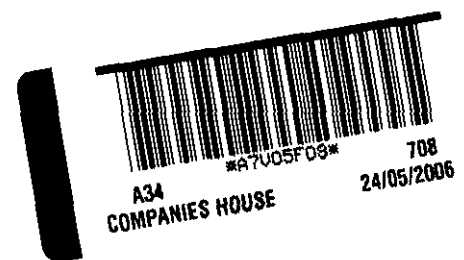


THE ABBEYFIELD KIDDERMINSTER SOCIETY LIMITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 30 September 2005



THE ABBÉYFIELD KIDDERMINSTER SOCIETY LIMITED

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THE ABBEYFIELD KIDDERMINSTER SOCIETY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION For the period ended 30 September 2005

Trustees	G. Allen J. L. Brame J. K. Norbury R. E. McCotter J. R. Perrin
Company Registered Number	00940932
Charity Registered Number	258238
Registered Office	17 Birmingham Road Kidderminster Worcestershire DY10 2BX
Secretary	G. Allen
Accountants	Horwath Clark Whitehill LLP Chartered Accountants Foley House 123 Stourport Road Kidderminster Worcestershire DY11 7BW
Bankers	Barclays Bank PLC 66 Oxford Street Kidderminster Worcestershire DY10 1BL

THE ABBEYFIELD KIDDERMINSTER SOCIETY LIMITED

TRUSTEES' REPORT For the year ended 30 September 2005

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the financial statements of The Abbeyfield Kidderminster Society Limited (the charity) for the year ended 30 September 2005. The Trustees confirm that the annual report and financial statements of the charity comply with current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000.

Method of appointment or election of Trustees

The management of the charity is the responsibility of the Trustees. One trustee retires each year, by rotation, but may be re-elected.

Constitution policies and objectives

The charity is registered as a charitable company limited by guarantee and does not have share capital.

The charity's objects are:

- a) to provide care in housing and support for older people who no longer wish to live alone.
- b) to ensure that Abbeyfield House is a focal point for goodwill and neighbourliness.

The Society provides a unique blend of housing with care which gives primary importance to the independence of residents - through practical involvement in the life of their community and through independence over decisions affecting their lives. This Abbeyfield very sheltered House is home to 8 or 9 older people. Residents' average age is approximately 85 years.

The Society exists to provide very sheltered accommodation in the Kidderminster and Wyre Forest area for elderly and frail people. It offers en-suite rooms and the residents are provided with a cooked midday meal and a lighter evening meal. They prepare their own breakfasts. All the rooms have fitted carpets and curtains and the building is centrally heated. There are three employees. The running costs of the establishment are met by fees payable by the residents.

There have been no changes in the objectives since the last annual report.

Organisational structure and decision making

A voluntary management committee (comprising chairman, vice-chairman, secretary, treasurer and trustees) is responsible for the running of the Society. The management committee delegates the financial management, budgetary and cash control to the treasurer (a trustee) and the operational management to the administrator (appointed by the trustees), both of whom are supported by other committee members and trustees.

Review of activities and future developments

In order to enhance the residents' welfare, a weekly interest group has continued with illustrated talks, videos and audio tapes, a reading group and occasionally bingo sessions. The initiative has been welcomed by the residents.

During the year a number of residents' rooms have become available and promotional activities have been successfully directed to attracting new residents. This is an on-going activity at Abbeyfield.

Reserves policy

In order to maintain an adequate level of free Reserves to cover the loss of residential fee income that might occur during periods when rooms are vacant, and also to cover unforeseen costs, the Trustees aim to achieve and maintain liquid assets (represented by net assets other than tangible fixed assets) equivalent to 8 months residential fee income.

THE ABBEYFIELD KIDDERMINSTER SOCIETY LIMITED

Risk management

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to such risks.

Review of financial position

The financial results show a modest surplus. This reflects the intention of the Trustees to ensure that there are sufficient accumulated reserves to enable unforeseen costs to be met and the security of the home to be safeguarded. In 2004/5 the results benefited from an unexpected donation from a former resident: a gratifying expression of appreciation for the quality of his experience in our home. The Society budgets and monitors its expenditure closely and has a policy regarding the maintenance of reserves to ensure the security of its residents. This policy is more formally described above. A modest increase in residents' fees, comparable with the level of inflation, will be implemented from 1 March 2006 in order to produce an adequate surplus in the year ahead.

