

THE ABBEYFIELD AXMINSTER SOCIETY LIMITED
ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1997

735916

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THE ABBEYFIELD AXMINSTER SOCIETY LIMITED

OFFICERS, PROFESSIONAL ADVISORS AND REGISTERED OFFICE

EXECUTIVE COMMITTEE

Dr R B Malcolm
Mr R Searle
Mr P Shefferd
Mr P Butson
Mrs S Robertson
Mrs I Welch
Mrs J Johnston

Mrs E Dudley
Mrs E Maeer
Mrs A Scott (Resigned 03/03/97)
Mrs A Burrough
Mrs G Morrison
Mrs C Buckingham

SECRETARY

Mrs A Burrough

AUDITORS

Thomas Wescott & Gillard
Trinity Square
AXMINSTER
Devon

BANKERS

Midland Bank Plc

SOLICITORS

Beviss and 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 accounts for the year ended 30 September 1997.

1 PRINCIPAL ACTIVITY

The principal activity of the Society is to provide very sheltered housing 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 214467.

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

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	Mrs E Dudley
Mr R Searle	Mrs E Maeer
Mr P Shefferd	Mrs A Scott (Resigned 03/03/97)
Mr P Butson	Mrs A Burrough
Mrs S Robertson	Mrs G Morrison
Mrs I Welch	Mrs C Buckingham
Mrs J Johnston	

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 1997.

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 *03.11.97*.....

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 1997 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 1997.

Thomas Westcott & Gillard

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

DATED: 21.11.97

THE ABBEYFIELD AXMINSTER SOCIETY LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1997

	<u>Note</u>	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
<u>TURNOVER</u>	2.3	44225	38394
Operating Costs	Page 14	(34388)	(28674)
<u>OPERATING SURPLUS</u>		<u>9837</u>	<u>9720</u>
Interest Receivable and similar income	15	515	1230
Interest Payable and similar charges	16	(1911)	(1114)
<u>SURPLUS ON ORDINARY ACTIVITIES FOR THE YEAR</u>		<u>8441</u>	<u>9836</u>
Income and Expenditure Balance - B/F		56538	56702
Transfers to Designated Reserves		(3000)	(10000)
<u>INCOME AND EXPENDITURE BALANCE</u> <u>- C/F</u>	10	<u>£61979</u>	<u>£56538</u>

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 1997

	<u>NOTE</u>	<u>1997</u>	<u>1996</u>
		<u>£</u>	<u>£</u>
<u>TANGIBLE FIXED ASSETS</u>			
HOUSING PROPERTIES			
Cost	3	262207	262207
<u>Less</u> Housing Association Grant		(184691)	(184691)
		<u>77516</u>	<u>77516</u>
<u>OTHER TANGIBLE FIXED ASSETS</u>			
Fixtures, Fittings and Equipment	4	11158	12034
Soft and Loose Furnishings	5	252	252
		<u>88926</u>	<u>89802</u>
<u>CURRENT ASSETS</u>		<u>-----</u>	<u>-----</u>
Debtors and Prepayments	6	829	460
Cash at Bank and in Hand		16029	13568
		<u>16858</u>	<u>14028</u>
<u>CURRENT LIABILITIES</u>			
Creditors: Amounts falling due within one year	7	5748	4057
		<u>11110</u>	<u>9971</u>
<u>NET CURRENT ASSETS</u>			
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>£100036</u>	<u>£99773</u>
<u>FINANCED BY</u>			
Creditors: Amounts falling due after more than one year			
Housing Property Finance:			
Building Society Loan	8	25946	33235
<u>Reserves:</u>			
Designated Reserves:			
Fixed Assets Replacement Reserve	10	3000	2000
Future Cyclical Repairs Reserve	10	7111	6000
Major Repairs Reserve	10	2000	2000
Income and Expenditure:			
Accumulated Surplus	10	61979	56538
		<u>£100036</u>	<u>£99773</u>

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 1997.

The accounts were approved by the Executive Committee and signed on its behalf on 3 NOVEMBER 1997 by:

.....*M. ...*..... Chairman
*[Signature]*..... Committee Member
*A. Burroughs*..... Secretary

THE ABBEYFIELD AXMINSTER SOCIETY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1997

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 very sheltered housing activities, falling within the provisions of 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 1997.

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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THE ABBEYFIELD AXMINSTER SOCIETY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1997 continued

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 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 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 1997 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**

During the year the Society commenced payments into an employees personal pension plan, at a rate equivalent to 5% of gross monthly salary.

3 HOUSING LAND AND BUILDINGS

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
HAG Assisted Scheme Freehold		
Cost at 30 September 1996	214530	214530
Additions	47677	47677
Disposals	--	--
	<u> </u>	<u> </u>
At 30 September 1997	£262207	£262207
	<u> </u>	<u> </u>
HAG at 30 September 1996 and 1997	£184691	£184691
	<u> </u>	<u> </u>

4 FIXTURES, FITTINGS AND EQUIPMENT

	<u>Fixtures, Fittings & Equipment</u>	<u>1996</u>
Cost at 1 October 1996	17388	12395
Additions during the year	364	4993
	<u> </u>	<u> </u>
At 30 September 1997	17752	17388
	<u> </u>	<u> </u>
Depreciation at 1 October 1996	5354	4017
Charge for the year	1240	1337
	<u> </u>	<u> </u>
At 30 September 1997	6594	5354
	<u> </u>	<u> </u>
N B V at 30 September 1997	£11158	£12034
	<u> </u>	<u> </u>

5 SOFT AND LOOSE FURNISHINGS

Cost at 30 September 1997 and 30 September 1996	<u>£252</u>
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continued/....

