

**THE ABBEYFIELD AXMINSTER SOCIETY LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED**

**30 SEPTEMBER 2003**

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**THE ABBEYFIELD AXMINSTER SOCIETY LIMITED**

**OFFICERS, PROFESSIONAL ADVISERS AND REGISTERED OFFICE**

**AS AT 30 SEPTEMBER 2003**

**EXECUTIVE COMMITTEE**

Mrs C Buckingham  
Mrs A Burrough  
Dr R B Malcolm  
Miss J Tinling  
Mrs A Cole (Appointed 11/02)  
Mr N Copland (Appointed 11/02)  
Mrs E Blanchford (Co-opted 01/09/03)  
Mrs B Copland

Mrs G Morrison  
Mr A Buckingham  
Mrs V Pym  
Mrs J Johnston  
Mrs M Gabb (Resigned 01/04/03)  
Mrs L White (Resigned 01/11/02)  
Mr C White (Resigned 01/11/02)  
Mrs E Maeer (Resigned 25/11/02)

**SECRETARY**

Mrs A Burrough

**AUDITORS**

Thomas Westcott Gillard Heal  
Timberly  
South Street  
AXMINSTER  
Devon

**BANKERS**

H S B C

**SOLICITORS**

Beviss & Beckingsale

**REGISTERED OFFICE**

Silver Street  
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 audited Financial Statements for the year ended 30 September 2003.

### **1. PRINCIPAL ACTIVITY**

The principal activity of the Society is to provide very sheltered housing and companionship for lonely, frail and 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 214467.

The Society is registered with the Housing Corporation as a Registered Social Landlord (number H3982).

The Society is governed by its Memorandum and Articles of Association, dated 20 September 1962.

### **3. REVIEW OF BUSINESS AND RESULTS DURING THE YEAR**

The financial results for the year are set out in the Income and Expenditure Account on page 7 and the position at the end of the year is shown in the Balance Sheet on page 8. The detailed Property Revenue Account is presented on page 16.

### **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.

**THE ABBEYFIELD AXMINSTER SOCIETY LIMITED**

**COMPANY NO: 735916**

**REPORT OF THE EXECUTIVE COMMITTEE continued**

**6. EXECUTIVE COMMITTEE**

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

Mrs C Buckingham

Mrs A Burrough

Dr R B Malcolm

Miss J Tinling

Mrs A Cole (Appointed 11/02)

Mr N Copland (Appointed 11/02)

Mrs E Blanchford (Co-opted 01/09/03)

Mrs B Copland

Mrs G Morrison

Mr A Buckingham

Mrs V Pym

Mrs J Johnston

Mrs M Gabb (Resigned 01/04/03)

Mrs E Maeer (Resigned 25/11/02)

Mr C White (Resigned 01/11/02)

Mrs L White (Resigned 01/11/02)

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 2003.

**7. AUDITORS**

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

**8. DESIGNATED RESERVES**

Amounts transferred to designated reserves are shown in Note 10.

**9. RESERVES POLICY**

It is the policy of the charity to work towards unrestricted funds, which are the free reserves of the charity, at a level which equates to approximately three months unrestricted expenditure. This will provide sufficient funds to cover management and administration and support costs and to respond to emergency repairs which arise from time to time. Unrestricted funds will be maintained at this level.

**10. RISK MANAGEMENT**

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

**On behalf of the Executive Committee of the Abbeyfield Axminster Society Limited**

..... *A. Burrough* ..... Mrs A Burrough, Secretary

..... 03. 11. 2003 ..... Dated

**AUDITORS REPORT**  
**TO THE MEMBERS OF**  
**THE ABBEYFIELD AXMINSTER SOCIETY LIMITED**

We have audited the Financial Statements of Abbeyfield Axminster Society Limited for the year ended 30 September 2003, which comprises Income and Expenditure Account, the Balance Sheet and the related notes, which have been prepared under the accounting policies set out on pages 9, 10 and 11.

This Report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this Report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE AND AUDITORS**

Company law and registered social housing legislation 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 for that period. In preparing those Financial Statements the Executive Committee is 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 is 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 relevant legislation. 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. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000. We also report to you if, in our opinion, the report of the executive committee is not consistent with the financial statements, if the society has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding executive committee members' remuneration and transactions with the society are not disclosed.