Asset cover for funds

Note 14 sets out an analysis attributable to the various funds and a description of the trusts. These assets are sufficient to meet the charity's obligations on a fund by fund basis.

Related parties

The charity is affiliated to The Abbeyfield Society.

THE ABBEYFIELD KIDDERMINSTER SOCIETY LIMITED

TRUSTEES' REPORT (continued) For the year ended 30 September 2005

Trustees' responsibilities

Company and charity law applicable to charities in England/Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements the Trustees have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis (unless it is inappropriate to presume that the Trust will continue in operation).

The Trustees have overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

The report of the trustees has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Trustees on 25 January 2006 and signed on their behalf, by:



J. L. Brame
Chairman

THE ABBEYFIELD KIDDERMINSTER SOCIETY LIMITED

AUDIT EXEMPTION REPORT For the year ended 30 September 2005

Accountants' report to the members on the unaudited accounts of The Abbeyfield Kidderminster Society.

We report on the accounts for the year ended 30 September 2005 set out on pages 6 to 14.

Respective responsibilities of trustees and reporting Accountants

As described on page 4 the Trustees, who are also directors of the charity for the purposes of the Companies Act, are responsible for the preparation of the accounts, and they consider that the charity is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurances expressed in our opinion.

Opinion

In our opinion:

- a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985, as amended;
- b) having regard only to, and on the basis of, the information contained in those accounting records:
 - i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in the Statement of Recommended Practice, Accounting and Reporting by Charities, and in section 249C(6) of the Act; and
 - ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

Signed: *Horwath Clark Whitehill LLP*

Dated: 26 January 2006

Horwath Clark Whitehill LLP
Chartered Accountants
Foley House
123 Stourport Road
Kidderminster
Worcestershire
DY11 7BW

THE ABBEYFIELD KIDDERMINSTER SOCIETY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) For the year ended 30 September 2005

	Note	Restricted Funds 2005 £	Unrestricted Funds 2005 £	Total Funds 2005 £	Total Funds 2004 £
INCOMING RESOURCES					
Donations, legacies and similar incoming resources		-	2,000	2,000	-
Activities in furtherance of the charity's objects	2	-	60,932	60,932	64,627
Investment income	3	-	2,355	2,355	1,621
TOTAL INCOMING RESOURCES		-	65,287	65,287	66,248
RESOURCES EXPENDED					
Charitable expenditure:					
Residential care		-	36,621	36,621	35,334
Support costs	5	-	11,852	11,852	12,913
Management and administration	6	-	11,426	11,426	11,536
TOTAL RESOURCES EXPENDED	4	-	59,899	59,899	59,783
NET INCOMING RESOURCES BEFORE TRANSFERS		-	5,388	5,388	6,465
Transfers between Funds	13	(26,643)	26,643	-	-
NET INCOMING RESOURCES BEFORE REVALUATIONS		(26,643)	32,031	5,388	6,465
Gains and losses on revaluations of fixed assets for the charity's own use	10	-	-	-	33,622
NET MOVEMENT IN FUNDS FOR THE YEAR		(26,643)	32,031	5,388	40,087
TOTAL FUNDS AT 1 OCTOBER 2004		26,643	304,225	330,868	290,781
TOTAL FUNDS AT 30 SEPTEMBER 2005		-	336,256	336,256	330,868

The notes on pages 8 to 14 form part of these financial statements.

