

**THE ABBEYFIELD AXMINSTER SOCIETY LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED**

**30 SEPTEMBER 2002**

735916

**CONTENTS**

	<b><u>Page</u></b>
OFFICERS, PROFESSIONAL ADVISORS AND REGISTERED OFFICE	2
REPORT OF THE EXECUTIVE COMMITTEE	3-4
REPORT OF THE AUDITORS	5-6
INCOME AND EXPENDITURE ACCOUNT	7
BALANCE SHEET	8
NOTES TO THE FINANCIAL STATEMENTS	9-15
DETAILED HOSTEL PROPERTY REVENUE ACCOUNT	16

**THE ABBEYFIELD AXMINSTER SOCIETY LIMITED**

**OFFICERS, PROFESSIONAL ADVISERS AND REGISTERED OFFICE**

**AS AT 30 SEPTEMBER 2002**

**EXECUTIVE COMMITTEE**

Mrs C Buckingham  
Dr R B Malcolm  
Mr C White  
Mrs I Welch (Resigned 05.11.01)  
Mrs B Copland  
Mr A Buckingham

Mrs E Maeer  
Mrs A Burrough  
Mrs G Morrison  
Mrs J Johnston  
Mrs L White  
Mrs M Gabb  
Miss J Tinling (Appointed 26.11.01)  
Rev S Gill (Appointed 26.11.01 -  
Resigned 02.09.02)  
Mrs V Pym (Appointed 26.11.01)

**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 2002.

### **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.

### **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  
Dr R B Malcolm  
Mr C White  
Mrs I Welch (Resigned 05.11.01)  
Mrs B Copland  
Mr A Buckingham

Mrs E Maer  
Mrs A Burrough  
Mrs G Morrison  
Mrs J Johnston  
Mrs L White  
Mrs M Gabb  
Miss J Tinling (Appointed 26.11.01)  
Rev S Gill (Appointed 26.11.01 –  
Resigned 02.09.02)  
Mrs V Pym (Appointed 26.11.01)

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 2002.

**7. AUDITORS**

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

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

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

X *04.11.02* X Dated

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

We have audited the Financial Statements on pages 7 to 15, which have been prepared under the accounting policies set out on pages 9, 10 and 11.

**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 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 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 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.

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

**OPINION**

In our opinion, the Financial Statements give a true and fair view of the state of affairs of the Society at 30 September 2002 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.

TC Heal

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

Dated: 22-11-02

**THE ABBEYFIELD AXMINSTER SOCIETY LIMITED**

**INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2002**

	<u>Note</u>	<u>2002</u>	<u>2001</u>
		<u>£</u>	<u>£</u>
<b><u>TURNOVER</u></b>	2.3	48640	45103
Operating Costs	Page 16	(43302)	(44415)
<b>OPERATING SURPLUS</b>		5338	688
Interest Receivable and Other Similar Income	13	237	431
Interest Payable and Similar Charges	14	(330)	(250)
<b>SURPLUS ON ORDINARY ACTIVITIES FOR THE YEAR</b>		5245	869
Income and Expenditure Balance – B/F		65867	68998
Transfers to Designated Reserves		(4000)	(4000)
		—	—
<b><u>INCOME AND EXPENDITURE BALANCE – C/F</u></b>	10	67112	65867
		—	—

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 2002

	<u>Note</u>	<u>2002</u> <u>£</u>	<u>2001</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	9471	10140
Soft and Loose Furnishings	5	252	252
		87239	87908
		-----	-----
<b><u>CURRENT ASSETS</u></b>			
Debtors and Prepayments	6	1029	1256
Cash at Bank and in Hand		12328	6208
		13357	7464
<b><u>CURRENT LIABILITIES</u></b>			
<b>CREDITORS: Amounts falling due within one year</b>			
	7	2905	3536
<b>NET CURRENT ASSETS</b>		10452	3928
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>		97691	91836
<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	3681	3071
<b>Reserves:</b>			
Designated Reserves:			
Fixed Assets Replacement Reserve	10	8000	7000
Future Cyclical Repairs Reserve	10	12898	10898
Major Repairs Reserve	10	6000	5000
Income and Expenditure:			
Accumulated Surplus	10	67112	65867
		97691	91836
		-----	-----

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 \_\_\_\_\_ by:

*C. Buckingham* Chairman

Mrs C Buckingham

*R. Shuman* Committee Member

Dr R Malcolm

*A. Burrough* Secretary

Mrs A Burrough



# **THE ABBEYFIELD AXMINSTER SOCIETY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2002**

#### **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.

##### **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 2002**

#### **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 amount 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 2002**

#### **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 4% of gross salary.

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

	<b><u>2002</u></b>	<b><u>2001</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
<b>SHG Assisted Scheme Freehold</b>		
Cost at 30 September 2001 and 2002	<u>262207</u>	<u>262207</u>
<b>SHG at 30 September 2001 and 2002</b>	<u>184691</u>	<u>184691</u>

