THE ABBEYFIELD AXMINSTER SOCIETY LIMITED

ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1996

CONTENTS

	PAGE
OFFICERS, PROFESSIONAL ADVISORS AND REGISTERED OFFICE	2
REPORT OF THE EXECUTIVE COMMITTEE	3/4
REPORT OF THE AUDITORS	5
INCOME AND EXPENDITURE ACCOUNT	6
BALANCE SHEET	7
NOTES TO THE ACCOUNTS	8/13
DETAILED HOSTEL PROPERTY REVENUE ACCOUNT	14

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COMPANIES HOUSE 10/12/96

THE ABBEYFIELD AXMINSTER SOCIETY LIMITED

OFFICERS, PROFESSIONAL ADVISORS AND REGISTERED OFFICE

EXECUTIVE COMMITTEE

Dr R B Malcolm
Mr R Searle
Mr P Shefford
Mr P Butson
Mrs S Robertson
Mrs I Welch
Mrs J Johnston (Appointed 27 November 1995)
Mrs E Dudley
Mrs E Maeer
Mrs A Scott
Mrs A Burrough
Mrs G Morrison
Mrs C Buckingham (Appointed 27 November 1995)

SECRETARY

Mrs A Burrough

AUDITORS

Thomas Wescott & Gillard
Trinity Square
AXMINSTER
Devon

BANKERS

Midland Bank Plc

SOLICITORS

Beviss and Beckingsale

REGISTERED OFFICE

Trinity Square
AXMINSTER
Devon

THE ABBEYFIELD AXMINSTER SOCIETY LIMITED

COMPANY NO: 735916

REPORT OF THE EXECUTIVE COMMITTEE

The Executive Committee submits its annual Report, together with the accounts for the year ended 30 September 1996.

1 PRINCIPAL ACTIVITY

The principal activity of the Society is to provide accommodation, support and companionship for lonely or frail elderly people, in accordance with the aims and principles of The Abbeyfield Society Limited. This activity falls wholly within hostel housing activities as defined in the Housing Act 1996.

2 STATUS

The Society is a company limited by guarantee registered in England under the Companies Act 1948, number 735916 and registered as a charity, number 214487.

The Society is registered with the Housing Corporation as a Registered Social Landlord (number H 3982).

3 REVIEW OF BUSINESS AND RESULTS DURING THE YEAR

During the year an extension has been completed at a cost of £47000: the two additional rooms provided were occupied by Residents from 29 March 1996. The extension was financed by a loan of £35000 and from the Society's own funds.

The financial results for the year are set out in the Income and Expenditure Account on page 6 and the position at the end of the year is shown in the Balance Sheet on page 7. The detailed Property Revenue Account is presented on page 14.

4 FIXED ASSETS

Details of cost and depreciation of fixed assets are set out in Notes 3, 4 and 5.

The Executive Committee is of the opinion that there is no significant difference between the book cost and the market value for the existing use of the land and buildings.

5 SHARES

As the Society is a company limited by guarantee no shares are issued.

continued/.....

THE ABBEYFIELD AXMINSTER SOCIETY LIMITED

REPORT OF THE EXECUTIVE COMMITTEE continued

6 EXECUTIVE COMMITTEE

The members of the Executive Committee who served during the year were:

Dr R B Malcolm
Mr R Searle
Mr P Shefford
Mr P Butson
Mrs S Robertson
Mrs I Welch
Mrs J Johnston (Appointed 27/11/95)
Mrs E Dudley
Mrs E Maeer
Mrs A Scott
Mrs A Burrough
Mrs G Morrison
Mrs C Buckingham (Appointed 27/11/95)

In accordance with the Articles of Association of the Society, one third of the Executive Committee shall retire by rotation, and being eligible, offer themselves for re-election at the forthcoming Annual General Meeting to be held in 1996.

7 AUDITORS

A resolution for the re-appointment of Thomas Westcott & Gillard as auditors will be proposed at the forthcoming Annual General Meeting.

Mrs A Burrough, **Secretary**

On behalf of the Executive Committee

....A. Burrough..... **Dated** 04.11.96..

AUDITORS' REPORT

TO THE MEMBERS OF THE ABBEYFIELD AXMINSTER SOCIETY LIMITED

We have audited the Financial Statements on pages 6 to 14, which have been prepared under the accounting policies set out on pages 8, 9 and 10.

