ABBEYFIELD LOUGHTON SOCIETY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2001

Registered Number : 758621

LT981203
LD4
COMPANIES HOUSE
0448
26/07/01

ABBEYFIELD LOUGHTON SOCIETY LIMITED

DIRECTORS:	K F Ellis (Chairman) P F Bundock (Secretary) M Farnsworth (Treasurer) R J Davies F James C McNeil
SECRETARY:	P F Bundock
AUDITORS:	Morgan Brown & Spofforth Crown House 151 High Road Loughton Essex IG10 4LG
BANKERS:	Barclays Bank plc Woodford Broadway 33 The Broadway Woodford Green Essex IG8 0HJ
REGISTERED OFFICE:	121 High Road Loughton Essex IG10 4LT

ABBEYFIELD LOUGHTON SOCIETY LIMITED

DIRECTORS' REPORT

The directors present their annual report and the financial statements for the year ended 31st March 2001.

Principal Activity

The principal activity of the Society throughout the year was providing care and accommodation for elderly and lonely persons in accordance with the aims and principles of The Abbeyfield Society Limited.

Review of Activities

During the year the managers flat was refurbished and a washing room was added for residents use. In the light of these improvements, the directors were prompted to reconsider the carrying value of the land and buildings and decided it was unrealistic. They have therefore been revalued to the directors valuation of £650,000 giving rise to a reversal of a previous years provision of £183,109 and the creation of a revaluation surplus of £134,484.

Occupancy during the year was up on last year with all but one unit occupied for the entire year. The Society has therefore managed to generate a surplus for the year on ordinary activities of £22,487, which with the accumulated fund brought forward, is sufficient to finance the Society's activities for the foreseeable future.

Status of Society

The Society is registered under the Companies Act 1985 (registered number 758621) and is a registered charity (number 227729).

Share Capital

The Society is a company limited by guarantee not having a share capital

Investments

Short term investments are acquired and held at the discretion of the directors.

Directors

The directors who served during the year were:-

K F Ellis
M Welham (resigned 21/7/00)
P F Bundock (appointed 21/7/00)
M Farnsworth
M Bonallack (resigned 21/7/00)
F James
C McNeil
R J Davies (appointed 21/7/00)

In accordance with the Articles of Association K F Ellis and F James retire from the Committee at the annual general meeting and offer themselves for re-election.

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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

ABBEYFIELD LOUGHTON SOCIETY LIMITED

DIRECTORS' REPORT

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 1985. 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.

Auditors

The auditors, Morgan Brown & Spofforth, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Exemption

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

By Order of the Board

P F Bundock
Director

20th June 2001

AUDITORS' REPORT TO THE SHAREHOLDERS OF ABBEYFIELD LOUGHTON SOCIETY LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) under the historical cost convention and on the basis of the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on pages 1 and 2, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 31st March 2001 and of its surplus for the year then ended and have been properly prepared in accordance with those provisions of the Companies Act 1985 applicable to small companies.

Morgan Brown & Spofforth.

Morgan Brown & Spofforth
Chartered Accountants & Registered Auditors
Crown House
151 High Road
Loughton
Essex
IG10 4LG

20th June 2001

ABBEYFIELD LOUGHTON SOCIETY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST MARCH 2001

	Notes	2001 Unrestricted Funds £	2000 Unrestricted Funds £
Incoming resources			
Income from residential charges		69,603	60,173
Donations received		945	1,635
Investment income	4	10,248	12,237
		80,796	74,045
Resources expended			
Direct charitable expenditure	5	52,415	54,300
Management expenses	6	5,894	7,143
		58,309	61,443
Net incoming resources before valuations		22,487	12,602
Unrealised gains and losses			
Reversal of prior years loss on revaluation of land and buildings		183,109	-
Net surplus for the year		205,596	12,602
Surplus at beginning of year		561,070	548,468
Surplus at end of year		£ 766,666	£ 561,070

ABBEYFIELD LOUGHTON SOCIETY LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31ST MARCH 2001

		2001 £		2000 £
Net surplus for the year before valuations		22,487		12,602
Revaluation surplus		317,593		-
	£	340,080	£	12,602

ABBEYFIELD LOUGHTON SOCIETY LIMITED

BALANCE SHEET

AS AT 31ST MARCH 2001

	Notes	2001 £	2001 £	2000 £	2000 £
Tangible Fixed Assets					
Housing properties	7		650,000		313,017
Current Assets					
Debtors	8	1,313		1,527	
Investments	9	90,269		65,000	
Cash at bank and in hand		166,219		186,340	
		257,801		252,867	
Creditors: amounts falling due within one year	10	6,651		4,814	
Net Current Assets			251,150		248,053
Total Assets Less Liabilities			£ 901,150		£ 561,070
Financed by:					
Unrestricted reserves:					
Retained surplus	11		766,666		561,070
Revaluation reserve	11		134,484		-
			£ 901,150		£ 561,070

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements on pages 4 to 9 were approved by the board of directors on the date shown below and were signed on its behalf by:

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M Farnsworth - Treasurer 20th June 2001

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Mrs K Ellis - Chairman 20th June 2001

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P F Bundock - Secretary 20th June 2001

The notes on pages 6 to 9 form part of these financial statements

ABBEYFIELD LOUGHTON SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2001

1. STATUS OF SOCIETY

The Society is registered under the Companies Act 1985 (registered number 758621) and is a registered charity (number 227729).

