

REGISTERED NUMBERS

COMPANY	961985
CHARITY	259776
HOUSING CORPORATION	H2907

REPORT OF THE DIRECTORS AND  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2010

FOR

THE ABBEYFIELD WORCESTER SOCIETY LIMITED  
A REGISTERED CHARITY LIMITED BY GUARANTEE

FRIDAY



A35

\*A3U7LRYO\*

25/02/2011

COMPANIES HOUSE

357

---

**THE ABBEYFIELD WORCESTER SOCIETY LIMITED**

**ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2010**

<b><u>Contents</u></b>	<b><u>Page</u></b>
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

---

**THE ABBEYFIELD WORCESTER SOCIETY LIMITED**

**OFFICERS, PROFESSIONAL ADVISERS AND REGISTERED OFFICE**

<b>DIRECTORS</b>	Miss A England Mrs R L Griffin Dr G D T Holehouse G A Harris Miss J Rayer
<b>COMPANY SECRETARY</b>	-
<b>ACCOUNTANTS</b>	John Yelland & Company Chartered Accountants and Registered Auditors 22 Sansome Walk Worcester WR1 1LS
<b>BANKERS</b>	Lloyds TSB Bank Plc 4 The Cross Worcester WR1 3PY
<b>SOLICITORS</b>	Hallmark Hulme 3-5 Sansome Place Worcester WR1 1UQ
<b>INVESTMENT ADVISERS</b>	Hargreave Hale Ltd Virginia House The Butts Worcester WR1 3PL
<b>INSURANCE ADVISERS</b>	David Haskoll Limited Dreamland Cottage Dreamland Road Golden Cross East Sussex BN27 3RJ
<b>REGISTERED OFFICE</b>	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 2010. 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	Appointed 31 May 2010
Mrs P E Horriben	Resigned 21 February 2011
Ms E Norton	Resigned 21 February 2011
Miss J Rayer	
Mrs J Rogers	Resigned 21 February 2011
M Rutter	Appointed 31 March 2010 – Resigned 21 February 2011
H T Williams	Resigned 21 February 2011

Mrs M Martin is the company secretary and administrator of the Society. She resigned as company secretary 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 to be held on 21 February 2011.

#### **Principal activity**

The principal activities of the society, as determined by its Memorandum of Association, continues 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 public benefit 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 six rooms was constant throughout the year with the other three rooms being vacant for a total of 153 weeks (2009 - 148). Potential gross rent income showed an increase due to an inflationary increase in weekly rents; however, rent income after adjusting for voids increased from £65,291 to £66,760. Dividends and interest of £12,863 (2009 - £33,606) have been recognised during the year representing a return of 1.38% (2009 - 3.69%). These have fallen due to the economic conditions and half the portfolio was realised as cash during the year. Deposit interest, not relating to investments, has decreased to £488 (2009 - £1,316).

Direct expenditure has increased to £67,455 (2009 - £62,805) due to an increase in depreciation. Administrative expenses have increased to £7,314 (2009 - £4,327).

The net result for the year on the general fund was a deficit of £23,450 (2009 - £8,930) and in the designated funds was a surplus of £2,351 (2009 - £27,633) before accounting for investment surpluses of £26,399 (2009 - deficit of £27,699) which gave a final net rise in funds for the year of £12,300 (2009 - fall of £8,996).

The net assets at 30 September 2010 were £1,243,894 (2009 - £1,231,594) including working capital of £660,912 (2009 - £701,425). The unrestricted general fund had a nil balance (2009 - nil). This can be attributed to the number of vacancies which cost £29,292 (2009 - £26,781).

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

A transfer of £23,450 (2009 - £2,382) has been made from the Designated Development Reserve Fund to the Unrestricted General Fund to remove the deficit on the General Fund.

#### **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 2010 was nil (2009 - nil) which included fixed assets of £84,789 (2009 - £53,295). 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 employ professional investment fund managers, Hargreave Hale Limited, who advise on the charity's investments. The policy is to maintain capital growth with income in excess of the standard bank deposit rate. The capital value has increased by 2.34% (2009 - 0.4% decrease) during the year although £698,719 (2009 - £470,513) of this is held in cash. The return has also decreased to 1.38% compared with 3.69% for the previous year.

