

**THE ABBEYFIELD BURY SOCIETY LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2003**

**HOPE, REDROBE & CO.  
CHARTERED ACCOUNTANTS  
3 MANCHESTER ROAD  
BURY  
LANCASHIRE**



**Registered in England: Company No: 715471**

# THE ABBEYFIELD BURY SOCIETY LIMITED

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## THE ABBEYFIELD BURY SOCIETY LIMITED

### Directors' Report for the year ended 30<sup>th</sup> September 2003

<b>Officers</b>	Chairman	Mr. M. A. Birch
	Deputy Chairman	Mr. B. Adamson
	Hon. Secretary	Mrs. M. Rothwell
	Hon. Treasurer	Mr. D. Howorth
<b>Directors</b>	(in addition to the above officers)	
	Mrs. S. Lal	Mrs. C. Birch
	Mrs. J. Adamson	Dr. J. Sarginson
		Mrs. L. Howorth
<b>Hon. Medical Officer</b>		Dr. C. Britton
<b>Auditors</b>		Hope, Redrobe & Co.

The directors have pleasure in presenting their report and the financial statements for the year ended 30<sup>th</sup> September 2003.

At the outset I would like to refer to the death of our President Mr. Jack Farraday who died in October last year, and was the only remaining founder member. Jack had held an office in the Society for all its 43 years and had missed very few meetings. He will be sadly missed.

#### Principal activity

The Abbeyfield Bury Society Limited is a company limited by guarantee and not having a share capital. It is a Registered Housing Association and has operated throughout the year as a provider of sheltered housing.

#### Review of business

This is our 42nd Annual General Meeting and despite the stress from Government and European Union changing regulations, the Society is progressing.

The Manchester Road House has been extended and refurbished and was completed in August 2003 at a total cost of £530,000. It now has 10 bedrooms all with en-suite facilities, as well as extra housekeeper's accommodation.

Unfortunately during the year we have lost 5 of our residents, but 4 new ones have joined us. The average age of our residents is now 85.2 years, seven residents being over 90 years old with our eldest resident being 98 years old.

Residents' weekly fees increased in May 2003 to: Tottington Road £159.00; Turks Road £145.00; Bolton Road £135.00; Manchester Road £159.00.

Donations received during the year amounted to £26,981 the larger donations being from:

Bury Football Club (F.A. Community Shield Fund Distribution)	£ 2,500
Grant from Lloyds TSB Foundation	3,000
William Street Foundation	15,000

All donations, large or small, are always gratefully received by our Treasurer and should be sent to:

Mr. D. Howorth c/o Farraday House, 78 Tottington Road, Bury, BL8 1LL

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## THE ABBEYFIELD BURY SOCIETY LIMITED

### Directors' Report for the year ended 30<sup>th</sup> September 2002 (Continued)

As mentioned earlier our Manchester Road House was completed and filled with residents by the end of October 2003. Unfortunately our Bolton Road House has had a low occupancy rate due to the fact that the rooms are not en-suite. Now that Manchester Road is completed the building sub-committee will be looking into ways which we can improve the Bolton Road House.

The committee once more expresses its thanks to the housekeepers, cleaners and administration staff for their continual support, also to our Hon. Medical Officer, Dr. C. Britton, our Collectors Mr. Roy Unsworth and Mr. Joe Birch and also to our regional Officers for their assistance.

Two new volunteers have joined the Committee: Mrs. Julie Mason, with responsibilities for Bolton Road House, and Mrs. Sue Nicholson with responsibilities for Manchester Road House.

The financial results for the year as revealed by the audited accounts show a deficit of £31,930; once again a disappointing result after all our hard work. However when you analyse the income and expenditure account you will see £33,000 of this is due to depreciation on our Tottington Road and Manchester Road properties, and another £25,000 was taken up with relocation expenses for our residents and their furnishings from our Manchester Road House, which was empty for refurbishing from August 2002 to August 2003.

After three years of dedicated work, we now have two first class houses for 14 and 10 residents.

We have fallen behind in our efforts to achieve the Abbeyfield Standard, but hope to complete by the end of 2004. The merger with the Abbeyfield Radcliffe Society is now completed and being managed from our office at Tottington Road. We are due to open negotiations with the Abbeyfield Bolton Society who want to join with another Society.

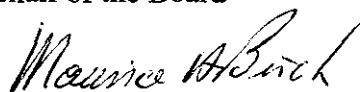
I conclude my report with warm appreciation to the Committee for their continued support to myself and the Abbeyfield Bury Society, to our auditors Hope, Redrobe & Co. and also Andrew Upton of Project Development Workshop (our partners).

I would also like to thank our architects who have worked extremely hard on our behalf.

A special mention must be made of Hope, Redrobe & Co. who have been our accountants for many years. They are merging with Horsfield & Smith, of Walmersley Road, Bury and we wish Arthur and his wife Margery much happiness in their 'semi-retirement'.