**AUDITORS REPORT continued**  
**TO THE MEMBERS OF**  
**THE ABBEYFIELD AXMINSTER SOCIETY LIMITED**

**BASIS OF OPINION**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 misstatement, 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 2003 and of its surplus for the year then ended, and have been properly prepared in accordance with the provisions of the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000, as amended.

TUG Heal

Thomas Westcott Gillard Heal  
Chartered Accountants & Registered Auditors  
Timberly  
South Street  
AXMINSTER  
Devon  
EX13 5AD

Dated: 11-11-03

**THE ABBEYFIELD AXMINSTER SOCIETY LIMITED**

**INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2003**

	<u>Note</u>	<u>2003</u>	<u>2002</u>
		<u>£</u>	<u>£</u>
<b><u>TURNOVER</u></b>	2.3	50266	48640
Operating Costs	Page 16	(43320)	(43302)
<b>OPERATING SURPLUS</b>		6946	5338
Interest Receivable and Other Similar Income	13	540	237
Interest Payable and Similar Charges	14	(204)	(330)
<b>SURPLUS ON ORDINARY ACTIVITIES FOR THE YEAR</b>		7282	5245
Income and Expenditure Balance – B/F		67112	65867
Transfers to Designated Reserves		(4000)	(4000)
<b><u>INCOME AND EXPENDITURE BALANCE – C/F</u></b>	10	70394	67112

The Society's only activity is the provision of very sheltered housing.

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 2003

	<u>Note</u>	<u>2003</u> <u>£</u>	<u>2002</u> <u>£</u>
<b><u>TANGIBLE FIXED ASSETS</u></b>			
<b><u>HOUSING PROPERTIES</u></b>			
Cost	3	262207	262207
Less Social Housing Grant	-	(184691)	(184691)
		77516	77516
<b><u>OTHER TANGIBLE FIXED ASSETS</u></b>			
Fixtures, Fittings and Equipment	4	8644	9471
Soft and Loose Furnishings	5	<u>252</u>	<u>252</u>
		86412	87239
		-----	-----
<b><u>CURRENT ASSETS</u></b>			
Debtors and Prepayments	6	1627	1029
Cash at Bank and in Hand		<u>19526</u>	<u>12328</u>
		21153	13357
<b><u>CURRENT LIABILITIES</u></b>			
<b>CREDITORS: Amounts falling due within one year</b>	7	<u>2760</u>	<u>2905</u>
<b>NET CURRENT ASSETS</b>		<u>18393</u>	<u>10452</u>
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>		104805	97691
<b><u>FINANCED BY</u></b>			
<b>CREDITORS: Amounts falling due after more than one year</b>			
Housing Property Finance:			
Building Society Loan secured on Society's House	8	3513	3681
<b>Reserves:</b>			
Designated Reserves:			
Fixed Assets Replacement Reserve	10	9000	8000
Future Cyclical Repairs Reserve	10	14898	12898
Major Repairs Reserve	10	7000	6000
Income and Expenditure:			
Accumulated Surplus	10	<u>70394</u>	<u>67112</u>
		104805	97691
		-----	-----

The Financial Statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000, as amended.

The accounts were approved by the Executive Committee and signed on its behalf on 3/11/03 by:

<p>..... <i>C. Buckingham</i> ..... Chairman</p> <p>..... <i>M. N. L. Copland</i> ..... Committee Member</p> <p>..... <i>A. Burrough</i> ..... Secretary</p>	<p>Mrs C Buckingham</p> <p>MR N L COPLAND</p> <p>Mrs A Burrough</p>
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# **THE ABBEYFIELD AXMINSTER SOCIETY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2003**

#### **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 H3982.

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 subparagraphs.

##### **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 2000, as amended and the Statement of Recommended Practice (SORP) for Accounting by Registered Social Landlords issued in March 1999, as updated in November 2002.

##### **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, together with incidental costs of acquisition and improvement, 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.

Housing properties in the course of construction are stated at cost and are transferred into housing properties when completed.

