

REGISTERED NUMBERS

COMPANY	961985
CHARITY	259776
HOUSING CORPORATION	H2907

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

FOR

THE ABBEYFIELD WORCESTER SOCIETY LIMITED
A REGISTERED CHARITY LIMITED BY GUARANTEE

THURSDAY



A21 "A36INO1H"
24/04/2014 #47
COMPANIES HOUSE

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

<u>Contents</u>	<u>Page</u>
Officers, professional advisers and registered office	1
Report of the directors	2
Report of the Independent Auditor	5
Statement of financial activities	7
Income and expenditure account	8
Balance sheet	9
Notes to the accounts	10

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 L A West
SENIOR STATUTORY AUDITOR	John Yelland OBE FCA
AUDITORS:	John Yelland & Company Chartered Accountants and Statutory Auditors 22 Sansome Walk Worcester Worcestershire WR1 1LS
BANKERS:	Lloyds Bank Plc 4 The Cross Worcester WR1 3PY
SOLICITORS:	Hallmark Hulme 3-5 Sansome Place Worcester WR1 1UQ
INSURANCE ADVISERS:	David Haskoll Limited Dreamland Cottage Dreamland Road Golden Cross East Sussex BN27 3RJ
PRINCIPAL ADDRESS	12, Greenhill London Road Worcester WR5 2AA
REGISTERED OFFICE.	22 Sansome Walk Worcester WR1 1LS

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 30 SEPTEMBER 2013**

The directors submit their report together with the accounts for the year ended 30 September 2013. 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
Miss P J Rayer
L A West

In accordance with the registered rules of the society, one third of 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 17(5) of the 2011 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

FOR THE YEAR ENDED 30 SEPTEMBER 2013 (Continued)

Review of business and results during the year

The results have continued to improve during the year. The rental and service income increased from £82,836 to £91,491 and this was accompanied by careful control of costs by the management.

There was an operating surplus for the year of £12,924 and the Society's total reserves at 30 September 2013 amounted to £1,268,919 (2012 £1,255,995).

The directors are developing plans for a new Abbeyfield home in Worcester and a new site has been acquired off the Tything, Worcester.

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 2013 was £6,443 (2012 - 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 increase the surplus in future years.

Future developments

The Abbeyfield Worcester Society Limited has acquired a site for development using the legacies the Society has received in recent years. Planning permission has been obtained for a scheme to construct 37 self-contained apartments and communal facilities on the site, the apartments to be available both for sale and rent. Additional financing has been negotiated with The Abbeyfield Society and Lloyds Bank PLC to support the scheme.

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.

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30 SEPTEMBER 2013 (Continued)

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

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 - Trustee

Dated 1 April 2014

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD WORCESTER SOCIETY LIMITED

We have audited the financial statements of The Abbeyfield Worcester Society Limited for the year ended 30 September 2013 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements for the year ended 30 September 2012 were not audited.

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatement or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and,
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE ABBEYFIELD WORCESTER SOCIETY LIMITED (Continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us,
- the financial statements are not in agreement with the accounting records and returns,
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



John Yelland OBE FCA (Senior Statutory Auditor)

For and on behalf of:

John Yelland & Company

Chartered Accountants and Statutory Auditors

22 Sansome Walk

Worcester

Worcestershire

WR1 1LS

Dated: 22-4.14

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	<u>Note</u>	<u>Unrestricted</u> <u>Fund</u> <u>(Note 10)</u>	<u>Designated</u> <u>Funds</u> <u>(Note 12)</u>	<u>2013</u> <u>Total</u> <u>Funds</u>	<u>2012</u> <u>Total</u> <u>Funds</u>
Incoming resources from charitable activities					
Residents' fees	2	91,491	-	91,491	82,836
Donations		30	-	30	489
		<u>91,521</u>	<u>-</u>	<u>91,521</u>	<u>83,325</u>
Incoming resources from generated funds					
Investment income		-	11,003	11,003	22,022
Deposit interest		-	11,003	11,003	22,022
		<u>-</u>	<u>11,003</u>	<u>11,003</u>	<u>22,022</u>
TOTAL INCOMING RESOURCES		<u>91,521</u>	<u>11,003</u>	<u>102,524</u>	<u>105,347</u>
<u>RESOURCES EXPENDED</u>					
Charitable Activities					
Service costs	10	65,938	-	65,938	64,270
Repairs	10	6,567	4,522	11,089	13,882
Management expenses	10	10,531	-	10,531	8,903
		<u>83,036</u>	<u>4,522</u>	<u>87,558</u>	<u>87,055</u>
Governance costs	10	<u>2,042</u>	<u>-</u>	<u>2,042</u>	<u>1,887</u>
<u>TOTAL RESOURCES EXPENDED</u>		<u>85,078</u>	<u>4,522</u>	<u>89,600</u>	<u>88,942</u>
Net incoming/(outgoing) resources before other recognised gains and losses		6,443	6,481	12,924	16,405
Net movement in funds		<u>6,443</u>	<u>6,481</u>	<u>12,924</u>	<u>16,405</u>
Total funds at 1 October 2012		-	1,255,995	1,255,995	1,239,590
Total funds at 30 September 2013		<u>6,443</u>	<u>1,262,476</u>	<u>1,268,919</u>	<u>1,255,995</u>