#### **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 flatlets, 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)

#### **Fixed assets**

The only significant change in the value of tangible fixed assets during the year was the completion of the lift for £38,152. The net written down value of fixed assets at 30 September 2010 was £84,789 (2009 - £53,295)

#### **Statement of directors' responsibilities**

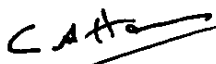
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company for that period. In preparing those financial statements the directors are required to

- 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 21.2.11

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

I report on the accounts for the year ended 30 September 2010 set out on pages 6 to 17

**Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under Part 16 of the Companies Act 2006 and that an independent examination is required

**It is my responsibility to**

- examine the accounts (under section 43(3)(a) of the Charities Act 1993)
- to follow the procedure laid down in the General Directions given by the Charity Commissioners (under section 43(7)(b) of the Act), and
- to state whether particular matters have come to my attention

**Basis of independent examiners' report**

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. 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 explanation 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, I do not express an audit opinion on the view given by the accounts

**Independent examiners' 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 S386 of the Companies Act 2006 and,
  - (b) to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Companies Act 2006 and the Statement of Recommended Practice Accounting and Reporting by Charities 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



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

Date            21.2.11

**THE ABBEYFIELD WORCESTER SOCIETY LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED**  
**30 SEPTEMBER 2010**

	<u>Note</u>	<u>Unrestricted Fund</u> (Note 13)	<u>Designated Funds</u> (Note 11)	<u>2010 Total Funds</u>	<u>2009 Total Funds</u>
<b>Incoming resources from charitable activities</b>					
Residents' fees	2	66,760		66,760	65,291
Donations		737		737	1,489
		=====	-----	-----	-----
		67,497	-	67,497	66,780
		=====	=====	=====	=====
<b>Incoming resources from generated funds</b>					
Investment income					
Dividends and Investments Interest			12,863	12,863	33,606
Deposit interest			488	488	1,316
		-----	-----	-----	-----
		-	13,351	13,351	34,922
		=====	=====	=====	=====
<b>Other Income</b>					
PAYE online incentive		-	-	-	75
		=====	=====	=====	=====
<b>TOTAL INCOMING RESOURCES</b>		<b>67,497</b>	<b>13,351</b>	<b>80,848</b>	<b>101,777</b>
		=====	=====	=====	=====
<b><u>RESOURCES EXPENDED</u></b>					
<b>Charitable Activities</b>					
Service costs		67,455	4,000	71,455	66,310
Repairs		13,917		13,917	9,772
Management expenses		7,314		7,314	4,327
		-----	-----	-----	-----
		88,686	4,000	92,686	80,409
		=====	=====	=====	=====
Governance costs		2,261	-	2,261	2,665
		=====	=====	=====	=====
<b><u>TOTAL RESOURCES EXPENDED</u></b>		<b>90,947</b>	<b>4,000</b>	<b>94,947</b>	<b>83,074</b>
		=====	=====	=====	=====
Net incoming/(outgoing) resources before other recognised gains and losses		(23,450)	9,351	(14,099)	18,703
Unrealised gains on assets held for investments purposes			28,658	28,658	23,333
Realised (losses) on assets held for investment purposes			(2,259)	(2,259)	(51,032)
		-----	-----	-----	-----
<b>Net movement in funds</b>		<b>(23,450)</b>	<b>35,750</b>	<b>12,300</b>	<b>(8,996)</b>
Transfer between funds		23,450	(23,450)	-	-
		-----	-----	-----	-----
		-	12,300	12,300	(8,996)
		=====	=====	=====	=====
<b>Total funds at 1 October 2009</b>		<b>-</b>	<b>1,231,594</b>	<b>1,231,594</b>	<b>1,240,590</b>
		-----	-----	-----	-----
<b>Total funds at 30 September 2010</b>		<b>-</b>	<b>1,243,894</b>	<b>1,243,894</b>	<b>1,231,594</b>
		=====	=====	=====	=====

**THE ABBEYFIELD WORCESTER SOCIETY LIMITED**

**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2010**

	<u>2010</u>	<u>2009</u>
Gross income	80,848	101,777
Expenditure	(94,947)	(83,074)
	-----	-----
	(14,099)	18,703
Realised (losses)/gains on sales of investments	(2,259)	(51,032)
	-----	-----
<u>Net Income/(Expenditure) for the Year</u>	<u>(16,358)</u>	<u>(32,329)</u>
	=====	=====

**THE ABBEYFIELD WORCESTER SOCIETY LIMITED**

**STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2010**

	<u>2010</u>	<u>2009</u>
Surplus for the year	(14,099)	18 703
Unrealised surplus/(deficit) on investments	28,658	23 333
Realised surplus/(deficit) on investments	(2,259)	(51,032)
Total recognised surpluses and (deficits) for the year	<u>12,300</u>	<u>(8,996)</u>

