

REGISTERED NUMBERS:

COMPANY	961985
CHARITY	259776
HOUSING CORPORATION	H2907

REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

FOR

THE ABBEYFIELD WORCESTER SOCIETY LIMITED
A REGISTERED CHARITY LIMITED BY GUARANTEE



THE ABBEYFIELD WORCESTER SOCIETY LIMITED

ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2011

<u>Contents</u>	<u>Page</u>
Officers, professional advisers and registered office	1
Report of the directors	2
Independent examiner's report	5
Statement of financial activities incorporating income and expenditure account	6
Income and expenditure account	7
Statement of total recognised surpluses or deficits	8
Balance sheet	9
Notes to the accounts	10
Detailed hostel property revenue account	17
Schedule of investments	18

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

OFFICERS, PROFESSIONAL ADVISERS AND REGISTERED OFFICE

DIRECTORS:	Miss A England Mrs R L Griffin G A Harris Dr G D T Holehouse Miss P J Rayer
ACCOUNTANTS:	John Yelland & Company Chartered Accountants and Registered Auditors 22 Sansome Walk Worcester WR1 1LS
BANKERS:	Lloyds TSB Bank Plc 4 The Cross Worcester WR1 3PY
SOLICITORS:	Hallmark Hulme 3-5 Sansome Place Worcester WR1 1UQ
INVESTMENT ADVISERS:	Hargreave Hale Ltd Virginia House The Butts Worcester WR1 3PL
INSURANCE ADVISERS:	David Haskoll Limited Dreamland Cottage Dreamland Road Golden Cross East Sussex BN27 3RJ
REGISTERED OFFICE:	22 Sansome Walk Worcester WR1 1LS

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

REPORT OF THE DIRECTORS

The directors submit their report together with the accounts for the year ended 30 September 2011. The financial statements comply with the Companies Act 2006, the Housing Act 1996, the SORP for registered charities, the SORP for registered social landlords and the Accounting Requirements for Registered Social Landlords General Determination 2006.

Directors

The directors who served during the year were

Miss A England	
Mrs R L Griffin	
G A Harris	
Dr G D T Holehouse	
Mrs P E Horriben	Resigned 21 February 2011
Ms E Norton	Resigned 21 February 2011
Miss P J Rayer	
Mrs J Rogers	Resigned 21 February 2011
M Rutter	Resigned 21 February 2011
H T Williams	Resigned 21 February 2011

In accordance with the registered rules of the society, three directors retire by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

Principal activity

The principal activities of the society, as determined by its Memorandum of Association, continue to be the provision of accommodation, care and companionship for lonely or frail elderly people in accordance with the aims and principles of The Abbeyfield Society Limited. This activity falls within hostel housing activities as defined in the Housing Act 1996. There has been no change in the activities of the society during the year.

Principal Address

The principal address of the charity is 12 Greenhill, London Road, Worcester, WR5 2AA and its registered office is 22 Sansome Walk, Worcester, WR1 1LS.

Status

The Abbeyfield Worcester Society Limited was incorporated on 15 September 1969.

The society is a company limited by guarantee (number 961985), having no share capital and with solely charitable objectives.

It is also registered as a charity (number 259776) and registered with the Housing Corporation as a Registered Social Landlord (number H2907).

Objectives and activities for the public benefit

The objects of the charity are to provide accommodation, care and companionship for lonely or frail elderly people. The trustees confirm that they have complied with the duty in Section 4 of the 2006 Charities Act to have due regard to guidance on public benefit published by the charity Commission when reviewing the charity's aims and objectives and in planning future activities.

Organisation

The Articles of Association govern the appointment of the executive committee, which is charged with the management of the society in furtherance of its principal activity, fund management and financial affairs generally.

The committee has the power to appoint executive committee members to fill a casual vacancy. One third of the executive committee members must retire by rotation each year, but are eligible for re-election.

The society is a member of The Abbeyfield Society by payment of an annual subscription.

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

REPORT OF THE DIRECTORS (Continued)

Review of business and results during the year

The results for the year and financial position of the company are as shown in the annexed financial statements. The trustees consider the state of affairs of the Society to be satisfactory.

Occupancy of three rooms was constant throughout the year with the other six rooms being vacant for a total of 173 room weeks (2010 - 153). Potential gross rent income showed an increase but a greater number of voids resulted in a decrease in income from £66,760 to £65,703. Dividends and interest of £4,316 (2010 - £12,863) were received during the year. These have fallen due to the fact that the balance of the investment portfolio was realised as cash during the year. As a consequence of the above deposit interest increased to £14,291 (2010 - £488).