2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

General

The principal accounting policies of the Society are set out in the following sub-paragraphs.

Accounting Basis

These financial statements are prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) and the Statement of Recommended Practice "Accounting by Charities".

Turnover

Turnover comprises rental and service income receivable.

Housing Land and Buildings

The cost of property is the purchase price plus costs of developing the property to enable it to be occupied.

All invoices and architect's certificates relating to capital expenditure are included in the financial statements at gross value provided that the expenditure incurred or the architect's certificate was completed by the end of the accounting year.

Expenditure on any scheme aborted is written-off in the year in which it is recognised that the scheme will not be developed to completion.

Where the directors consider that a property has suffered a permanent diminution in value, the carrying value of the property is written down directly to the Statement of Financial Activities to estimated open market value for existing use. When the directors consider the property value has increased, the carrying value is increased with the surplus being credited directly to the revaluation reserve.

Depreciation

No depreciation is provided on freehold land and buildings as required by Financial Reporting Standard 15. It is company policy to maintain its freehold property to a high standard, because of this the property maintains a residual disposal value in the aggregate at least equal to the book value and accordingly no provision for depreciation is made.

Future Cyclical Repairs and Maintenance

Provision is made for major repairs or cyclical maintenance only where they represent legally binding commitments or obligations at the balance sheet date.

2. ACCOUNTING POLICIES - Continued

Corporation Tax and VAT

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

Investments

Investments held as current assets are stated at the lower of cost and net realisable value.

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

3. OPERATING SURPLUS

	2001 £	2000 £
Residential income	11,294	(1,270)
Donations	945	1,635
	£ 12,239	£ 365

No directors received any emoluments during the year (2000 £Nil).

4. INVESTMENT INCOME

	2001 £	2000 £
Bank and short term deposit interest	9,907	12,237
Dividends receivable from UK listed investments	341	-
	£ 10,248	£ 12,237

5. DIRECT CHARITABLE EXPENDITURE

	2001 £	2000 £
Repairs and maintenance	5,979	12,279
Staff salaries and national insurance	27,496	25,762
Pension contributions	320	-
Food and other household costs	9,720	10,294
Garden maintenance	1,328	1,164
Rates	1,385	1,371
Heating and lighting	3,206	1,884
Advertising and promotion	1,327	-
Telephone	323	295
Television licence and rental	144	136
Insurance	1,187	1,115
	£ 52,415	£ 54,300

ABBEYFIELD LOUGHTON SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2001

6. MANAGEMENT EXPENSES

	2001 £	2000 £
Affiliation fee: The Abbeyfield Society	2,327	2,646
Audit and accountancy	2,498	2,235
Printing, postage and stationery	106	619
Donation	-	360
General expenses	940	1,093
Bank charges	23	190
	£ 5,894	£ 7,143

7. FIXED ASSETS

Freehold Land and Buildings	Land and Buildings Held for Letting £
Cost/Valuation	
At 1st April 2000	313,017
Addition	19,390
Revaluation surplus	317,593
At 31st March 2001	650,000

The property was revalued for existing use at 31st March 2001 by the directors who did not carry out a formal valuation but estimated market value by comparison with similar properties.

The original cost of the property, including improvements, was £515,516.

8. DEBTORS

	2001 £	2000 £
Local authority contributions recoverable	595	595
Other debtors	-	258
Prepayments and accrued income	718	674
	£ 1,313	£ 1,527

ABBEYFIELD LOUGHTON SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2001

9. INVESTMENTS

	2001 £	2000 £
UK Listed investments	£ 90,269	£ 65,000
Investments comprising greater than 5% of investments are as follows:-		
CAF Ethical Plus Fund	25,269	25,000
Jupiter UK Growth Exempt Fund	35,000	35,000
COIF Charities Deposit Fund	30,000	5,000

10. CREDITORS: Amounts falling due within one year

	2001 £	2000 £
Accruals and deferred income	£ 6,651	£ 4,814

11. SHARE CAPITAL AND CONTROLLING PARTY

The Society is a company limited by guarantee not having a share capital.

There is considered to be no controlling party.

12. RECONCILIATION OF MOVEMENT ON RESERVES

	Revenue Reserve £
At 1st April 2000	561,070
Surplus for the year	340,080
At 31st March 2001	£ 901,150

13. AUDITORS REMUNERATION

	2001 £	2000 £
Remuneration charged	£ 1,550	£ 1,550

14. PAYMENT TO MEMBERS, COMMITTEE MEMBERS, OFFICERS ETC

No fees or remuneration are paid or payable to members or officers of the Society other than expenses reimbursed of:-

M Farnsworth	£	244
P Bundock	£	293