**BALANCE SHEET AS AT 30 SEPTEMBER 2010**14267

## **THE ABBEYFIELD WORCESTER SOCIETY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 30 SEPTEMBER 2010**

#### **I 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 SHG 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 SHG 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 2010 (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 SHG 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>2010</u>	<u>2009</u>
	£	£
Income from lettings and care service charges	96,052	92,072
<u>Less voids arising from variances and absences</u>	<u>(29,292)</u>	<u>(26,781)</u>
Net income from residents' charges	66,760	65,291
	=====	=====

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 2010** (Continued)

<b>3</b>	<b>OPERATING SURPLUS</b>	<b><u>2010</u></b> <b>£</b>	<b><u>2009</u></b> <b>£</b>
	Operating surplus is stated after charging		
	Independent examination fee	2,261	2,665
	Depreciation - owned assets	6,657 =====	1,831 =====
	Directors' emoluments and other benefits etc	- =====	- =====
<b>4</b>	<b>EMPLOYEE INFORMATION</b>	<b><u>2010</u></b>	<b><u>2009</u></b>
	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	2	4
		----- 4 =====	----- 6 =====
		<b><u>2010</u></b> <b>£</b>	<b><u>2009</u></b> <b>£</b>
	<b>Staff costs (for the above staff)</b>		
	Wages and salaries	36,564	36,816
	Social Security costs	1,999	1,934
	Total	38,563 =====	38,750 =====
	<b>Directors' emoluments</b>	<b><u>2010</u></b>	<b><u>2009</u></b>
	The SORP for Registered Social Landlords defines directors as the members of the Executive Committee	<b>£</b>	<b>£</b>
	The remuneration paid to the directors of the society was	- =====	- =====
	There are no employees with emoluments above £60,000		
	Reimbursement of expenses of £304 (2009 - £486) was paid to three trustees		
<b>5</b>	<b>ACCOMMODATION UNITS</b>	<b><u>2010</u></b>	<b><u>2009</u></b>
	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 2010** (Continued)

**6 TANGIBLE FIXED ASSETS**

	Freehold Property Completed HAG Schemes £	Fixtures and Fittings £	Total £
<b>Cost</b>			
Balance at 1 October 2009	157,755	46,853	204,608
Additions during the year		38,152	38,152
	-----	-----	-----
Balance at 30 September 2010	157,755	85,005	242,760
	=====	=====	=====
<b>Social Housing Grant</b>			
Balance as at 1 October 2009	110,050		110,050
	-----	-----	-----
Balance at 30 September 2010	110,050	-	110,050
	=====	=====	=====
<b>Depreciation</b>			
Balance at 1 October 2009	12,080	29,183	41,263
Charge for the year	755	5,903	6,658
	-----	-----	-----
Balance at 30 September 2010	12,835	35,086	47,921
	=====	=====	=====
<b>Net book value</b>			
As at 30 September 2010	34,870	49,919	84,789
	=====	=====	=====
As at 30 September 2009	35,625	17,670	53,295
	=====	=====	=====

Included in Completed HAG Schemes is freehold land at £10 000 (2009 - £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 £
<b>Cost</b>				
As at 1 October 2009	470,513	76,308	381,628	928,449
Additions during the year	228,206		12,349	240,555
Disposals during the year		(38,091)	(238,160)	(276,251)
	-----	-----	-----	-----
Total investments at cost At 30 September 2010	698,719	38,217	155,817	892,753
	=====	=====	=====	=====
<b>Market values</b>				
As at 30 September 2010	698,719	42,367	192,092	933,178
	=====	=====	=====	=====
As at 30 September 2009	470,513	81,078	360,268	911,859
	=====	=====	=====	=====

Fixed asset investments were valued on an open market basis on 30 September 2010 by Hargreave Hale Ltd, the investment manager of the fund. Investments listed on recognised exchanges were £234,459 (2009 - £441,346). Cash deposits at 30 September 2010 were £698,719 (2009 - £470,513).