Direct expenditure increased from £71,455 to £72,119, repairs decreased from £13,917 to £4,492 and administrative expenses decreased from £7,314 to £5,015.

The net result for the year on the general fund was a deficit of £16,551 (2010 - £23,450) and on the designated funds was a surplus of £10,057 (2010 - £9,351) before accounting for realised gains on investment assets of £2,190 (2010 - £2,259 deficit). The net outgoing funds for the year amounted to £4,304 (2010 - incoming funds £12,300).

The net assets at 30 September 2011 were £1,239,590 (2010 - £1,243,894) representing the designated Cyclical Repair Fund and Development Reserve Fund. The unrestricted general fund had a nil balance (2010 - nil).

The charity is reliant upon the full and part time employees and voluntary help for the running of the home.

Reserves policy

The trustees' reserves policy is to maintain sufficient funds to finance the expenditure of the charity for the next twelve months and provide a fund to carry out extraordinary and unexpected repairs and maintenance. The balance of the Unrestricted General Fund at 30 September 2011 was nil (2010 - nil). Therefore the objective has not been achieved in the current year but the trustees are actively seeking new residents to ensure greater occupancy which will create a surplus in future years.

Investment policy

The trustees employed professional investment fund managers, Hargreave Hale Limited, who advised on the charity's investments. On 22 March 2011 all of the charity's quoted investments were realised.

Future developments

The Abbeyfield Worcester Society Limited has set up a Development and Finance Subcommittee to explore future developments using the legacies the Society has received in recent years. Present thinking and guidance obtained from the Worcester Housing Department tends towards the creation of a group of flats, each with a bedroom, lounge, kitchenette and bathroom. However, no decision has been made at this preliminary stage. Possible partnership arrangements with a Housing Association and Local Authority are also under consideration.

The trustees are actively seeking additional residents to ensure greater occupancy which it is hoped will in turn create a surplus in future years.

Risk management

The directors have overall responsibility for ensuring that the society has appropriate systems of controls, financial and otherwise. The systems of financial controls are designed to provide reasonable, but not absolute, assurance against material misstatement of loss. They include an annual budget, approved by the directors, regular review of actual results and variances from budget and delegation of authority and segregation of duties as far as possible given staffing levels.

The directors will continue to monitor risks and set up policies to mitigate them.

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

REPORT OF THE DIRECTORS (Continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed by subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing Act 1996, and the Accounting Requirements for Registered Social Landlords General Determination 2006. They are also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

On behalf of the Board:



G A Harris

Dated 20.1.12

**INDEPENDENT EXAMINERS' REPORT TO THE TRUSTEES OF
THE ABBEYFIELD WORCESTER SOCIETY LIMITED**

I report on the accounts for the year ended 30 September 2011 set out on pages 6 to 17.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to

- examine the accounts under section 43 of the 1993 Act,
- to follow the procedure laid down in the General Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act, and
- to state whether particular matters have come to my attention


Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and the seeking of explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below

Independent examiner's statement

In connection with my examination, no matter has come to my attention

- which gives me reasonable cause to believe that, in any material respect, the requirements
 - (a) to keep accounting records in accordance with section 386 of the Companies Act 2006, and
 - (b) to prepare accounts which accord with the accounting records, comply with the accounting requirements of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by Charities (revised 2005) have not been met, or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached


John Yelland OBE FCA
John Yelland & Company
Chartered Accountants
22 Sansome Walk
Worcester
WR1 1LS

