

COMPANY NUMBER CONFIRMED
736150✓

**THE ABBEYFIELD (EASTBOURNE) SOCIETY
LIMITED**

REPORT AND ACCOUNTS

YEAR ENDED 31 MARCH 2003



THE ABBEYFIELD (EASTBOURNE) SOCIETY LIMITED

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THE ABBEYFIELD (EASTBOURNE) SOCIETY LIMITED

OFFICERS, PROFESSIONAL ADVISERS AND REGISTERED OFFICE

Executive committee

Mr M. Staff
Mr J. Mace
Mrs E. Dyson
Miss J. Fuller
Miss A. Caffyn
Mr G. Robertson
Mr D. Budd
Mr J Pettman
Mrs O. Francis

Registered office

Lade House, 7 The Goffs
Eastbourne
East Sussex
BN21 1HA

Auditors

Price & Company
30-32 Gildredge Road
Eastbourne
East Sussex
BN21 4SH

Bankers

Barclays Bank plc
Terminus Road
Eastbourne
East Sussex
BN21 3PQ

Solicitors

Gaby Hardwicke & Langhams
27 Gildredge Road
Eastbourne
East Sussex
BN21 4RU

**THE ABBEYFIELD (EASTBOURNE) SOCIETY LIMITED
(LIMITED BY GUARANTEE)**

CHAIRMAN'S STATEMENT

YEAR ENDED 31 MARCH 2003

This year has continued to see a great deal of pressure on our finances, because, despite continuing efforts by our Application Secretary, Jean Fuller, we are still seeing longer term vacancies than we would like, particularly at our Shipley House. We have had a greater number of enquiries about accommodation during the year than in recent years, but for a variety of reasons they have not always translated into new residents. On the plus side, Beamsley House, which caused vacancy problems last year, is currently full, including the new two room unit at the top of the house, and Lade House, despite various changes, is also full. We continue to monitor the vacancy position very carefully and at this point are not considering disposing of any of our properties. To assist with the pressures of finance we have approached our bankers, Barclays Bank, to amalgamate the loans with the Abbeyfield Society, St Albans with our present mortgage. This will save around £9,000 per annum in interest.

During the year we embarked on a scheme to not only provide 24 hour cover for our residents but to improve the service that we provide. As a result of this, we plan to employ a second administrator/manager to work on alternate days to Jo Newman and to employ cooks and deputy cooks at each of the houses instead of resident housekeepers over the course of the next three years, as and when the existing housekeepers retire. The 24 hour cover for residents will be provided by the managers in normal office hours and by Lifeline out of office hours. Lade House, where Cecilia Davies retired as housekeeper in March 2002, is the first house to go through this transformation and this will be followed by Shipley House when Wendy Brunsden retires in the Spring of 2004. The present housekeeper at Beamsley House, Janet Cork, will remain in situ for the foreseeable future and she and her husband, Dennis, or their deputy, Sally Baker, will provide night cover for all three houses if there is a call-out to Lifeline. In Lade and Shipley Houses this will free up the housekeepers' accommodation for conversion into a two-roomed unit in each house.

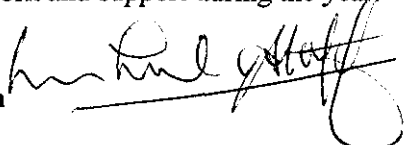
Alongside the work of the Trustees our Fund Raising Director, Paul Leader, continues to work hard to raise £750,000 towards three projects currently in hand and has raised £200,000 to date. We are still on target to complete the work at Lade House in the next year, which will give us the two room unit on the top floor and either a lift or chair-lift access to all floors. At Shipley House the plan to increase the size of the lounge/dining room and kitchen is planned in for the next year or so. Both these developments have planning permission granted. The Beamsley House works on the garden improvements will be dependent on the funding raised but, at the moment, is not a priority. I would like to record my thanks to Paul and his team for their continued efforts on our behalf.