All the directors retire at the Annual General Meeting to be held on the 5<sup>th</sup> April 2004, and are eligible for re-election.

On behalf of the Board



Director

11<sup>th</sup> March 2004

# **THE ABBEYFIELD BURY SOCIETY LIMITED**

## **Statement of Directors' Responsibilities**

The directors are required to prepare financial statements for each financial year in accordance with the provisions of the Companies Act 1985. In preparing those financial statements they are required to use suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates.

The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent Auditor's Report to the Members of The Abbeyfield Bury Society Limited**

We have audited the financial statements of The Abbeyfield Bury Society Limited for the year ended 30<sup>th</sup> September 2003 which are set out on pages 5 to 13. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed. We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

# THE ABBEYFIELD BURY SOCIETY LIMITED

## Independent Auditors' Report to the Members of The Abbeyfield Bury Society Limited (Continued)

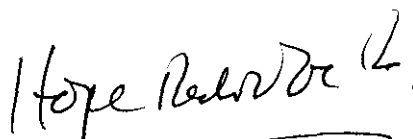
### Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30<sup>th</sup> September 2003 and of its deficit for the year then ended and have been properly prepared in accordance with the requirements of the Housing Act 1996, the Accounting Requirements for Registered Social Landlords General Determination 2000 and the Companies Act 1985.



**Hope, Redrobe & Co.**  
Chartered Accountants  
Registered Auditors

BURY, Lancashire

11<sup>th</sup> March 2004

# THE ABBEYFIELD BURY SOCIETY LIMITED

## Income and Expenditure Account for the year ended 30<sup>th</sup> September 2003

	Notes	2003 £	2002 £
Turnover	2	221,540	175,644
Direct property management costs		(157,786)	(134,677)
Administrative expenses		(124,540)	(78,681)
Other operating income		<u>28,803</u>	<u>570</u>
<b>Operating Deficit</b>	3	(31,983)	(37,144)
Income from fixed asset investments		2,200	6,565
Interest receivable		3,468	479
Amounts written off investments		-	(12,212)
Profit (loss) on sale of investments		<u>(5,615)</u>	<u>757</u>
<b>Deficit for the year</b>		<u>(31,930)</u>	<u>(41,555)</u>

There were no recognised gains and losses for 2003 or 2002 other than those included in the profit and loss account.

*Maurice Birch*

M. A. Birch

Chairman

*M. Rothwell*

M. Rothwell

Secretary

11<sup>th</sup> March 2004

# THE ABBEYFIELD BURY SOCIETY LIMITED

## Balance Sheet as at 30<sup>th</sup> September 2003

	Notes	2003 £	2002 £
<b>Tangible fixed assets</b>	6		
Housing land and buildings		1,572,615	1,043,645
<b>Less: Social housing grant</b>		<u>662,342</u>	<u>370,667</u>
		910,273	672,978
Freehold land		17,035	17,035
Fixtures, fittings, tools and equipment		<u>63,047</u>	<u>48,859</u>
		990,355	738,872
Investments	8	<u>-</u>	<u>152,276</u>
		990,355	891,148
<b>Current assets</b>			
Debtors	7	117,977	818
Investments	8	77,980	56,512
Cash at bank and in hand		<u>21,529</u>	<u>11,618</u>
		217,486	68,948
<b>Creditors: amounts falling due within one year</b>	9	<u>147,312</u>	<u>9,634</u>
<b>Net current assets</b>		<u>70,174</u>	<u>59,314</u>
<b>Total assets less current liabilities</b>		<u>1,060,529</u>	<u>950,462</u>
<b>Creditors: amounts falling due after more than one year</b>			
Housing property finance – Social Housing Grant assisted scheme	10	1	1
<b>Capital and reserves</b>	11		
Accumulated surplus		624,206	541,120
General charitable reserve		<u>436,322</u>	<u>409,341</u>
		<u>1,060,529</u>	<u>950,462</u>

*M. A. Birch*

**M. A. Birch**

Chairman

**M. Rothwell**

Secretary

11<sup>th</sup> March 2003



# THE ABBEYFIELD BURY SOCIETY LIMITED

## Notes to the financial statements for the year ended 30<sup>th</sup> September 2003

### 1 Accounting policies

#### 1.1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention in accordance with applicable accounting standards, the Statement of Recommended Practice: accounting by registered social landlords, issued in March 1999 and the Accounting Requirements for registered social landlords General Determination 2000. They include the results of the Society's operations which are described in the Directors' Report all of which are continuing.

The Society has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### 1.2 Turnover

Turnover represents fees receivable from residents in respect of housing accommodation provided by the Society.

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost net of social housing grant, less depreciation.