RESPECTIVE RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE AND AUDITORS

Company law requires the Executive Committee to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Society and of the surplus or deficit of the Society for that period. In preparing those Financial Statements, the Executive Committee are required to:

i) select suitable accounting policies and then apply them consistently;

ii) make judgements and estimates that are reasonable and prudent;

iii) state whether applicable accounting standards have been followed;

iv) state whether applicable statements of recommended practice have been followed; **AND**

v) prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the Society will continue in business.

The Executive Committee are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Society and to enable them to ensure that the Financial Statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Executive Committee in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Society's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

OPINION

In our opinion, the Financial Statements give a true and fair view of the state of affairs of the Society at 30 September 1996 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985, applicable to small companies, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 1996.

Thomas Westcott & Gillard

THOMAS WESTCOTT & GILLARD
CHARTERED ACCOUNTANTS & REGISTERED AUDITORS
TRINITY SQUARE
AXMINSTER
DEVON EX13 5AN

DATED: 21-11-96

THE ABBEYFIELD AXMINSTER SOCIETY LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1996

	Note	1996 £	1995 £
TURNOVER	2.3	38394	30882
Operating Costs	Page 14	(28674)	(25658)
OPERATING SURPLUS		9720	5224
Interest Receivable and similar income	15	1230	744
Interest Payable and similar charges	16	(1114)	--
SURPLUS ON ORDINARY ACTIVITIES FOR THE YEAR		9836	5968
Income and Expenditure Balance - B/F		56702	50734
Transfers to Designated Reserves		(10000)	--
INCOME AND EXPENDITURE BALANCE - C/F	10	£56538	£56702

The Society's only activity is the provision of hostel accommodation.

No operations have been discontinued or acquired during the year and the amounts above relate entirely to continuing operations.

The Society has no recognised gains or losses, other than those included in the surpluses above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the retained surplus for the year on ordinary activities stated above and its historical cost equivalent.

THE ABBEYFIELD AXMINSTER SOCIETY LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 1996

	NOTE	1996	1995
		£	£
TANGIBLE FIXED ASSETS			
HOUSING PROPERTIES			
Cost	3	262207	214530
Less Housing Association Grant		(184691)	(184691)
		77516	29839
OTHER TANGIBLE FIXED ASSETS			
Fixtures, Fittings and Equipment	4	12034	8378
Soft and Loose Furnishings	5	252	252
		89802	38469
CURRENT ASSETS			
Debtors and Prepayments	6	460	804
Cash at Bank and in Hand		13568	18897
		14028	19701
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	7	4057	1468
NET CURRENT ASSETS		9971	18233
TOTAL ASSETS LESS CURRENT LIABILITIES		£99773	£56702
FINANCED BY			
Creditors: Amounts falling due after more than one year			
Housing Property Finance: Building Society Loan	8	33235	--
Reserves:	9	--	--
Designated Reserves:			
Fixed Assets Replacement Reserve	10	2000	--
Future Cyclical Repairs Reserve	10	6000	--
Major Repairs Reserve	10	2000	--
Income and Expenditure: Accumulated Surplus	10	56538	56702
		£99773	£56702

The accounts were approved by the Executive Committee and signed on its behalf on 4 November 1996 by:

R.S. Harbur ..... Chairman

..... Committee Member

A. Burrough ..... Secretary

THE ABBEYFIELD AXMINSTER SOCIETY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1996

1 STATUS OF SOCIETY

The Society is a company limited by guarantee registered in England under the Companies Act 1948, number 735916 and registered as a charity, number 214467. The company is registered with the Housing Corporation, number H 3982.

The Society is wholly engaged in hostel activities as defined in the Housing Act 1996.

2 ACCOUNTING POLICIES

2.1 General

The principal accounting policies of the Society are set out in the following sub-paragraphs.

2.2 Accounting Basis

These accounts are prepared under the historical cost convention, in accordance with applicable Accounting Standards in the United Kingdom and in accordance with the Accounting Requirements for Registered Social Landlords General Determination 1996.

2.3 Turnover

Turnover comprises rental and service income receivable.