**THE ABBEYFIELD WORCESTER SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2010** (Continued)

8	DEBTORS	<u>2010</u> £	<u>2009</u> £
	Rent arrears	22	639
	Accrued interest receivable	405	218
	Prepayments and accrued income	414	427
		-----	-----
		841	1 284
		=====	=====

All debtors fall due within one year

The aggregate amount of rent arrears at 30 September 2010 is £22 (2009 - £639)

9	CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>2010</u> £	<u>2009</u> £
	Residents' charges received in advance	1,528	2,092
	Other taxes and social security	1,731	1,593
	Accruals	4,510	4,340
	Trade creditors	-	11 232
	Security deposits	110	100
		-----	-----
		7,879	19,357
		=====	=====

10	UNRESTRICTED FUNDS	<u>2010</u> £	<u>2009</u> £
	Balance as at 1 October 2009	-	9 548
	Transfer to Designated Reserves	-	(3,000)
	Transfer from Designated Reserves	23,450	2,382
	Surplus/(Deficit) for the year	(23,450)	(8,930)
		-----	-----
	Balance as at 30 September 2010	-	-
		=====	=====
	<b>Representing</b>		
	Tangible fixed assets	84,789	53,295
	Stock	300	300
	Debtors	841	1,284
	Creditors	(7,879)	(19 357)
	Bank overdraft	(78,051)	(35,522)
		-----	-----
		-	-
		=====	=====

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 2010 (Continued)

### 11 DESIGNATED RESERVES

	Cyclical Repair Fund	Development Reserve Fund	2010 Total	2009 Total
	£	£	£	£
<b>Income</b>				
Investment income		12,863	12,863	33,606
Deposit interest	75	413	488	1,316
	75	13,276	13,351	34,922
<b>Expenditure</b>				
Investment Fund management fees		4,000	4,000	3,505
Major repairs			-	3,784
	-	4,000	4,000	7,289
Surplus/(deficit) for the year	75	9,276	9,351	27,633
<b>Other recognised surplus and deficit</b>				
Unrealised (deficits)/surplus on assets held for investment purposes		28,658	28,658	23,333
Realised (deficits)/surplus on assets held for investment purposes		(2,259)	(2,259)	(51,032)
Net movement in funds	75	35,675	35,750	(66)
Transfer (to)/from General Fund		(23,450)	(23,450)	618
	75	12,225	12,300	552
Balance at 1 October 2009	15,009	1,216,585	1,231,594	1,231,042
<b>Balance at 30 September 2010</b>	<b>15,084</b>	<b>1,228,810</b>	<b>1,243,894</b>	<b>1,231,594</b>
<b>Representing</b>				
Investments				
Quoted investments		234,459	234,459	441,346
Broker's deposit asset		263,734	263,734	35,528
COIF Charity Fund		434,985	434,985	434,985
	-	933,178	933,178	911,859
COIF Charity Fund	15,084	82,556	97,640	83,396
Bank account		213,076	213,076	236,339
	15,084	1,228,810	1,243,894	1,231,594

#### 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 SHG 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.

**THE ABBEYFIELD WORCESTER SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2010** (Continued)

**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 2010** (Continued)

<b>13</b>	<b>DETAILED HOSTEL PROPERTY REVENUE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2010</b>	<b><u>2010</u></b> <b>£</b>	<b><u>2009</u></b> <b>£</b>
	<b>Turnover</b>		
	Income from lettings and care service charges	96,052	92,072
	<u>Less</u> Voids arising from vacancies and absences	(29,292)	(26,781)
		-----	-----
		66,760	65,291
	<b>Turnover - Net income from residents' charges</b>		
	Donations etc	737	1,489
		-----	-----
		67,497	66,780
	<b>Other Income</b>		
	PAYE online incentive	-	75
		-----	-----
		67,497	66,855
		=====	=====
	<b>Service costs</b>		
	Care and catering		
	Employee costs	38,563	38,750
	Food costs and cleaning materials	8,812	8,116
	Insurance	1,563	1,692
	Refuse collection	591	556
	Council taxes/rates	1,199	1,165
	Water rates	1,596	1,580
	Heating and lighting	7,815	7,856
	Sundry expenses	658	1,259
	Depreciation		
	Buildings	755	755
	Other	5,903	1,076
		-----	-----
		67,455	62,805
		=====	=====
	<b>Repairs and maintenance</b>		
	Routine maintenance	13,917	5,988
		=====	=====
	<b>Expenditure</b>		
	<b>Management expenses</b>		
	Telephone - administration	724	625
	Membership fee - The Abbeyfield Society	1,259	1,042
	Bookkeeping	1,790	1,440
	Stationery and postage	671	157
	Sundry expenses	252	403
	Officers' expenses	-	304
	Advertising	112	356
	Legal and professional fees	2,506	-
		-----	-----
		7,314	4,327
		=====	=====
	<b>Governance costs</b>		
	Independent examination	2,261	2,665
		=====	=====
	<b>Operating costs</b>	90,947	75,785
		=====	=====
	<b>Hostel property revenue operating surplus/(deficit)</b>	<b>(23,450)</b>	<b>(8,930)</b>
		=====	=====