500
Miscellaneous expenses	15,385	22,156
Resident entertaining	1,488	10
Wages and salaries	593,829	661,349
Social security	49,848	48,694
Pension cost	17,128	18,911
Depreciation	31,732	36,989
Donation on transfer out to Abbeyfield Wey Valley Society	1,197,314	-
	2,306,723	1,174,611

6. Governance costs

	2022	2021
	£	£
Auditors remuneration	8,500	7,080

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. Analysis of expenditure by expenditure type

	Staff costs 2022 £	Depreciation 2022 £	Other costs 2022 £	Total funds 2022 £	Total funds 2021 £
Expenditure on raising voluntary income	-	-	14,870	14,870	21,978
Costs of raising funds	-	-	14,870	14,870	21,978
Donations and grants	660,805	31,732	1,613,812	2,306,349	1,234,478
Expenditure on governance	-	-	8,500	8,500	7,080
Charitable activities	660,805	-	1,622,312	2,314,849	1,241,558
	660,805	31,732	1,637,182	2,329,719	1,263,536
Total 2021	728,954	36,989	497,593	1,263,536	

8. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Miscellaneous income	-	-	1,944
Total 2021	1,944	1,944	

9. Net income/ (expenditure)

	2022 £	2021 £
Depreciation of tangible fixed assets:	31,732	36,989
- owned by charity		
Auditor's remuneration	8,500	7,080
Operating leases	4,000	6,773

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

10. Staff costs

	2022 £	2021 £
Wages and salaries	593,829	661,349
Social security costs	49,848	48,694
Contribution to defined contribution pension schemes	17,128	18,911
	<u>660,805</u>	<u>728,954</u>

During the year redundancy payments of £26k we made. There were no outstanding amounts at the balance sheet date.

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

	2022 No.	2021 No.
	32	34
	<u>32</u>	<u>34</u>

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

The key management personnel are deemed to be the Trustees as listed on page 1. No remuneration was paid in the year (2021: £nil).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - £NIL).

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Tangible fixed assets

	Freehold property £	Fixtures & fittings £	Total £
At 1 April 2021	1,384,216	300,882	1,685,098
Additions	-	7,654	7,654
Transfer out to Abbeyfield Wey Valley Society	(1,384,216)	(308,536)	(1,692,752)
	<hr/>	<hr/>	<hr/>
At 31 March 2022	-	-	-
	<hr/>	<hr/>	<hr/>
At 1 April 2021	287,738	239,890	527,628
Charge for the year	20,498	11,234	31,732
Transfer out to Abbeyfield Wey Valley Society	(308,236)	(251,124)	(559,360)
	<hr/>	<hr/>	<hr/>
At 31 March 2022	-	-	-
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2022	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2021	1,096,478	60,992	1,157,470
	<hr/>	<hr/>	<hr/>

13. Fixed asset investments

	Listed securities £
At 1 April 2021	156,213
Disposals	(166,633)
Revaluations	10,420
	<hr/>
At 31 March 2022	-
	<hr/>

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. Debtors

	2022 £	2021 £
Trade debtors	-	3,141
Other debtors	-	6,398
Prepayments and accrued income	-	10,018
	<hr/> -	<hr/> 19,557
	<hr/> <hr/>	<hr/> <hr/>

15. Current asset investments

	2022 £	2021 £
Unlisted investments	-	40
	<hr/> -	<hr/> 40
	<hr/> <hr/>	<hr/> <hr/>

16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	-	293,006
Trade creditors	-	27,254
Other taxation and social security	-	8,956
Other creditors	-	6,736
Accruals and deferred income	-	28,617
	<hr/> -	<hr/> 364,569
	<hr/> <hr/>	<hr/> <hr/>

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds					
General Funds	623,755	1,254,147	(1,888,322)	10,420	-
Property Revaluation	302,527	-	(302,527)	-	-
	<u>926,282</u>	<u>1,254,147</u>	<u>(2,190,849)</u>	<u>10,420</u>	<u>-</u>
Restricted funds					
Residential Support Fund	64,813	-	(64,813)	-	-
Garden Project	5,107	-	(5,107)	-	-
Boilers	24,250	-	(24,250)	-	-
Ground floor refurbishment	20,000	-	(20,000)	-	-
Restricted income	-	24,700	(24,700)	-	-
	<u>114,170</u>	<u>24,700</u>	<u>(138,870)</u>	<u>-</u>	<u>-</u>
Total of funds	<u>1,040,452</u>	<u>1,278,847</u>	<u>(2,329,719)</u>	<u>10,420</u>	<u>-</u>