THE ABBEYFIELD KIDDERMINSTER SOCIETY LIMITED


BALANCE SHEET As at 30 September 2005

	Note	£	2005 £	£	2004 £
FIXED ASSETS					
Tangible fixed assets	10		278,069		277,748
CURRENT ASSETS					
Debtors	11	675		640	
Cash at bank		60,436		55,961	
		<u>61,111</u>		<u>56,601</u>	
CREDITORS: amounts falling due within one year	12	(2,924)		(3,481)	
NET CURRENT ASSETS			<u>58,187</u>		<u>53,120</u>
NET ASSETS	14		<u><u>336,256</u></u>		<u><u>330,868</u></u>
CHARITY FUNDS					
Restricted Funds	13		-		26,643
Unrestricted Funds - includes revaluation reserve of £189,274 (2004: £189,274)	13		336,256		304,225
			<u><u>336,256</u></u>		<u><u>330,868</u></u>

The directors consider that the charity is entitled to exemption from the requirement to have an audit under the provisions of section 249A(2) of the Companies Act 1985 and members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Act. The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the charity as at 30 September 2005 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the charity.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the trustees on 25 January 2006 and signed on their behalf, by:


J. L. Brame
Chairman

The notes on pages 8 to 14 form part of these financial statements.

THE ABBEYFIELD KIDDERMINSTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 September 2005

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of the property which is included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in October 2000, applicable accounting standards and the Companies Act 1985.

1.2 Company status

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

1.6 Cash flow

The financial statements do not include a cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective June 2002).

THE ABBEYFIELD KIDDERMINSTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 September 2005

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	0%	straight line
Furniture and Fixtures	-	15%	straight line

No depreciation is provided in respect of freehold land and buildings. Where buildings are maintained to such a standard that their residual value is not less than their cost or valuation, depreciation is not material.

The freehold land and buildings are carried at valuation. In accordance with Financial Reporting Standard 15 such valuations are updated every 5 years.

2. INCOMING RESOURCES FROM ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS

	Restricted Funds 2005 £	Unrestricted Funds 2005 £	Total Funds 2005 £	Total Funds 2004 £
Residential fees	-	60,932	60,932	64,627

3. INVESTMENT INCOME

	Restricted Funds 2005 £	Unrestricted Funds 2005 £	Total Funds 2005 £	Total Funds 2004 £
Interest received	-	2,355	2,355	1,621

4. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff Costs 2005 £	Depreciation 2005 £	Other Costs 2005 £	Total 2005 £	Total 2004 £
Residential	28,773	-	7,848	36,621	35,334
Support costs	-	-	11,852	11,852	12,913
Management and administration	-	1,755	9,671	11,426	11,536
Total resources expended	28,773	1,755	29,371	59,899	59,783

THE ABBEYFIELD KIDDERMINSTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 September 2005

5. SUPPORT COSTS

	Restricted Funds 2005 £	Unrestricted Funds 2005 £	Total Funds 2005 £	Total Funds 2004 £
Council tax and water	-	1,138	1,138	1,362
Light and heat	-	4,929	4,929	3,507
Repairs and renewals - internal	-	2,553	2,553	6,615
Refurbishment of building	-	775	775	45
Residents' alarms	-	520	520	564
Gardening and cleaning windows	-	618	618	548
Advertising	-	1,319	1,319	272
Total	-	11,852	11,852	12,913

6. MANAGEMENT AND ADMINISTRATION

	Restricted Funds 2005 £	Unrestricted Funds 2005 £	Total Funds 2005 £	Total Funds 2004 £
Administrative assistance	-	2,981	2,981	2,708
Insurance	-	910	910	780
Telephone, postage and office supplies	-	833	833	687
Travelling expenses	-	427	427	162
Affiliation fees	-	1,980	1,980	1,926
Accountancy	-	898	898	727
Surveyor's fees	-	59	59	-
Legal fees	-	30	30	920
Training	-	-	-	61
Service fees	-	893	893	625
Staff welfare and leisure	-	339	339	139
Sundry expenses	-	321	321	268
Depreciation of equipment	-	1,755	1,755	2,533
Total	-	11,426	11,426	11,536

THE ABBEYFIELD KIDDERMINSTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 September 2005

7. NET INCOMING RESOURCES

This is stated after charging:

	2005 £	2004 £
Depreciation of tangible fixed assets: - owned by the charity	1,755	2,533

During the year, no Trustees received any remuneration (2004 - £0).

During the year, no Trustees received any benefits in kind (2004 - £0).