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	<u>2013</u> £	<u>2012</u> £
Gross income	102,524	105,347
Expenditure	89,600	88,942
<u>Net Income for the Year</u>	<u>12,924</u>	<u>16,405</u>

THE ABBEYFIELD WORCESTER SOCIETY LIMITED
COMPANY REGISTERED NUMBER 961985

BALANCE SHEET AS AT 30 SEPTEMBER 2013

	<u>Note</u>	<u>2013</u>		<u>2012</u>	
		£	£	£	£
TANGIBLE FIXED ASSETS					
Housing properties					
Gross cost less depreciation	7	142,655		143,410	
<u>Less</u> Social housing grant	7	110,050		110,050	
		-----	32,605	-----	33,360
Freehold property under construction	7	1,342,382		-	
Other tangible fixed assets	7	32,936		38,748	
		-----		-----	
		1,407,923		72,108	
 CURRENT ASSETS					
Stocks		300		300	
Debtors and prepayments	8	5,214		5,197	
Cash at bank and in hand		1,124,384		1,187,561	
		-----		-----	
		1,129,898		1,193,058	
 CREDITORS: Amounts falling due within one year	9	1,268,902		9,171	
		-----		-----	
NET CURRENT (LIABILITIES)/ASSETS			(139,004)		1,183,887
			-----		-----
 TOTAL ASSETS LESS CURRENT LIABILITIES			1,268,919		1,255,995
			=====		=====
 RESERVES					
Unrestricted fund	10/11	6,443		-	
Designated funds	12	1,262,476		1,255,995	
		-----		-----	
		1,268,919		1,255,995	
		=====		=====	

The financial statements were approved by the board on 1/4/14 and signed on their behalf by:

G A Harris - Trustee



THE ABBEYFIELD WORCESTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 SEPTEMBER 2013**

1. ACCOUNTING POLICIES

Accounting convention

These financial statements have been prepared under the historic cost convention 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 purchases 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.

Freehold Property Under Construction

The freehold property under construction is valued at cost until complete. No depreciation is applicable.

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. Assets costing less than £250 are not capitalised.

Liabilities

Liabilities are included in the accounts as soon as recognised.

Donations, legacies and other voluntary income

Income from donations, legacies and other voluntary income are 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.

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013 (Continued)

1 ACCOUNTING POLICIES (Continued)

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 a new site for the benefit of the residents

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>2013</u>	<u>2012</u>
	£	£
Income from lettings and care service charges	110,475	107,184
<u>Less</u> voids arising from variances and absences	(18,984)	(24,348)
	<u>-----</u>	<u>-----</u>
Net income from residents' charges	<u>91,491</u>	<u>82,836</u>

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

3 OPERATING SURPLUS

Operating surplus is stated after charging

	<u>2013</u>	<u>2012</u>
	£	£
Independent examiner's fee re external scrutiny	(358)	1,887
Auditors fee re external scrutiny	2,400	-
	<u>-----</u>	<u>-----</u>
Depreciation - owned assets	6,567	7,593
	<u>-----</u>	<u>-----</u>
Directors' emoluments and other benefits etc	-	-
	<u>-----</u>	<u>-----</u>

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013 (Continued)

4 EMPLOYEE INFORMATION **2013** **2012**

The average number of persons employed during the year was

Administration	- Part time	1	1
Housekeeper, assistants and cleaners	- Full time	1	1
Housekeeper, assistants and cleaners	- Part time	3	3
		-----	-----
		5	5
		=====	=====

	<u>2013</u>	<u>2012</u>
	£	£
Staff costs (for the above staff)		
Wages and salaries	41,691	41,217
Social Security costs	1,896	2,087
	-----	-----
Total	43,587	43,304
	=====	=====

Directors' emoluments

The SORP for Registered Social Landlords defines directors as the members of the Executive Committee.