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
General Funds	833,560	924,940	(1,200,290)	30,890	34,655	623,755
Property Revaluation	302,527	-	-	-	-	302,527
	<u>1,136,087</u>	<u>924,940</u>	<u>(1,200,290)</u>	<u>30,890</u>	<u>34,655</u>	<u>926,282</u>
Restricted funds						
Residential Support Fund	93,703	2,000	-	(30,890)	-	64,813
Garden Project	14,034	-	(8,927)	-	-	5,107
Training	1,500	-	(1,500)	-	-	-
Boilers	18,250	6,000	-	-	-	24,250
Macerator	937	-	(937)	-	-	-
Covid support	-	53,539	(53,539)	-	-	-
Ground floor refurbishment	-	20,000	-	-	-	20,000
	<u>128,424</u>	<u>81,539</u>	<u>(64,903)</u>	<u>(30,890)</u>	<u>-</u>	<u>114,170</u>
Total of funds	<u>1,264,511</u>	<u>1,006,479</u>	<u>(1,265,193)</u>	<u>-</u>	<u>34,655</u>	<u>1,040,452</u>

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

18. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2022 £
General funds	926,282	1,254,147	(2,190,849)	10,420	-
Restricted funds	114,170	24,700	(138,870)	-	-
	<u>1,040,452</u>	<u>1,278,847</u>	<u>(2,329,719)</u>	<u>10,420</u>	<u>-</u>

Summary of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
General funds	1,136,087	924,940	(1,200,290)	30,890	34,655	926,282
Restricted funds	128,424	81,539	(64,903)	(30,890)	-	114,170
	<u>1,264,511</u>	<u>1,006,479</u>	<u>(1,265,193)</u>	<u>-</u>	<u>34,655</u>	<u>1,040,452</u>

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Total funds 2022 £
	<hr/>
Total	-
	<hr/> <hr/>

Analysis of net assets between funds - prior year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	26,912	1,130,558	1,157,470
Fixed asset investments	-	156,213	156,213
Current assets	87,258	4,080	91,338
Creditors due within one year	-	(364,569)	(364,569)
	<hr/>	<hr/>	<hr/>
Total	114,170	926,282	1,040,452
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

	2022 £	2021 £
Net expenditure for the year (as per Statement of Financial Activities)	(1,040,452)	(224,059)
	<hr/>	<hr/>
Adjustments for:		
Depreciation charges	31,732	36,987
Gains on investments	(10,420)	(34,655)
Transfer of net assets to Abbeyfield Wey Valley Society	1,197,314	-
Decrease in debtors	19,557	10,463
Increase/(decrease) in creditors	(71,563)	24,707
Loan written off in year	(393,006)	-
Other non cash movements	(41,406)	-
	<hr/>	<hr/>
Net cash used in operating activities	(308,244)	(186,557)
	<hr/> <hr/>	<hr/> <hr/>

THE ABBEYFIELD READING SOCIETY LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

21. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	-	71,741
	<u> </u>	<u> </u>

22. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	Other non- cash changes £
Cash at bank and in hand	71,741	-	(71,741)
Debt due within 1 year	(293,006)	(100,000)	393,006
Liquid investments	40	-	(40)
	<u>(221,225)</u>	<u>(100,000)</u>	<u>321,225</u>

23. Pension commitments

During the year the charity operated a defined contribution scheme for its employees. Total contributions during the year were £17,128 (2021: £18,911). At the year end £nil (2021: £3,412) was outstanding and included in creditors.

24. Operating lease commitments

At 31 March 2022 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	-	335
	<u> </u>	<u> </u>

25. Related party transactions

The charity Eventide & Watts Charity was connected by common trustees until 28th March 2022; The Abbeyfield Reading Society Limited ceased to be a corporate trustee on 10 January 2022. During the year the charity was advanced £190,000 from Eventide & Watts Charity and repaid £90,000. At the 31 January 2022 the full balance owed to Eventide & Watts Charity of £393,006 was agreed to be written off and shown as a donation. The balance owing at the 31 March 2022 was £nil (2021: £293,006).

26. Controlling party

The ultimate controlling party is the trustees as detailed on page 1.