During the year there have been a number of changes in the residents with moves to other accommodation by Mesdames Stuart, Buttle, Meech, Bregar, Pearson and Bowyer and Messieurs Keys and Keen, with Mrs Pearson and Mr Keen having subsequently passed away. On the other side we have welcomed Mesdames Huntley, Bartley, Thomas and Rosenway who have joined Lade and Beamsley Houses.

On the staff front, as I have mentioned above, Cecilia Davies and her daughter Anne Davies have retired as Housekeeper and Deputy at Lade House and have immediately applied for the new positions of Cook and Deputy. At Beamsley House Sally Baker has joined them as Deputy Housekeeper following Kay Healy's resignation on health grounds and Li Ren has joined the staff of Shipley House as the night relief. As I have said before our staff are our key assets and I personally thank all the staff that support our residents in whatever way they do and in particular thank our three housekeepers, Cecilia Davies, Wendy Brunsden and Janet Cork, for their particular dedication to their jobs.

Once again, a very heavy burden has fallen on the Society's Executive Committee and I would like to thank them for their hard work and support during the year.

Michael Staff
Hon Chairman



1st September 2003

**THE ABBEYFIELD (EASTBOURNE) SOCIETY LIMITED
(LIMITED BY GUARANTEE)**

REPORT OF THE EXECUTIVE COMMITTEE

YEAR ENDED 31 MARCH 2003

The Committee are pleased to present their report and the audited accounts for the year ended 31 March 2003.

ANNUAL REVIEW

The society's principal activity during the year continued to be that of providing accommodation for elderly persons. The accounts give full details of the society's activities and it will be noted that the income has shown a rise in the year as there were less voids, most rooms in the three properties being occupied for much of the year. The income and expenditure account (page 7) shows a deficit on Property Revenue account for the year of £33,812. The main reason for this is higher than normal repairs expenditure in the year including £14,477 in connection with a new water system at Lade House.

Other income has shown a significant increase in the year as the Anniversary Appeal has brought donations in. Costs have been incurred in respect of this amounting to £64,748 in this year. The appeal is ongoing and is expected to bring in further sums in future years and the society hopes to be able to repay much of its borrowing, and undertake further property improvements. Plans have been drawn up in respect of these proposed improvements but no commitment had been made to commence work as at 31 March 2003. The result for this year is a net surplus of £1,665, compared with a deficit of £36,978 for the previous year.

This surplus for the year has increased the Society's reserves to £548,536.

FREEHOLD PROPERTIES

The freehold properties are included in the balance sheet at cost including improvements less depreciation at 2% per annum. The book value of the properties at 31 March 2003 was £775,044.

FURNITURE, FITTINGS AND EQUIPMENT

The total net book value of fixtures, fittings and office equipment at 31 March 2003 is included in the balance sheet at £5,116.

EXECUTIVE COMMITTEE'S RESPONSIBILITIES

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 income and expenditure of the society for that period. In preparing those financial statements, the executive committee are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society will continue in business.

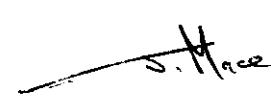

The executive committee are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the society and to enable them to ensure the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Messrs Price and Company, Chartered Accountants have expressed their willingness to continue in office as auditors and a resolution that they be re-appointed will be proposed at the annual general meeting.

By Order of the Executive Committee

J Newman
Secretary



S. H. Price
DIRECTOR

1st September 2003

THE ABBEYFIELD (EASTBOURNE) SOCIETY LIMITED

AUDITORS' REPORT

TO THE ABBEYFIELD (EASTBOURNE) SOCIETY LIMITED

We have audited the financial statements of The Abbeyfield (Eastbourne) Society Limited on pages 6 to 13 for the year ended 31 March 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 executive committee and auditors

As described in the statement of executive committee's responsibilities on page 3 the society's executive committee are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 Companies Act 1985. We also report to you if, in our opinion, the executive committee's report 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 directors' remuneration and transactions with the society is not disclosed.

We read the executive committee's report and consider the implications for our report if we become aware of any apparent misstatements within it.

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.

THE ABBEYFIELD (EASTBOURNE) SOCIETY LIMITED

AUDITORS' REPORT

TO THE ABBEYFIELD (EASTBOURNE) SOCIETY LIMITED

Opinion

In our opinion the financial statements give a true and fair view of the state of the society's affairs as at 31 March 2003 and of its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000.