Mr J. K. Norbury received reimbursed expenses amounting to £165 (2004: £150) during the year.

8. STAFF COSTS AND NUMBERS

Staff costs were as follows:

	2005 £	2004 £
Wages and salaries	28,773	26,840

The average monthly number of employees during the year was as follows:

	2005 No.	2004 No.
Carers	3	3

No employee received remuneration amounting to more than £50,000 in either year.

9. TAXATION

In the opinion of the trustees, all income of the charity is outside the scope of income tax and corporation tax.

THE ABBEYFIELD KIDDERMINSTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 September 2005

10. TANGIBLE FIXED ASSETS

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 October 2004	275,000	16,886	291,886
Additions	-	2,076	2,076
At 30 September 2005	<u>275,000</u>	<u>18,962</u>	<u>293,962</u>
Depreciation			
At 1 October 2004	-	14,138	14,138
Charge for the year	-	1,755	1,755
At 30 September 2005	<u>-</u>	<u>15,893</u>	<u>15,893</u>
Net book value			
At 30 September 2005	<u>275,000</u>	<u>3,069</u>	<u>278,069</u>
At 30 September 2004	<u>275,000</u>	<u>2,748</u>	<u>277,748</u>

Cost or valuation at 30 September 2005 is as follows:

	Land and buildings £
At cost	85,726
At valuation:	
November 2004 on the basis of present market value	189,274
	<u>275,000</u>

THE ABBEYFIELD KIDDERMINSTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 September 2005

Freehold land and buildings are stated at a valuation made by Phipps & Pritchard in November 2004 on the basis of present day market value. The revaluation produced a surplus of £33,622. The next valuation will be carried out on 30 September 2009.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

Depreciation is not provided as the trustees are of the opinion that the buildings are well maintained and any such charge would not be material.

	2005 £	2004 £
Cost	85,726	85,726
Accumulated depreciation	-	-
Net book value	<u>85,726</u>	<u>85,726</u>

11. DEBTORS

	2005 £	2004 £
Due within one year		
Other debtors	<u>675</u>	<u>640</u>

12. CREDITORS: Amounts falling due within one year

	2005 £	2004 £
Social security and other taxes	262	-
Other creditors	2,662	3,481
	<u>2,924</u>	<u>3,481</u>

13. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/(out) £	Carried Forward £
UNRESTRICTED FUNDS					
General Funds	<u>304,225</u>	<u>65,287</u>	<u>59,899</u>	<u>26,643</u>	<u>336,256</u>

THE ABBEYFIELD KIDDERMINSTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 September 2005

RESTRICTED FUNDS

Building fund	26,643	-	-	(26,643)	-
Total of Funds	<u>330,868</u>	<u>65,287</u>	<u>59,899</u>	<u>-</u>	<u>336,256</u>

SUMMARY OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/(out) £	Carried Forward £
General Funds	304,225	65,287	59,899	26,643	336,256
Restricted Funds	26,643	-	-	(26,643)	-
Total of Funds	<u>330,868</u>	<u>65,287</u>	<u>59,899</u>	<u>-</u>	<u>336,256</u>

The restricted fund balance brought forward represented amounts received for property improvement, which has been expended, but was capitalised. Depreciation was then charged against this fund. However, the trustees have reconsidered the treatment of this fund during the year. Since the donations received were spent as per the donors' wishes and there are no further restrictions on the assets acquired it was agreed that this was no longer a restricted fund. Therefore a transfer has been made from restricted funds to unrestricted funds.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2005 £	Unrestricted Funds 2005 £	Total Funds 2005 £	Total Funds 2004 £
Tangible fixed assets	-	278,069	278,069	277,748
Current assets	-	61,111	61,111	56,601
Creditors due within one year	-	(2,924)	(2,924)	(3,481)
Total	<u>-</u>	<u>336,256</u>	<u>336,256</u>	<u>330,868</u>

15. CAPITAL COMMITMENTS

At 30 September 2005 the company had capital commitments as follows:

	2005 £	2004 £
Replacement stair lift contracted for but not provided in these financial statements	<u>3,500</u>	<u>-</u>