##### **2.5 Depreciation**

##### **2.5.1 Freehold Housing Land and Buildings**

No depreciation is charged on the Land. The Buildings are maintained in a state of repair such that their estimated residual value at the date of the Balance Sheet is not less than their cost less Social Housing Grant: an annual charge for depreciation therefore would be immaterial.

# **THE ABBEYFIELD AXMINSTER SOCIETY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS continued**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2003**

#### **2.5.2 Fixtures and Fittings and Equipment**

Depreciation is charged at 10% of net book value so as to write off the assets over their estimated useful lives.

#### **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.

#### **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 Social Housing Grant**

Where developments have been financed wholly, or partly, by Social Housing Grant (SHG), formerly known as HAG, the net book value of those developments has been reduced by the amount of the grant receivable, which is shown separately in the Balance Sheet. Provision is made for repayment of SHG where the property is expected to be sold in the foreseeable future. SHG in respect of housing properties in the course of construction received in advance of expenditure is shown as a current liability.

#### **2.7 Fixed Assets: Fixtures, Fittings and Equipment**

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

#### **2.8 Future Cyclical and Major Repairs**

The Society manages only very sheltered housing 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 SHG will not be claimed.

#### **2.9 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.

# **THE ABBEYFIELD AXMINSTER SOCIETY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS continued**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2003**

#### **2.10 Monetary Donations and General Charitable Reserve**

Monetary Donations to the Society are credited to the Income and Expenditure Account on a receipts basis.

#### **2.11 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.

#### **2.12 Pensions**

During the year the Society paid into an employees personal pension plan, at a rate equivalent to 3.7% of gross salary.

#### **3 HOUSING LAND AND BUILDINGS**

	<b><u>2003</u></b>	<b><u>2002</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
<b>SHG Assisted Scheme Freehold</b>		
Cost at 30 September 2002 and 2003	<u>262207</u>	<u>262207</u>
<b>SHG at 30 September 2002 and 2003</b>	<u>184691</u>	<u>184691</u>

#### **4 FIXTURES, FITTINGS AND EQUIPMENT**

Cost at 1 October 2002	22043	21688
Additions during the year	<u>133</u>	<u>355</u>
<b>At 30 September 2003</b>	<u>22176</u>	<u>22043</u>
	-----	-----
Depreciation at 1 October 2002	12572	11548
Charge for the year	<u>960</u>	<u>1024</u>
<b>At 30 September 2003</b>	<u>13532</u>	<u>12572</u>
<b>N B V at 30 September 2003</b>	<u>8644</u>	<u>9471</u>
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**THE ABBEYFIELD AXMINSTER SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS continued**

**FOR THE YEAR ENDED 30 SEPTEMBER 2003**

5	<b><u>SOFT AND LOOSE FURNISHINGS</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>
		<b><u>£</u></b>	<b><u>£</u></b>
	Cost at 30 September 2003 and 30 September 2002	252	252
		—	—
6	<b><u>DEBTORS AND PREPAYMENT DUE WITHIN ONE YEAR</u></b>		
	Residents Fees	575	560
	Insurance	438	303
	Electricity	202	80
	Council Tax	100	86
	Wages	<u>312</u>	<u>--</u>
		1627	1029
		—	—
7	<b><u>CREDITORS AND ACCRUALS DUE WITHIN ONE YEAR</u></b>		
	Other Expenses	40	12
	Garden Maintenance	--	12
	Audit	600	550
	Accountancy	500	450
	Repairs	--	339
	Wages and Deductions	413	573
	Food and Household Costs	559	541
	Water	--	6
	Gas	50	50
	Loan Repayment	372	372
	Supporting People	200	--
	Residents Fees	<u>26</u>	<u>--</u>
		2760	2905
		—	—
8	<b><u>CREDITORS: Amounts falling due after more than one year</u></b>		

**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 5.1%. Instalments are due as follows:

In one year or less	372	372
	—	—
Between one and two years	372	372
Between two and five years	1116	1116
Over five years	<u>2025</u>	<u>2193</u>
Amount falling due after more than one year	3513	3681
	—	—

**THE ABBEYFIELD AXMINSTER SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS continued**

**FOR THE YEAR ENDED 30 SEPTEMBER 2003**

9 **MEMBERS**

There is no issued nor authorised Share Capital as the Society is a company limited by guarantee.