The deduction of social housing grant from the cost of property departs from the requirements of Statement of Standard Accounting Practice No.4, but is regarded as necessary to give a true and fair view of the Society's affairs.

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

Freehold Buildings	variously at 1%, 2.5% and 4% per annum straight line
Fixtures and Fittings	15% per annum on the reducing balance

#### 1.4 Social housing grant

Grants received are shown as a deduction from the cost of the relevant property.

#### 1.5 Donations and general charitable reserve

Monetary donations, other than those allocated to special projects, are credited to the income and expenditure account, on a receipts basis and transferred annually to the general charitable reserve.

#### 1.6 Pension costs

The Society operates a defined contribution pension scheme. Contributions are charged to income and expenditure account in the accounting period in respect of which they are payable to the scheme.

# THE ABBEYFIELD BURY SOCIETY LIMITED

## Notes to the financial statements for the year ended 30<sup>th</sup> September 2003

### 2 Particulars of lettings

	2003 £	2002 £
Rents	244,495	188,684
Less: Rent losses from voids	<u>22,955</u>	<u>13,040</u>
	<u>221,540</u>	<u>175,644</u>

### 3 Operating deficit

	2003 £	2002 £
The operating deficit is stated after charging:		
Depreciation of tangible fixed assets	38,910	30,675
Auditors' remuneration	3,290	2,467

### 4 Staff costs

	2003 £	2002 £
Wages and salaries	86,213	75,738
Social security costs	4,617	3,407
Other pension costs	<u>4,628</u>	<u>3,304</u>
	<u>95,458</u>	<u>82,449</u>

The average monthly number of employees during the year was 12 (2002 – 11).  
and the average number expressed in full time equivalents was 8 (2002 – 7).

### 5 Acquisitions

From the beginning of the accounting year the Society took responsibility for managing the house then owned by the Abbeyfield Radcliffe Society Limited. Shortly thereafter the Society acquired, by way of gift, the total net assets of the Abbeyfield Radcliffe Society Limited made up as follows:

	£
Land and buildings	53,423
Plant and equipment	260
Debtors	1,116
Cash	87,897
Sundry creditors	<u>(699)</u>
	<u>141,997</u>

# THE ABBEYFIELD BURY SOCIETY LIMITED

## Notes to the financial statements for the year ended 30<sup>th</sup> September 2003

	2003 £	2002 £
<b>6 Tangible fixed assets</b>		
<b>6.1 Housing land and buildings</b>		
<b>SHG assisted schemes – freehold</b>		
<b>Cost – completed schemes</b>		
At 30 <sup>th</sup> September 2002	1,065,596	768,464
Additions	<u>502,987</u>	<u>38,249</u>
At 30 <sup>th</sup> September 2003	<u>1,568,583</u>	<u>806,713</u>
<b>Social housing grant</b>	<u>662,342</u>	<u>370,667</u>
<b>Depreciation</b>		
At 30 <sup>th</sup> September 2002	73,911	18,833
Charged in year	<u>22,521</u>	<u>17,321</u>
At 30 <sup>th</sup> September 2003	<u>96,432</u>	<u>36,154</u>
<b>Net book value at 30<sup>th</sup> September 2003</b>	<u>809,809</u>	<u>399,892</u>
<b>Non SHG assisted schemes – freehold</b>		
<b>Cost</b>		
At 30 <sup>th</sup> September 2002	85,686	338,335
Additions	<u>78,002</u>	<u>6,233</u>
At 30 <sup>th</sup> September 2003	<u>163,688</u>	<u>344,568</u>
<b>Depreciation</b>		
At 30 <sup>th</sup> September 2002	57,961	66,751
Charged in year	<u>5,263</u>	<u>4,731</u>
At 30 <sup>th</sup> September 2003	<u>63,224</u>	<u>71,482</u>
<b>Net book value at 30<sup>th</sup> September 2003</b>	<u>100,464</u>	<u>273,086</u>
	<b>2003 £</b>	<b>2002 £</b>
<b>6.2 Freehold land – Tottington Road</b>		
At Cost	<u>17,035</u>	<u>17,035</u>

# THE ABBEYFIELD BURY SOCIETY LIMITED

## Notes to the financial statements for the year ended 30<sup>th</sup> September 2003

### 6.3 Fixtures, fittings, tools and equipment

	2003 £	2002 £
<b>Cost</b>		
At 30 <sup>th</sup> September 2002	123,294	117,603
Additions	<u>28,653</u>	<u>5,691</u>
At 30 <sup>th</sup> September 2003	<u>151,947</u>	<u>123,294</u>
<b>Depreciation</b>		
At 30 <sup>th</sup> September 2002	77,775	65,812
Charged in year	<u>11,125</u>	<u>8,623</u>
At 30 <sup>th</sup> September 2003	<u>88,900</u>	<u>74,435</u>
<b>Net book value at 30<sup>th</sup> September 2003</b>	<u>63,047</u>	<u>48,859</u>