Eastbourne

1 September 2003

Price & Company

Chartered Accountants
and Registered Auditors

THE ABBEYFIELD (EASTBOURNE) SOCIETY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 MARCH 2003

	Notes	Unrestricted funds		2003	2002
		General Fund	Endowment Fund	Total	Total
		£	£	£	£
Incoming resources					
Residential charges		169,147	-	169,147	151,324
Fundraising income		107,100	-	107,100	3,200
Other legacies and donations		3,691	-	3,691	2,476
Dividends and interest received		61	-	61	295
Grants received		3,578	-	3,578	16,500
Total incoming resources		<u>283,577</u>	<u>-</u>	<u>283,577</u>	<u>173,795</u>
Resources expended					
Direct expenditure					
Direct charitable expenditure	3	181,936	-	181,936	158,565
Indirect expenditure					
Administration expenses	3	24,601	-	24,601	25,049
Fundraising expenditure		64,748	-	64,748	16,045
Interest payable		10,627	-	10,627	11,114
Total expenditure		<u>281,912</u>	<u>-</u>	<u>281,912</u>	<u>210,773</u>
Net incoming (outgoing) resources before transfers		1,665	-	1,665	(36,978)
Transfers between funds		17,261	(17,261)	-	-
Fund balances brought forward		<u>(7,835)</u>	<u>554,706</u>	<u>546,871</u>	<u>583,849</u>
Fund balances carried forward		<u>£11,091</u>	<u>£537,445</u>	<u>£548,536</u>	<u>£546,871</u>

The Society has no restricted funds.

THE ABBEYFIELD (EASTBOURNE) SOCIETY LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
Turnover			
Income from lettings		169,147	151,324
Government grants received		3,578	16,500
		<u>172,725</u>	<u>167,824</u>
Operating costs			
Administration costs	24,601	25,049	
Direct property management costs	<u>181,936</u>	<u>158,565</u>	
		<u>206,537</u>	<u>183,614</u>
Deficit on Property Revenue account		<u>(33,812)</u>	<u>(15,790)</u>
Other income		110,791	5,676
Fundraising costs		(64,748)	(16,045)
		<u>12,231</u>	<u>(26,159)</u>
Operating surplus/(deficit)	4	12,231	(26,159)
Interest receivable		61	295
Interest payable		<u>(10,627)</u>	<u>(11,114)</u>
Surplus/(deficit) for the year	11	<u><u>£1,665</u></u>	<u><u>(£36,978)</u></u>

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the income and expenditure account.

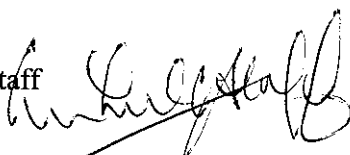
THE ABBEYFIELD (EASTBOURNE) SOCIETY LIMITED

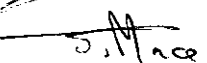
BALANCE SHEET AS AT 31 MARCH 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	6	780,160		797,392	
Housing Corporation grants	12	(35,622)		(35,622)	
		<u>744,538</u>		<u>761,770</u>	
Current assets					
Debtors		11,960		2,458	
Cash at bank and in hand	7	13,224		1,209	
		<u>25,184</u>		<u>3,667</u>	
Creditors: amounts falling due within one year	8	<u>33,978</u>		<u>31,162</u>	
Net current liabilities			(8,794)		(27,495)
Total assets less current liabilities			<u>735,744</u>		<u>734,275</u>
Creditors: amounts falling due after more than one year	9		<u>187,208</u>		<u>187,404</u>
			<u>£548,536</u>		<u>£546,871</u>
Capital and reserves					
Endowment fund	11	537,445		554,706	
General fund	11	11,091		(7,835)	
		<u>£548,536</u>		<u>£546,871</u>	

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Executive Committee on 1 September 2003

Mr M. Staff  Chairman

Mr J. Mace  Treasurer

Mr D. Budd  Deputy Chairman

THE ABBEYFIELD (EASTBOURNE) SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention., in accordance with applicable accounting standards and with the Accounting Requirements for Registered Social Landlords General Determination 2000, and the Statements of Recommended Practice (SORP) - Accounting by Registered Social Landlords, and Accounting by Charities (where there is no conflict with the specific SORP).