2.4 Fixed Assets: Freehold Housing Land and Buildings

Housing land and buildings are stated at cost. The cost of properties is their purchase price and that of improvements and extension, together with incidental costs of acquisition,including interest payable. Interest payable is capitalised by applying the Society's cost of borrowing to expenditure during the construction of the property up to the date of practical completion.

2.5 Depreciation

2.5.1 Freehold Housing Land and Buildings

No depreciation is charged on housing properties because they are maintained in a state of repair such that the estimated residual value of land and buildings at the date of the Balance Sheet is not less than their net book amount. The annual charge for depreciation therefore would be immaterial.

2.5.2 Fixtures and Fittings and Equipment

Depreciation is charged on the written down value at 10% per annum.

2.5.3 General

A full year's depreciation is charged on fixed assets in the year that the asset is brought into use and no charge is made in the year of disposal.

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2.5.4 **Soft and Loose Furnishings**

Replacements are charged to the Income and Expenditure Account. Proceeds of disposal are credited to the Income and Expenditure Account.

2.6 **Housing Association Grant**

Where expenditure on fixed assets has been financed wholly, or partly, by Housing Association Grant (HAG) the net book value of that expenditure has been reduced by the amount of the grant received, which is shown separately in the Balance Sheet.

2.7 **Fixtures, Fittings and Equipment**

Assets donated to the Society are not included in the Balance Sheet; other assets are included at cost.

2.8 **Fixed Assets Replacement Reserve**

An amount has been carried to a Designated Reserve to provide for the future replacement of the larger items of equipment which form part of the cost of the building and for which HAG will not be claimed.

2.9 **Future Cyclical and Major Repairs**

The Society manages only hostel accommodation and thus there is no contribution from Rent Surplus Fund to Major Repairs.

It is the Executive Committee's opinion that amounts will be required for future Cyclical and Major Repairs in the medium and long term and therefore amounts have been carried forward to Designated Reserves.

The amounts so set aside are based on the Society's obligation to carry out such works on a continuing basis for the future cyclical maintenance and major repairs of its property, based on planned programmes of works for which HAG will not be claimed.

2.10 **Allocation of Expenses**

Expenses are allocated to management, repairs and service costs on the basis of the proportion of time or other relevant factors attributable to these activities.

2.11 **Monetary Donations and General Charitable Reserve**

Monetary donations to the Society are credited to Income on a receipts basis and are available for transfer to the General Charitable Reserve.

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THE ABBEYFIELD AXMINSTER SOCIETY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1996 continued

2.12 **Corporation Tax and VAT**

The Society has charitable status and is exempt from Corporation Tax on the income it has received.

The Society has never registered for VAT. No VAT is charged to residents and expenditure in the Income and Expenditure Account includes VAT.

2.13 **Pensions**

The Society has no pension arrangements for its employees, other than Social Security benefits.

3 HOUSING LAND AND BUILDINGS

	1996	1995
	£	£
HAG Assisted Scheme Freehold		
Cost at 30 September 1995	214530	214530
Additions	47677	--
Disposals	--	--
At 30 September 1996	£262207	£214530
HAG at 30 September 1995 and 1996	£184691	£184691

4 FIXTURES, FITTINGS AND EQUIPMENT

	Fixtures, Fittings & Equipment	1995
Cost at 1 October 1995	12395	12395
Additions during the year	4993	--
At 30 September 1996	17388	12395
Depreciation at 1 October 1995	4017	3086
Charge for the year	1337	931
At 30 September 1996	5354	4017
N B V at 30 September 1996	£12034	£8378

5 SOFT AND LOOSE FURNISHINGS

Cost at 30 September 1996 and 30 September 1995	£252

continued/....