### 7 Debtors

	2003 £	2002 £
Prepayments	1,307	818
Housing grant	<u>116,670</u>	<u>-</u>
	<u>117,977</u>	<u>818</u>

# THE ABBEYFIELD BURY SOCIETY LIMITED

## Notes to the financial statements for the year ended 30<sup>th</sup> September 2003

### 8 Investments

	2003 £	2002 £
Listed investments at market value	<u>-</u>	<u>152,276</u>
Current asset investments:		
Bank deposit accounts	72,980	51,512
Loan – Abbeyfield Bramhall Society	<u>5,000</u>	<u>5,000</u>
	<u>77,980</u>	<u>56,512</u>

The cost of listed investments at 30<sup>th</sup> September 2003 amounted to £NIL (2002 £174,026).

### 9 Creditors: amounts falling due within one year

	2003 £	2002 £
Short-term loan National Abbeyfield Society	60,000	-
Trade creditors	-	1,705
Taxes and social security costs	1,362	550
Other creditors	78,174	297
Accruals and deferred income	<u>7,776</u>	<u>7,082</u>
	<u>147,312</u>	<u>9,634</u>

### 10 Housing property finance

	2003 £	2002 £
Mortgage loans – SHG assisted schemes	<u>1</u>	<u>1</u>

The housing mortgage loan is from The Housing Corporation and is secured by a charge on the Society's freehold land and buildings.

# THE ABBEYFIELD BURY SOCIETY LIMITED

## Notes to the financial statements for the year ended 30<sup>th</sup> September 2003

### 11 Reserves

	Accumulated Surplus £	General Charitable Reserve £
At beginning of year	541,120	409,341
Transfer Abbeyfield Radcliffe Society	141,997	-
Surplus (deficit) for the year transferred	<u>(58,911)</u>	<u>26,981</u>
At end of year	<u>624,206</u>	<u>436,322</u>

### 12 Housing stock

	Units under development	Units under management
Hostel accommodation:		
At 1 <sup>st</sup> October 2002	1	32
At 30 <sup>th</sup> September 2003	-	40

### 13 Liability of members

	2003 Number	2002 Number
The Society is a company limited by guarantee and not having a share capital. The number of members, each of whose liability is limited to £1 at the year end was	<u>9</u>	<u>10</u>

### 14 Payments to creditors

The average number of days between receipt and payment of purchase invoices was eighteen.

### 15 Related parties

The Society paid Mr. M. Birch, the Chairman, £6,969 for management services and repair and maintenance work, during the year. There was no balance outstanding at the year end.

# THE ABBEYFIELD BURY SOCIETY LIMITED

## Income and Expenditure Account for the year ended 30<sup>th</sup> September 2003

	2003 £	2002 £
<b>Income</b>		
Residential charges receivable	243,955	188,684
Losses arising from vacancies and absences	<u>22,415</u>	<u>13,040</u>
	221,540	175,644
 Donations	 26,981	 570
Profit on musical evening	1,822	-
Interest receivable	3,468	479
Dividends received	2,200	6,565
Reduction in value of fixed asset investments	-	(12,212)
Profit (loss) on sale of fixed asset investments	<u>(5,615)</u>	<u>757</u>
<b>Total income</b>	<u>250,396</u>	<u>171,803</u>
 <b>Expenditure</b>		
<b>Management expenses</b>		
Insurance	6,449	6,959
Affiliation fee: The Abbeyfield Society	5,915	4,716
Printing, stationery and advertising	1,964	1,920
Computer expenses	2,120	1,524
Auditors' remuneration	3,290	2,467
Honoraria	5,500	501
Bank charges	<u>1,300</u>	<u>1,286</u>
	<u>26,538</u>	<u>19,373</u>
 <b>Repairs and maintenance</b>	 <u>26,786</u>	 <u>21,043</u>

**THE ABBEYFIELD BURY SOCIETY LIMITED**

**Income and Expenditure Account  
for the year ended 30<sup>th</sup> September 2003 (Continued)**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
<b>Service costs</b>		
Care and catering employee costs	95,458	82,449
Agency fees	632	981
Food and other household costs	<u>34,910</u>	<u>30,204</u>
	131,000	113,634
Rates and water	7,114	6,384
Heating and lighting	11,687	11,597
Telephone	3,093	2,573
Depreciation	38,910	30,675
Miscellaneous expenses	10,888	8,079
Refurbishment costs:		
Storage	1,975	-
Insurance	920	-
Temporary accommodation	<u>23,415</u>	<u>-</u>
	<u>229,002</u>	<u>172,942</u>
<b>Total expenditure</b>	<u>282,326</u>	<u>213,358</u>
<b>Total net deficit for the year</b>	<u>(31,930)</u>	<u>(41,555)</u>