1.2 Turnover

Turnover represents rental and service income receivable during the period and is net of rent losses from voids. The Society is not registered for VAT ; accordingly no VAT is charged to residents, and expenditure in the accounts includes the relevant input VAT.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. The cost of properties is their purchase price together with improvements since purchase and incidental costs of acquisition. Assets donated to the society such as fittings or equipment are not included in the accounts. No depreciation was provided on freehold properties prior to 1st April 1998.

Grants relating to capital costs are deducted from the cost of the properties involved, but shown separately on the face of the balance sheet.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% per annum on cost
Fixtures, fittings & equipment	10% per annum on cost

1.4 Pensions

The pension costs charged in the financial statements represent the contributions payable by the society during the year in accordance with FRS 17.

1.5 Finance

The accounts have been prepared on the basis that the society's capital expenditure will be funded by loans or financed from the society's own or other charitable resources. Grants receivable towards capital projects are treated as stated in note 1.3 as required by the SORP - Accounting by Registered Social Landlords. This policy is a departure from the requirements of Schedule 4 of the Companies Act 1985 but is necessary in order for the accounts to show a true and fair view.

2 Status of society

The society is registered under the Companies Act and is registered with the Charity Commission.

The Society is wholly engaged in housing activities as defined by the Housing Act 1996 and is registered with the Housing Corporation.

THE ABBEYFIELD (EASTBOURNE) SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

3 Direct and indirect expenditure

Direct charitable expenditure and administration expenses are analysed in the Property revenue account.

4 Operating surplus (deficit)	2003	2002
	£	£
Operating surplus (deficit) is stated after charging:		
Depreciation of tangible assets	17,233	17,235
Auditors' remuneration	2,291	2,585
Losses arising from vacancies and absences	12,982	36,285
and after crediting:		
Government grants	3,578	16,500
	<u> </u>	<u> </u>

5 Staff costs

Administrative salaries	9,406	9,468
Social security costs	721	677
Staff pension costs	900	490
Housekeeping salaries	68,476	64,879
Social security costs	2,649	2,677
Pension costs	399	352
	<u> </u>	<u> </u>
	£82,551	£78,543
	<u> </u>	<u> </u>

The average weekly number of employees during the period was:	12	12
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THE ABBEYFIELD (EASTBOURNE) SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

6 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2002 & at 31 March 2003	857,390	27,718	885,108
Depreciation			
At 1 April 2002	65,911	21,805	87,716
Charge for the year	16,435	797	17,232
At 31 March 2003	82,346	22,602	104,948
Net book value			
At 31 March 2003	£775,044	£5,116	£780,160
At 31 March 2002	£791,479	£5,913	£797,392

Housing stock - Hostel accommodation.

The number of bedspaces in management at 31 March 2003 was 26 (2002 : 27).

	2003	2002
	£	£
7 Cash		
Cash at bank - Current accounts	13,111	1,096
- Deposit accounts	113	113
	£13,224	£1,209

	2003	2002
	£	£
8 Creditors: amounts falling due within one year		
Short-term portion of bank loans and overdrafts	6,997	6,439
Taxation and social security	1,244	1,089
Payments received on account	1,007	1,248
Short-term portion of other loans	10,019	9,637
Other creditors and accrued expenses	14,711	12,749
	£33,978	£31,162

THE ABBEYFIELD (EASTBOURNE) SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

9 Creditors: amounts falling due after more than one year	2003 £	2002 £
Bank loan (mortgage)	126,443	116,620
Other loans	60,765	70,784
	<u>£187,208</u>	<u>£187,404</u>
Analysis of loans		
Not wholly repayable within five years by instalments	201,975	201,151
Included in current liabilities	(14,767)	(13,747)
	<u>£187,208</u>	<u>£187,404</u>
Loan maturity analysis		
Between one and two years	15,385	14,355
Between two and five years	50,171	47,036
In five years or more	<u>121,652</u>	<u>126,014</u>

The aggregate amount of creditors for which security has been given amounted to £131,192 (2002 - £120,730).