10 **RESERVES**

	<u>Income and Expenditure Account</u>	<u>Fixed Assets Replacement Reserve</u>	<u>Future Cyclical Repairs Reserve</u>	<u>Major Repairs Reserve</u>
		(Note 2.8)	(Note 2.8)	(Note 2.8)
	£	£	£	£
At 30/9/02	67112	8000	12898	6000
Surplus for year	7282			
Transfers	(4000)	1000	2000	1000
<b>At 30/9/03</b>	<b>70394</b>	<b>9000</b>	<b>14898</b>	<b>7000</b>
	—	—	—	—

11 **EMPLOYEES**

**Employee Costs:**

Salaries and Wages	18529	18309
Social Security	586	484
Other Pension Costs	300	300
	19415	19093
	—	—

The average weekly number of employees expressed in full-time equivalents

	<u>Number</u>	<u>Number</u>
	<u>2003</u>	<u>2002</u>
Hostel Staff	2	2
	—	—

**THE ABBEYFIELD AXMINSTER SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS continued**

**FOR THE YEAR ENDED 30 SEPTEMBER 2003**

12 **PAYMENTS TO MEMBERS, COMMITTEE MEMBERS, OFFICERS,  
SENIOR EXECUTIVE**

	<u>2003</u>	<u>2002</u>
	<u>£</u>	<u>£</u>
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	185	NIL
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

13 **INTEREST RECEIVABLE AND SIMILAR INCOME**

	<u>2003</u>	<u>2002</u>
	<u>£</u>	<u>£</u>
Coffee Morning	191	--
Donations Received	156	183
Bank and Short Term Deposit Interest – gross	<u>193</u>	<u>54</u>
	540	237

14 **INTEREST PAYABLE AND SIMILAR CHARGES**

Long Term Interest	204	330
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**THE ABBEYFIELD AXMINSTER SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS continued**

**FOR THE YEAR ENDED 30 SEPTEMBER 2003**

15

**HOUSING STOCK**

	<u>Units under</u> <u>Development</u>		<u>Units in</u> <u>Management</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Hostel Accommodation:				
Number of Bed Spaces	NIL	NIL	8	8
	—	—	—	—

**THE ABBEYFIELD AXMINSTER SOCIETY LIMITED**  
**DETAILED HOSTEL PROPERTY REVENUE ACCOUNT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2003**

	<u>2003</u>	<u>2002</u>
	<u>£</u>	<u>£</u>
<b><u>INCOME</u></b>		
Residents' Charges	51128	49119
Losses arising from Vacancies and Absences	<u>(862)</u>	<u>(479)</u>
<b>Turnover: Net Income from Residents' Charges</b>	50266	48640
	-----	-----
<b><u>EXPENDITURE</u></b>		
<b><u>Management Expenses:</u></b>		
Insurance	1415	1230
Telephone	626	591
Membership Fee: The Abbeyfield Society	1646	1519
Audit	600	571
Accountancy	556	448
Stationery and Postage	202	221
Bank Charges	36	40
Other Expenditure	<u>299</u>	<u>279</u>
	5380	4899
	-----	-----
<b><u>Repairs and Maintenance:</u></b>		
Day to Day Repairs	3662	4281
	-----	-----
<b><u>Service Costs:</u></b>		
<b><u>Care and Catering:</u></b>		
Employee Costs	19415	19093
Food Costs and Cleaning Materials	8827	8825
Garden Maintenance	214	260
Council Tax	959	758
Water Rates	1023	1076
Heating and Lighting	2880	3086
<b><u>Depreciation:</u></b>		
Fixtures, Fittings and Equipment	<u>960</u>	<u>1024</u>
	34278	34122
	-----	-----
<b>Operating Costs</b>	43320	43302
	-----	-----
<b><u>HOSTEL PROPERTY REVENUE OPERATING SURPLUS</u></b>	6946	5338
	-----	-----