Date

20-1-12

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED
30 SEPTEMBER 2011

	<u>Note</u>	<u>Unrestricted Fund (Note 13)</u>	<u>Designated Funds (Note 11)</u>	<u>2011 Total Funds</u>	<u>2010 Total Funds</u>
Incoming resources from charitable activities					
Residents' fees	2	65,703		65,703	66,760
Donations		1,530		1,530	737
		<u>67,233</u>	<u>-</u>	<u>67,233</u>	<u>67,497</u>
Incoming resources from generated funds					
Investment income					
Dividends and Investments Interest			4,316	4,316	12,863
Deposit interest			14,291	14,291	488
		<u>-</u>	<u>18,607</u>	<u>18,607</u>	<u>13,351</u>
TOTAL INCOMING RESOURCES		<u>67,233</u>	<u>18,607</u>	<u>85,840</u>	<u>80,848</u>
<u>RESOURCES EXPENDED</u>					
Charitable Activities					
Service costs	13	72,119		72,119	71,455
Repairs		4,492	5,000	9,492	13,917
Management expenses	13	5,015	3,550	8,565	7,314
		<u>81,626</u>	<u>8,550</u>	<u>90,176</u>	<u>92,686</u>
Governance costs		<u>2,158</u>	<u>-</u>	<u>2,158</u>	<u>2,261</u>
<u>TOTAL RESOURCES EXPENDED</u>		<u>83,784</u>	<u>8,550</u>	<u>92,334</u>	<u>94,947</u>
Net incoming/(outgoing) resources before other recognised gains and losses		(16,551)	10,057	(6,494)	(14,099)
Unrealised gains on assets held for investments purposes				-	28,658
Realised gains/(losses) on assets held for investment purposes			2,190	2,190	(2,259)
Net movement in funds		<u>(16,551)</u>	<u>12,247</u>	<u>(4,304)</u>	<u>12,300</u>
Transfer between funds		<u>16,551</u>	<u>(16,551)</u>	<u>-</u>	<u>-</u>
		<u>-</u>	<u>(4,304)</u>	<u>(4,304)</u>	<u>12,300</u>
Total funds at 1 October 2010		<u>-</u>	<u>1,243,894</u>	<u>1,243,894</u>	<u>1,231,594</u>
Total funds at 30 September 2011		<u>-</u>	<u>1,239,590</u>	<u>1,239,590</u>	<u>1,243,894</u>

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2011

	<u>2011</u> £	<u>2010</u> £
Gross income	85,840	80,848
Expenditure	(92,334)	(94,947)
	<u>(6,494)</u>	<u>(14,099)</u>
Realised (losses)/gains on sales of investments	2,190	(2,259)
<u>Net Income/(Expenditure) for the Year</u>	<u>(4,304)</u>	<u>(16,358)</u>

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

	<u>2011</u> £	<u>2010</u> £
Surplus for the year	(6,494)	(14,099)
Unrealised surplus/(deficit) on investments	-	28,658
Realised surplus/(deficit) on investments	2,190	(2,259)
Total recognised surpluses and (deficits) for the year	<u>(4,304)</u>	<u>12,300</u>

THE ABBEYFIELD WORCESTER SOCIETY LIMITED
COMPANY REGISTERED NUMBER 961985

BALANCE SHEET AS AT 30 SEPTEMBER 2011

	<u>Note</u>	<u>2011</u>		<u>2010</u>	
		£	£	£	£
TANGIBLE FIXED ASSETS					
Housing properties					
Gross cost less depreciation	6	144,165		144,920	
Less Social housing grant	6	110,050		110,050	
		-----		-----	
			34,115 ~		34,870 ~
Other tangible fixed assets	6		44,593		49,919
			-----		-----
			78,708 ~		84,789 ~
Investments	7		-		933,178
			-----		-----
			78,708 ~		1,017,967 ~
CURRENT ASSETS					
Stocks		300		300	
Debtors and prepayments	8	9,866		841	
Cash at bank and in hand		1,158,147		232,665	
		-----		-----	
		1,168,313 ~		233,806 ~	
CREDITORS: Amounts falling due within one year	9	7,431		7,879	
		-----		-----	
NET CURRENT ASSETS			1,160,882 ~		225,927 ~
			-----		-----
TOTAL ASSETS LESS CURRENT LIABILITIES			1,239,590 ~		1,243,894 ~
			=====		=====
RESERVES					
Unrestricted fund	10		-		-
Designated fund					
Revaluation reserve		-		40,425	
General designated fund		1,239,590		1,203,469	
		-----		-----	
	11		1,239,590 ~		1,243,894 ~
			-----		-----
			1,239,590 ~		1,243,894 ~
			=====		=====

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2011

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2011 in accordance with Section 476 of the Companies Act 2006

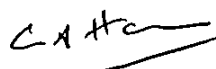
The directors acknowledge their responsibilities for

- ensuring that the company keeps accounting records which comply with Section 386 and 387 of the Companies Act 2006 and
- preparing the financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the board on 20.1.12
and signed on their behalf by:

G A Harris



THE ABBEYFIELD WORCESTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 SEPTEMBER 2011**