The bank loan is secured by a first legal charge over one of the freehold properties and a debenture giving a fixed and floating charge over the assets of the society .

10 Share capital

The society is a company limited by guarantee. There is no authorised share capital and the liability of each member is limited to £1.

THE ABBEYFIELD (EASTBOURNE) SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

11 Statement of movements on reserves

	Endowment fund £	General fund £
Balance at 1 April 2002	554,706	(7,835)
Retained surplus for the year	-	1,665
Transfer from endowment fund	(17,261)	17,261
Balance at 31 March 2003	<u>£537,445</u>	<u>£11,091</u>

The endowment fund has been separated to reflect the funds used for capital purposes. The assets comprised in the fund reflect the book value of the freehold properties as shown in note 6, less grants received and loans outstanding.

12 Contingent liabilities

Social Housing Grant was received in prior years totalling £52,122 in connection with work on the houses. These would be repayable if the relevant property were sold. A further £3,578 was receivable in the year in connection with work on Beamsley House and this is subject to the same contingent repayment conditions.

13 Related party transactions

Payment to Committee members

No fee or remuneration is paid to any member, committee member or officer who is not an employee of the society, other than the reimbursement of travelling and out-of-pocket expenses in connection with the Society's business.

THE ABBEYFIELD (EASTBOURNE) SOCIETY LIMITED

**GENERAL INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2003**

	2003		2002	
	£	£	£	£
Deficit on property revenue account		(33,812)		(15,790)
Other income				
Fundraising income	107,100		3,200	
Other legacies and donations	3,691		2,476	
Deposit account interest	61		295	
		<u>110,852</u>		<u>5,971</u>
		77,040		(9,819)
Other expenditure				
Fundraising expenses		64,748		16,045
		<u>12,292</u>		<u>(25,864)</u>
Finance costs (Attributable to housing accommodation)				
Mortgage interest	6,212		6,721	
Other loan interest payable	4,415		4,393	
		<u>10,627</u>		<u>11,114</u>
Surplus/(Deficit) for the year		<u><u>£1,665</u></u>		<u><u>(£36,978)</u></u>

THE ABBEYFIELD (EASTBOURNE) SOCIETY LIMITED

PROPERTY REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

	2003		2002	
	£	£	£	£
Income				
Residential charges receivable		182,129		187,609
Less: voids and rent losses		(12,982)		(36,285)
		<u>169,147</u>		<u>151,324</u>
Government grants received		3,578		16,500
		<u>172,725</u>		<u>167,824</u>
Expenditure				
Direct property management costs				
Housekeeping salaries	68,476		64,879	
Social security costs	2,649		2,677	
Pension costs	399		352	
Food and other household costs	31,879		30,052	
Water rates	2,218		2,177	
Council tax	4,404		4,167	
Electricity	1,743		4,903	
Gas	4,939		5,292	
Repairs and maintenance	43,629		22,439	
Garden maintenance	2,555		2,694	
Telephone	1,119		1,219	
Television licence	224		337	
Legal and professional fees	294		-	
Bank charges	67		77	
Sundry expenses	239		196	
Depreciation on freehold property	16,435		16,435	
Depreciation on fixtures and fittings	667		669	
		<u>181,936</u>		<u>158,565</u>
Administration expenses				
Administrative salaries	9,406		9,468	
Social security costs	721		677	
Staff pension costs	900		490	
Insurance	2,720		2,338	
Printing, post & stationery	2,573		2,155	
Affiliation fees	5,096		6,267	
Auditors remuneration	2,291		2,585	
Sundry expenses	763		938	
Depreciation on office equipment	131		131	
		<u>24,601</u>		<u>25,049</u>
		<u>206,537</u>		<u>183,614</u>
Deficit for the year		<u>(£33,812)</u>		<u>(£15,790)</u>