No remuneration was paid to any director during this year or the preceding year Expenses of £100 (2012 - £100) were reimbursed to one (2012 - one) trustee

5 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

6 ACCOMMODATION UNITS **2013** **2012**

The Society had the following bed spaces available for occupation

Very Supported Sheltered	9	9
Registered residential care	-	-
	-----	-----
Total	9	9
	=====	=====

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013 (Continued)

7 TANGIBLE FIXED ASSETS

	Freehold Property Under Construction	Freehold Property Completed HAG Schemes	Fixtures and Fittings	Total
	£	£	£	£
Cost:				
Balance at 1 October 2012	-	157,755	88,271	246,026
Additions during the year	1,342,382	-	-	1,342,382
Balance at 30 September 2013	1,342,382	157,755	88,271	1,588,408
Social Housing Grant				
Balance as at 1 October 2012	-	110,050		110,050
Balance at 30 September 2013	-	110,050	-	110,050
Depreciation:				
Balance at 1 October 2012	-	14,345	49,523	63,868
Charge for the year	-	755	5,812	6,567
Balance at 30 September 2013	-	15,100	55,335	70,435
Net book value:				
As at 30 September 2013	1,342,382	32,605	32,936	1,407,923
As at 30 September 2012	-	33,360	38,748	72,108

Included in Completed HAG Schemes is freehold land at £10,000 (2012 - £10,000) which is not depreciated

The freehold property under construction represents the purchase of land and buildings at White Ladies Close, Worcester for the development of 39 flats

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

8 DEBTORS (Due within one year)	<u>2013</u>	<u>2012</u>
	£	£
Rent arrears	2,656	2,071
Accrued interest receivable	-	980
Prepayments and accrued income	2,558	2,146
	<u>5,214</u>	<u>5,197</u>
9 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>2013</u>	<u>2012</u>
	£	£
Social Security and other Taxes	1,639	-
Residents' charges received in advance	3,540	3,522
Accruals	2,930	3,388
Trade creditors	2,200	2,151
Creditor – Freehold Property	1,258,483	-
Security deposits	110	110
	<u>1,268,902</u>	<u>9,171</u>

THE ABBEYFIELD WORCESTER SOCIETY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 SEPTEMBER 2013** (Continued)

10	DETAILED HOSTEL PROPERTY REVENUE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2013	2013	2012
		£	£
	Turnover		
	Income from lettings and care service charges	110,475	107,184
	<u>Less</u> Voids arising from vacancies and absences	(18,984)	(24,348)
		<u>91,491</u>	<u>82,836</u>
	Donations etc	30	489
		<u>91,521</u>	<u>83,325</u>
	Service costs		
	Employee costs	38,207	38,214
	Food costs and cleaning materials	12,134	10,527
	Insurance	1,509	1,455
	Call Aid	1,088	942
	Refuse collection	582	540
	Council taxes	1,245	1,299
	Water rates	1,854	1,648
	Heating and lighting	7,596	8,189
	Sundry expenses	1,723	1,456
		<u>65,938</u>	<u>64,270</u>
	Repairs and maintenance		
	Routine maintenance	-	672
	Depreciation Buildings	755	755
	Fixtures and fittings	5,812	6,838
		<u>6,567</u>	<u>8,265</u>
	Management expenses		
	Administrative Support	5,380	5,090
	Telephone - administration	728	802
	Membership fee - The Abbeyfield Society	3,619	1,175
	Stationery and postage	436	1,154
	Sundry expenses	126	15
	Advertising	242	667
		<u>10,531</u>	<u>8,903</u>
	Governance costs		
	Independent examination	(358)	1,887
	Auditors Fee	2,400	-
		<u>2,042</u>	<u>1,887</u>
	Operating costs	<u>85,078</u>	<u>83,325</u>
	Hostel property revenue operating surplus	<u>6,443</u>	<u>-</u>

THE ABBEYFIELD WORCESTER SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013 (Continued)

11	UNRESTRICTED FUNDS	<u>2013</u>	<u>2012</u>
		£	£
	Balance as at 1 October 2012	-	-
	Surplus for the year	6,443	-
		-----	-----
	Balance as at 30 September 2013	<u>6,443</u>	<u>-</u>
	Representing:		
	Tangible fixed assets	65,541	72,108
	Stock	300	300
	Debtors	5,214	5,197
	Creditors	(10,419)	(9,171)
	Bank overdraft	(54,193)	(68,434)
		-----	-----
		<u>6,443</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 2013 (Continued)

12 DESIGNATED RESERVES

	Cyclical Repair Fund	Development Reserve Fund	2013 Total	2012 Total
	£	£	£	£
Income				
Deposit interest	-	11,003	11,003	22,022
	-	11,003	11,003	22,022
Expenditure				
Repairs	4,522	-	4,522	5,617
	4,522	-	4,522	5,617
Surplus/(deficit) for the year	(4,522)	11,003	6,481	16,405
Net movement in funds	(4,522)	11,003	6,481	16,405
Balance at 1 October 2012	4,555	1,251,440	1,255,995	1,239,590
Balance at 30 September 2013	33	1,262,443	1,262,476	1,255,995
Representing:				
Freehold Property Under Construction	-	1,342,382	1,342,382	-
Investec Deposit	-	-	-	616,933
Lloyds Current Account	33	1,144,897	1,144,930	602,563
COIF Deposit	-	33,391	33,391	36,488
Cash	-	256	256	11
Creditors	-	(1,258,483)	(1,258,483)	-
	33	1,262,443	1,262,476	1,255,995

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 development of a new site for the benefit of the residents. The fund is held in an interest bearing account.