1 ACCOUNTING POLICIES

Accounting convention

These financial statements have been prepared under the historic cost convention as modified by the revaluation of certain assets and in accordance with the Companies Act 2006, the FRSSE (effective April 2008), statements of recommended practice issued by the National Housing Association, with the Accounting Requirements for Registered Social Landlords General Determination 2006 and the statement of recommended practice "Accounting and Reporting by Charities"

Turnover

Turnover comprises rental and service income receivable including donations and legacies

Social housing grants

Social housing grants (SHG) are made by the Housing Corporation and are utilised to reduce the costs of purchase or development of land or buildings. Where purchases or developments have been wholly or partially funded by social housing grant, the cost of those purchase or developments have been reduced by the value of the grant received. The value of the grant is disclosed as a separate item on the face of the balance sheet

Social housing grants can be recycled by the Society under certain circumstances, if a property is sold or if another relevant event takes place. In these cases social housing grants can be used for projects approved by the Housing Corporation. Social housing grants may have to be repaid if those circumstances are not met and in that event is a contingent liability

Other grants

Other grants for capital expenditure are shown separately and are deducted from the cost of the asset.

Fixed assets - Housing land and buildings

Housing land and buildings are stated at cost. The cost is the purchase price plus any incidental costs of acquisition. Housing properties in the course of construction are stated at cost and are transferred into housing properties when completed

Depreciation - Tangible assets

Housing land and buildings

Depreciation, as defined below, is provided on the cost of freehold buildings less any SHG which the freehold building has, or will, qualify for. Depreciation is charged on that proportion of freehold property which does not qualify for social housing grant at a rate of 2% per annum on cost

Other tangible assets

Tangible fixed assets, other than freehold land or buildings, are written down in annual instalments, to estimated residual values over their expected lives at rates given below:

Fixtures and Fittings	15% on reducing balance
-----------------------	-------------------------

Assets donated to the Society are included as assets at fair (market) value as at the date of transfer. The fair value is also included within Income – donations

Fixed assets costing less than £500 are not capitalised

Investments

Investments are stated at current market value in accordance with the Statement of Recommended Practice, Accounting by Registered Social Landlords. Dividends and other investment income is recorded on the accruals basis. The realised and unrealised gains and losses on investments are included in the calculation of the (deficit)/surplus for the financial year

Liabilities

Liabilities are included in the accounts as soon as recognised

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Continued)

1 ACCOUNTING POLICIES (Continued)

Donations, legacies and other voluntary income

Income from donations, legacies and other voluntary income is recorded when receivable

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Charitable activities

Charitable activities include all the costs of running the Abbeyfield House.

Governance costs

Governance costs relate to the independent examination of the accounts of the charity

Allocation of expenses

Expenses are allocated to management, repairs and services costs on the basis of proportion of time or other relevant factors attributable to those activities.

Designated Cyclical Repair Fund

It is the directors' opinion that amounts will be required for future cyclical and major repairs in the medium and long term, based on the society's obligation to carry out such works on a continuing basis founded on planned programmes of work for which social housing grants would not be available. Therefore amounts have been set aside as designated reserves

Amounts similar to that set aside in previous years will continue to be set aside as designated reserves in the future.

Designated Development Fund

The Development Fund is to provide a reserve for the future development of the house for the benefit of the residents. The fund is managed by an appointed professional fund manager and is held in shares and interest earning accounts

Corporation tax and VAT

The Society has charitable status and is exempt from corporation tax on the income it receives

The Society is not registered for VAT. Accordingly, no VAT is charged to residents and expenditure in the income and expenditure account includes the relevant VAT

2 TURNOVER

The turnover and surplus are attributable to the one principal activity of the company

	<u>2011</u>	<u>2010</u>
	£	£
Income from lettings and care service charges	100,427	96,052
Less voids arising from variances and absences	(34,724)	(29,292)
	-----	-----
Net income from residents' charges	65,703	66,760
	=====	=====

The number of units of housing accommodation in management was nine at the start of the year and nine at the end of the year

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Continued)