THE ABBEYFIELD AXMINSTER SOCIETY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1996 continued

6 DEBTORS AND PREPAYMENTS DUE WITHIN ONE YEAR

	1996	1995
Residents Fees	4	--
Gas	250	550
Council Tax	--	48
Insurance	206	206
	£460	£804

7 CREDITORS AND ACCRUALS DUE WITHIN ONE YEAR

	1996	1995
Residential Fees	679	226
Audit	476	470
Accountancy	370	353
Wages Deductions	219	192
Food and Household Costs	40	127
Heating and Lighting	--	100
Extension Retention	1073	--
Loan Repayment	1200	--
	£4057	£1468

8 CREDITORS: Amounts falling due after more than one year

Housing Property Finance

An Abbey National Building Society loan is secured on the Society's House. The loan is fully repayable in 2021: interest is charged at 6.29%. Instalments are due as follows:

	1996	1995
In one year or less	1200	--
Between one and two years	1300	--
Between two and five years	4500	--
In five years or more	27435	--
Amounts falling due after more than one year	£33235	--

9 MEMBERS

There is no issued nor authorised share capital as the Society is a company limited by guarantee.

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THE ABBEYFIELD AXMINSTER SOCIETY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1996 continued

10 RESERVES

	Income and Expenditure Account	Fixed Assets Replacement Reserve (Note 2.8)	Future Cyclical Repairs Reserve (Note 2.9)	Major Repairs Reserve (Note 2.9)
	£	£	£	£
At 30/9/95	56702	--	--	--
Income and Expenditure:				
Surplus	9836			
Transfers	(10000)	2000	6000	2000
At 30/9/96	£56538	£2000	£6000	£2000

11 CAPITAL COMMITMENTS

	1996	1995
	£	£
Expenditure Contracted	--	--
Expenditure Authorised but not Contracted	--	--
	NIL	NIL

12 CONTINGENT LIABILITIES

Contingent Liabilities amounted to	NIL	NIL

13 EMPLOYEES

Employee Costs:		
Salaries and Wages	9535	8558
Social Security	175	174
Other Pension Costs	--	--
	£9710	£8732

Average weekly number of persons employed during year, including part-time employees:

	Number 1996	Number 1995
Hostel Staff	2	2

continued/....

THE ABBEYFIELD AXMINSTER SOCIETY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1996 continued

14 PAYMENTS TO MEMBERS, COMMITTEE MEMBERS, OFFICERS, SENIOR EXECUTIVE

	1996	1995
	£	£
Fees, remuneration or expenses payable to members of the Society who were neither members of the Committee of Management, nor employees of the Society	NIL	NIL
Fees, remuneration or expenses payable to members of the Committee of Management of the Society who were neither officers nor employees of the Society	NIL	NIL
Fees, remuneration or expenses paid to officers of the Society who were not employees	£517	£723
Payments or gifts made, or benefits granted, to the persons referred to in Sections 13 and 15 of the Housing Associations Act 1985	NIL	NIL

15 INTEREST RECEIVABLE AND SIMILAR INCOME

Donations Received	802	273
Bank and Short Term Deposit Interest gross	428	471
	£1230	£744

16 INTEREST PAYABLE AND SIMILAR CHARGES

Long Term Interest	£1114	--

17 HOUSING STOCK

	Units under Development		Units in Management	
	1996	1995	1996	1995
Hostel Accommodation:				
Number of Bed Spaces	NIL	NIL	8	6

THE ABBEYFIELD AXMINSTER SOCIETY LIMITED

DETAILED HOSTEL PROPERTY REVENUE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 1996

	1996	1995
	£	£
INCOME		
Rents	17793	14992
Service Charges	21573	18177
Residents' Charges	39366	33169
Losses arising from Vacancies and Absences	(972)	(2287)
TURNOVER: Net Income from Residents' Charges	38394	30882
EXPENDITURE		
Management Expenses:		
Insurance	826	820
Telephone	555	446
Membership Fee: The Abbeyfield Society	926	795
Audit	475	470
Accountancy	369	371
Stationery and Postage	--	46
Bank Charges	16	45
Conferences and Training	37	22
Other Expenditure	350	48
	3554	3063
Repairs and Maintenance:		
Day to Day Repairs	1629	1572
Cyclical Repairs	--	--
	1629	1572
Service Costs:		
Care and Catering:		
Employee Costs	9710	8732
Food Costs and Cleaning Materials	7643	7745
Garden Maintenance	718	264
Council Tax	571	515
Water Rates	756	651
Heating and Lighting	2756	2185
Depreciation:		
Fixtures, Fittings and Equipment	1337	931
	23491	21023
Operating Costs	28674	25658
HOSTEL PROPERTY REVENUE OPERATING SURPLUS	£9720	£5224