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

Cost at 1 October 2001	21688	21688
Additions during the year	<u>355</u>	<u>--</u>
<b>At 30 September 2002</b>	<u>22043</u>	<u>21688</u>
	-----	-----
Depreciation at 1 October 2001	11548	10421
Charge for the year	<u>1024</u>	<u>1127</u>
<b>At 30 September 2002</b>	<u>12572</u>	<u>11548</u>
<b>N B V at 30 September 2002</b>	<u>9471</u>	<u>10140</u>
	-----	-----

# **THE ABBEYFIELD AXMINSTER SOCIETY LIMITED**

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

### **FOR THE YEAR ENDED 30 SEPTEMBER 2002**

#### **5 SOFT AND LOOSE FURNISHINGS**

Cost at 30 September 2002 and 30 September 2001 252

#### **6 DEBTORS AND PREPAYMENT DUE WITHIN ONE YEAR**

	<b><u>2002</u></b>	<b><u>2001</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Residents Fees	560	596
Insurance	303	374
Electricity	80	286
Council Tax	<u>86</u>	<u>--</u>
	1029	1256
	<u>      </u>	<u>      </u>

#### **7 CREDITORS AND ACCRUALS DUE WITHIN ONE YEAR**

Other Expenses	12	--
Garden Maintenance	12	--
Audit	550	559
Accountancy	450	437
Repairs	339	--
Wages and Deductions	573	362
Food and Household Costs	541	462
Water	6	100
Gas	50	216
Loan Repayment	<u>372</u>	<u>1400</u>
	2905	3536
	<u>      </u>	<u>      </u>

#### **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 5.1%. Instalments are due as follows:

In one year or less	372	1400
	<u>      </u>	<u>      </u>
Between one and two years	372	1400
Between two and five years	1116	1671
Over five years	<u>2193</u>	<u>--</u>
Amount falling due after more than one year	3681	3071
	<u>      </u>	<u>      </u>

# THE ABBEYFIELD AXMINSTER SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS continued

### FOR THE YEAR ENDED 30 SEPTEMBER 2002

#### 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 2.9)	(Note 2.9)
	£	£	£	£
At 30/9/01	65867	7000	10898	5000
Surplus for year	5245			
Transfers	(4000)	1000	2000	1000
At 30/9/02	67112	8000	12898	6000
	—	—	—	—

#### 11 EMPLOYEES

##### Employee Costs:

Salaries and Wages	18309	17614
Social Security	484	520
Other Pension Costs	300	300
	19093	18434
	—	—

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

	<u>Number</u>	<u>Number</u>
	<u>2002</u>	<u>2001</u>
Hostel Staff	2	2
	—	—

**THE ABBEYFIELD AXMINSTER SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS continued**

**FOR THE YEAR ENDED 30 SEPTEMBER 2002**

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

	<b><u>2002</u></b>	<b><u>2001</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
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	NIL	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**

	<b><u>2002</u></b>	<b><u>2001</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Donations Received	183	346
Bank and Short Term Deposit Interest – gross	<u>54</u>	<u>85</u>
	237	431

14 **INTEREST PAYABLE AND SIMILAR CHARGES**

Long Term Interest	330	250
--------------------	-----	-----

**THE ABBEYFIELD AXMINSTER SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS continued**

**FOR THE YEAR ENDED 30 SEPTEMBER 2002**

15 **HOUSING STOCK**

	<b><u>Units under</u></b> <b><u>Development</u></b>		<b><u>Units in</u></b> <b><u>Management</u></b>	
	<b><u>2002</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2001</u></b>
<b>Hostel Accommodation:</b>				
Number of Bed Spaces	NIL	NIL	8	8
	—	—	—	—

**THE ABBEYFIELD AXMINSTER SOCIETY LIMITED**

**DETAILED HOSTEL PROPERTY REVENUE ACCOUNT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2002**

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
<b><u>INCOME</u></b>		
Residents' Charges	49119	46906
Losses arising from Vacancies and Absences	<u>(479)</u>	<u>(1803)</u>
<b>Turnover: Net Income from Residents' Charges</b>	<b>48640</b>	<b>45103</b>
	-----	-----
<b><u>EXPENDITURE</u></b>		
<b><u>Management Expenses:</u></b>		
Insurance	1230	1367
Telephone	591	719
Membership Fee: The Abbeyfield Society	1519	1433
Audit	571	544
Accountancy	448	426
Stationery and Postage	221	72
Bank Charges	40	20
Other Expenditure	<u>279</u>	<u>317</u>
	4899	4898
	-----	-----
<b><u>Repairs and Maintenance:</u></b>		
Day to Day Repairs	4281	4358
	-----	-----
<b><u>Service Costs:</u></b>		
<b><u>Care and Catering:</u></b>		
Employee Costs	19093	18434
Food Costs and Cleaning Materials	8825	9387
Garden Maintenance	260	335
Council Tax	758	778
Water Rates	1076	1284
Heating and Lighting	3086	3814
<b><u>Depreciation:</u></b>		
Fixtures, Fittings and Equipment	<u>1024</u>	<u>1127</u>
	34122	35159
	-----	-----
<b>Operating Costs</b>	<b>43302</b>	<b>44415</b>
	-----	-----
<b><u>HOSTEL PROPERTY REVENUE OPERATING SURPLUS</u></b>	<b>5338</b>	<b>688</b>
	-----	-----