3	OPERATING SURPLUS	<u>2011</u>	<u>2010</u>
		£	£
	Operating surplus is stated after charging		
	Independent examiner's fee re external scrutiny	<u>2,158</u>	<u>2,261</u>
	Depreciation - owned assets	<u>8,355</u>	<u>6,657</u>
	Directors' emoluments and other benefits etc	<u>-</u>	<u>-</u>
4.	EMPLOYEE INFORMATION	<u>2011</u>	<u>2010</u>
	The average number of persons employed during the year was:		
	Administration - Part time	1	1
	Housekeeper, assistants and cleaners - Full time	1	1
	Part time	3	2
		<u>5</u>	<u>4</u>
		<u>2011</u>	<u>2010</u>
		£	£
	Staff costs (for the above staff)		
	Wages and salaries	37,471	36,564
	Social Security costs	1,939	1,999
	Total	<u>39,410</u>	<u>38,563</u>
	Directors' emoluments	<u>2011</u>	<u>2010</u>
	The SORP for Registered Social Landlords defines directors as the members of the Executive Committee	£	£
	The remuneration paid to the directors of the society was	<u>-</u>	<u>-</u>
	There are no employees with emoluments above £60,000		
	Expenses of £503 (2010 - £304) were reimbursed to three trustees		
5	ACCOMMODATION UNITS	<u>2011</u>	<u>2010</u>
	The Society had the following bed spaces available for occupation		
	Very Supported Sheltered	9	9
	Registered residential care	-	-
	Total	<u>9</u>	<u>9</u>

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Continued)

6 TANGIBLE FIXED ASSETS

	Freehold Property Completed HAG Schemes	Fixtures and Fittings	Total
	£	£	£
Cost:			
Balance at 1 October 2010	157,755	85,005	242,760
Additions during the year		2,273	2,273
	-----	-----	-----
Balance at 30 September 2011	<u>157,755</u>	<u>87,278</u>	<u>245,033</u>
 Social Housing Grant			
Balance as at 1 October 2010	110,050		110,050
	-----	-----	-----
Balance at 30 September 2011	<u>110,050</u>	<u>-</u>	<u>110,050</u>
 Depreciation:			
Balance at 1 October 2010	12,835	35,086	47,921
Charge for the year	755	7,599	8,354
	-----	-----	-----
Balance at 30 September 2011	<u>13,590</u>	<u>42,685</u>	<u>56,275</u>
 Net book value:			
As at 30 September 2011	<u>34,115</u>	<u>44,593</u>	<u>78,708</u>
 As at 30 September 2010	<u>34,870</u>	<u>49,919</u>	<u>84,789</u>

Included in Completed HAG Schemes is freehold land at £10,000 (2010 - £10,000) which is not depreciated

All tangible fixed assets are held in direct furtherance of the charity's objects

7 INVESTMENTS (ALL UK LISTED)

	Cash	Fixed Interest Stock	Equity Shares	Total
	£	£	£	£
Market Value:				
As at 1 October 2010	698,719	42,367	192,092	933,178
Disposals during the year	(698,719)	(42,367)	(192,092)	(933,178)
	-----	-----	-----	-----
At 30 September 2011	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Continued)

8	DEBTORS	<u>2011</u> £	<u>2010</u> £
	Rent arrears	-	22
	Accrued interest receivable	7,728	405
	Prepayments and accrued income	2,138	414
		<u>9,866</u>	<u>841</u>
	All debtors fall due within one year		
9	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>2011</u> £	<u>2010</u> £
	Residents' charges received in advance	1,517	1,528
	Other taxes and social security	-	1,731
	Accruals	4,194	4,510
	Trade creditors	1,610	-
	Security deposits	110	110
		<u>7,431</u>	<u>7,879</u>
10	UNRESTRICTED FUNDS	<u>2011</u> £	<u>2010</u> £
	Balance as at 1 October 2010	-	-
	Transfer from Designated Reserves	16,551	23,450
	Surplus/(Deficit) for the year	(16,551)	(23,450)
		<u>-</u>	<u>-</u>
	Balance as at 30 September 2011	<u>-</u>	<u>-</u>
	Representing:		
	Tangible fixed assets	78,708	84,789
	Stock	300	300
	Debtors	9,866	841
	Creditors	(7,431)	(7,879)
	Bank overdraft	(81,443)	(78,051)
		<u>-</u>	<u>-</u>

It is the policy of the trustees to maintain a balance equivalent to twelve months expenditure in unrestricted reserves, not designated for any specific purpose. The trustees consider that this level of free reserve would provide an adequate, but not excessive, fund to meet unforeseen exceptional expenditure or exceptional loss of income due to periods of room vacancies. This objective has not been achieved in the current year. The trustees are actively seeking new residents to ensure greater occupancy which will create a surplus in future years.