THE ABBEYFIELD AXMINSTER SOCIETY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1997 continued

6 DEBTORS AND PREPAYMENTS DUE WITHIN ONE YEAR

	<u>1997</u>	<u>1996</u>
Residents Fees	333	4
Gas	282	250
Insurance	214	206
	<u>£829</u>	<u>£460</u>

7 CREDITORS AND ACCRUALS DUE WITHIN ONE YEAR

	<u>1997</u>	<u>1996</u>
Residential Fees	968	679
Audit	491	476
Accountancy	381	370
Wages Deductions	300	219
Food and Household Costs	235	40
Extension Retention	1973	1073
Loan Repayment	1400	1200
	<u>£5748</u>	<u>£4057</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 6.29%. Instalments are due as follows:

	<u>1997</u>	<u>1996</u>
In one year or less	1400	1200
Between one and two years	1400	1300
Between two and five years	4200	4500
In five years or more	20346	27435
Amounts falling due after more than one year	<u>£25946</u>	<u>£33235</u>

9 MEMBERS

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

continued/....

THE ABBEYFIELD AXMINSTER SOCIETY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1997 continued

10 RESERVES

	<u>Income and Expenditure Account</u>	<u>Fixed Assets Replacement Reserve</u> (Note 2.8)	<u>Future Cyclical Repairs Reserve</u> (Note 2.9)	<u>Major Repairs Reserve</u> (Note 2.9)
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
At 30/9/96	56538	2000	6000	2000
Expenditure in year			(889)	
Surplus for year	8441			
Transfers	(3000)	1000	2000	--
At 30/9/97	£61979	£3000	£7111	£2000

11 CAPITAL COMMITMENTS

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Expenditure Contracted	3000	--
Expenditure Authorised but not Contracted	--	--
	<u>£3000</u>	<u>NIL</u>

12 CONTINGENT LIABILITIES

Contingent Liabilities amounted to	<u>NIL</u>	<u>NIL</u>
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13 EMPLOYEES

Employee Costs:

Salaries and Wages	10702	9535
Social Security	216	175
Other Pension Costs	79	--
	<u>£10997</u>	<u>£9710</u>

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

	<u>Number</u>	<u>Number</u>
	<u>1997</u>	<u>1996</u>
Hostel Staff	<u>2</u>	<u>2</u>

continued/....

THE ABBEYFIELD AXMINSTER SOCIETY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1997 continued

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

	<u>1997</u>	<u>1996</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	<u>NIL</u>	<u>NIL</u>
Fees, remuneration or expenses payable to members of the Committee of Management of the Society who were neither officers nor employees of the Society	<u>NIL</u>	<u>NIL</u>
Fees, remuneration or expenses paid to officers of the Society who were not employees	<u>NIL</u>	<u>£517</u>
Payments or gifts made, or benefits granted, to the persons referred to in Sections 13 and 15 of the Housing Associations Act 1985	<u>NIL</u>	<u>NIL</u>

15 INTEREST RECEIVABLE AND SIMILAR INCOME

Donations Received	190	802
Bank and Short Term Deposit Interest gross	325	428
	<u>£515</u>	<u>£1230</u>

16 INTEREST PAYABLE AND SIMILAR CHARGES

Long Term Interest	<u>£1911</u>	<u>£1114</u>
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17 HOUSING STOCK

	<u>Units under Development</u>		<u>Units in Management</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
Hostel Accommodation:				
Number of Bed Spaces	<u>NIL</u>	<u>NIL</u>	<u>8</u>	<u>8</u>

THE ABBEYFIELD AXMINSTER SOCIETY LIMITED

DETAILED HOSTEL PROPERTY REVENUE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 1997

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
<u>INCOME</u>		
Residents' Charges	44990	39366
Losses arising from Vacancies and Absences	(765)	(972)
TURNOVER: Net Income from Residents' Charges	<u>44225</u>	<u>38394</u>
	-----	-----
<u>EXPENDITURE</u>		
Management Expenses:		
Insurance	848	826
Telephone	661	555
Membership Fee: The Abbeyfield Society	1295	926
Audit	491	475
Accountancy	381	369
Stationery and Postage	34	--
Bank Charges	32	16
Conferences and Training	22	37
Other Expenditure	122	350
	<u>3886</u>	<u>3554</u>
	-----	-----
Repairs and Maintenance:		
Day to Day Repairs	4126	1629
	-----	-----
Service Costs:		
Care and Catering:		
Employee Costs	10997	9710
Food Costs and Cleaning Materials	9309	7643
Garden Maintenance	448	718
Council Tax	553	571
Water Rates	1054	756
Heating and Lighting	2775	2756
Depreciation:		
Fixtures, Fittings and Equipment	1240	1337
	<u>26376</u>	<u>23491</u>
	-----	-----
Operating Costs	<u>34388</u>	<u>28674</u>
	-----	-----
<u>HOSTEL PROPERTY REVENUE OPERATING SURPLUS</u>	<u>£9837</u>	<u>£9720</u>
	-----	-----