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Continued)

11 DESIGNATED RESERVES

	Cyclical Repair Fund	Development Reserve Fund	2011 Total	2010 Total
	£	£	£	£
Income				
Investment income		4,316	4,316	12,863
Deposit interest	88	14,203	14,291	488
	<u>88</u>	<u>18,519</u>	<u>18,607</u>	<u>13,351</u>
Expenditure				
Investment Fund management fees		3,550	3,550	4,000
Repairs	5,000		5,000	-
	<u>5,000</u>	<u>3,550</u>	<u>8,550</u>	<u>4,000</u>
Surplus/(deficit) for the year	(4,912)	14,969	10,057	9,351
Other recognised surplus and deficit				
Unrealised (deficits)/surplus on assets held for investment purposes			-	28,658
Realised surplus/(deficit) on assets held for investment purposes		2,190	2,190	(2,259)
Net movement in funds	(4,912)	17,159	12,247	35,750
Transfer to General Fund		(16,551)	(16,551)	(23,450)
	(4,912)	608	(4,304)	12,300
Balance at 1 October 2010	15,084	1,228,810	1,243,894	1,231,594
Balance at 30 September 2011	<u>10,172</u>	<u>1,229,418</u>	<u>1,239,590</u>	<u>1,243,894</u>
Representing:				
Investments				
Quoted investments			-	234,459
Broker's deposit asset			-	263,734
COIF Charity Fund			-	434,985
Investec High 5 Account		504,568	504,568	-
Lloyds TSB 1 Year Fixed Bond account		500,000	500,000	-
	-	1,004,568	1,004,568	933,178
COIF Charity Fund	10,172	26,003	36,175	97,640
Bank account		198,847	198,847	213,076
	<u>10,172</u>	<u>1,229,418</u>	<u>1,239,590</u>	<u>1,243,894</u>

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Continued)

11 DESIGNATED RESERVES (Continued)

Cyclical Repair Fund

It is the directors' opinion that funds will be required for future cyclical repairs in the medium and long term. The amounts set aside are based on the society's obligation to carry out such works on a continuing basis for the future cyclical maintenance and repair of the property, based on planned programmes of work for which social housing grants will not be claimed. The fund is held in an interest bearing account.

Development Reserve Fund

The development reserve is to provide a reserve for the future development of the house for the benefit of the residents. The fund is managed by an appointed professional fund manager and is held in shares and interest bearing accounts.

12 OFFICERS AND SENIOR EXECUTIVES INTERESTS ETC

There have been no transactions, including any agreement, contract or loan, made to any officer or a senior executive or person connected with the officer or senior executive which has been paid by the registered social landlord.

No transactions have been entered into by the registered social landlord in which an officer or a senior executive of the registered social landlord, or person connected with the officer or the senior executive has expressed an interest.

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Continued)

13	DETAILED HOSTEL PROPERTY REVENUE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2011	<u>2011</u> £	<u>2010</u> £
	Turnover		
	Income from lettings and care service charges	100,427	96,052
	<u>Less</u> Voids arising from vacancies and absences	(34,724)	(29,292)
		<u>65,703</u>	<u>66,760</u>
	 Donations etc	 1,530	 737
		<u>67,233</u>	<u>67,497</u>
	 Service costs		
	Employee costs	39,410	38,563
	Food costs and cleaning materials	8,918	8,812
	Insurance	1,524	1,563
	Refuse collection	562	591
	Council taxes	1,090	1,199
	Water rates	1,230	1,596
	Heating and lighting	9,705	7,815
	Sundry expenses	1,325	658
	Depreciation		
	Buildings	755	755
	Other	7,600	5,903
		<u>72,119</u>	<u>67,455</u>
	 Repairs and maintenance		
	Routine maintenance	4,492	13,917
		<u>4,492</u>	<u>13,917</u>
	 Expenditure		
	Management expenses		
	Telephone - administration	1,044	724
	Membership fee - The Abbeyfield Society	1,146	1,259
	Bookkeeping	1,490	1,790
	Stationery and postage	1,142	671
	Sundry expenses	33	252
	Advertising	160	112
	Legal and professional fees	-	2,506
		<u>5,015</u>	<u>7,314</u>
	 Governance costs		
	Independent examination	2,158	2,261
		<u>2,158</u>	<u>2,261</u>
	 Operating costs	 83,784	 90,947
		<u>83,784</u>	<u>90,947</u>
	 Hostel property revenue operating deficit	 (16,551)	 (23,450)
		<u>(16,551)</u>	<u>(23,450)</u>