

ABBNEYFIELD LOUGHTON SOCIETY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2002
Registered Number : 758621



ABBNEYFIELD LOUGHTON SOCIETY LIMITED

DIRECTORS:

K F Ellis (Chairman)
P F Bundock (Secretary)
M Farnsworth (Treasurer)
R J Davies

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

ABBNEYFIELD LOUGHTON SOCIETY LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2002

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ABBEYFIELD LOUGHTON SOCIETY LIMITED**DIRECTORS' REPORT**

The directors present their annual report and the financial statements for the year ended 31st March 2002. This also represents the Trustees Report which is required by Part VI of the Charities Act 1993.

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 Memorandum and Articles of Association and the aims and principles of The Abbeyfield Society Limited.

Review of Activities

Occupancy during the year was again up on last year with all but one unit occupied for the entire year. A donation of £36,000 was received during the year. Of this £1,500 was spent during the year on improvements to the garden area, the balance will be spent next year, also on improvements to the garden. This leaves £17,230 of the surplus for the year before revaluations to be carried forward for future use. With the accumulated fund brought forward, this is sufficient to finance the Society's activities for the foreseeable future.

It is the Society's policy to cover its operating costs with income from residential charges. Any surplus on investments is set aside for future use to improve the building and facilities for residents.

Constitution of Society

The Society is constituted by its Memorandum and Articles dated 24th April 1963 registered under the Companies Act 1985 (number 758621). It is also a registered charity (number 227729). The accounts have, therefore, been prepared to comply with the Companies Act 1985 and the Statement of Recommended Practice "Accounting and Reporting by Charities". The Society is an affiliated member of The Abbeyfield Society.

Share Capital

The Society is a company limited by guarantee not having a share capital. Each member guarantees to contribute £1 towards the liabilities and costs on winding up.

Investments

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

Risks

The directors have identified the major risks to which the Society is exposed and those risks have been mitigated. The directors are currently formalising their policies which have been in place for many years on an informal basis.

Directors and organisational structure

The directors who served during the year were:-

K F Ellis
P F Bundock
M Farnsworth
M Bonallack (resigned 28 July 2001)
F James (resigned 28 July 2001)
C McNeil (resigned 28 July 2001)
R J Davies

The directors form The Executive Committee of the Society and are responsible for all decision-making. Directors are appointed by the members of the Annual General Meeting.

In accordance with the Articles of Association P F Bundock and M Farnsworth retire from the Committee at the Annual General Meeting and offer themselves for re-election.

ABBNEYFIELD LOUGHTON SOCIETY LIMITED**DIRECTORS' REPORT**

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

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.

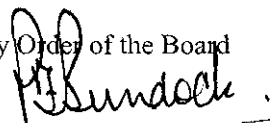
Auditors

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

Date: 28TH MAY, 2002

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
ABBEYFIELD LOUGHTON SOCIETY LIMITED**

We have audited the financial statements of Abbeyfield Loughton Society Limited for the year ended 31 March 2002 set out on pages 4 to 9. These financial statements 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 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 1985. 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.

Basis of audit 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 2002 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.

Audit Assure

Audit Assure
Registered Auditors
Crown House
151 High Road
Loughton
Essex
IG10 4LG

Date: 29 May 2002

ABBNEYFIELD LOUGHTON SOCIETY LIMITED
**STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE INCOME AND
EXPENDITURE ACCOUNT AND STATEMENT OF RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31ST MARCH 2002**

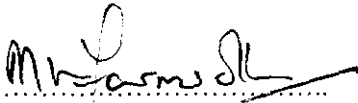
	Notes	2002 £	2001 £
Incoming resources			
Voluntary			
Donations		38,058	945
Charitable activities			
Income from residential charges		73,492	69,603
Investment income	3	9,758	10,248
Total incoming resources		121,308	80,796
Resources expended			
Cost of generating funds			
Advertising and promotion		0	1,327
Charitable expenditure			
Costs of charitable activities	4	62,759	51,088
Management and administration	5	6,425	5,894
Total resources expended		69,184	56,982
Net income for the year before transfers and investment gains and losses		52,124	22,487
Unrealised losses on investments		(14,210)	0
Other recognised gains and losses on fixed assets for the Society's use			
Reversals of prior years loss on revaluation of land and buildings		0	183,109
Unrealised gain on land and buildings		47,973	134,484
Net movement in funds		85,887	340,080
Fund balance brought forward		901,150	561,070
Fund balance carried forward		£ 987,037	£ 901,150

ABBEYFIELD LOUGHTON SOCIETY LIMITED
BALANCE SHEET
AS AT 31ST MARCH 2002

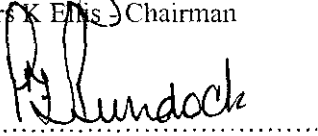
		2002		2001	
	Notes	£	£	£	£
Tangible Fixed Assets					
Housing properties	7		700,000		650,000
Investments	8		121,451		90,269
			<u>821,451</u>		<u>740,269</u>
Current Assets					
Debtors	9	2,246		1,313	
Cash at bank and in hand		171,511		166,219	
		<u>173,757</u>		<u>167,532</u>	
Creditors: amounts falling due within one year	10	8,171		6,651	
Net Current Assets			<u>165,586</u>		<u>160,881</u>
Total Assets Less Liabilities			<u>£ 987,037</u>		<u>£ 901,150</u>
Financed by:					
Unrestricted reserves:					
Retained surplus			818,790		766,666
Revaluation reserve			168,247		134,484
			<u>£ 987,037</u>		<u>£ 901,150</u>

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:


 M Farnsworth - Treasurer


 Mrs K Ellis - Chairman


 P F Bundoock - Secretary

28 May 2002

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

ABBNEYFIELD LOUGHTON SOCIETY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH 2002**

1. STATUS OF SOCIETY

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

2. ACCOUNTING POLICIES***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 and Reporting by Charities".

Incoming Resources

Donations including legacies are accounted for on a receipts basis.

Income from residential charges is accounted for on a straight line and accruals basis.

Investment income is accounted for on an accruals basis.

Resources Expended

All resources expended can be separately identified between different classes of expenditure. There is no need for apportionment.

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. The directors have not carried out an impairment review as in their opinion there are no factors indicating one is necessary.

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.

Corporation Tax and VAT

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

Investments

Investments held as current assets are stated at mid market value at the balance sheet date. Purchases and sales include transaction fees. Realised and unrealised gains and losses are credited/charged to the Statement of Financial Activities.

ABBNEYFIELD LOUGHTON SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2001
2. ACCOUNTING POLICIES - Continued
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.

Funds

The Society has no Restricted or Endowment Funds, all funds are credited to the General Fund held for the future running of the Society.

3. INVESTMENT INCOME

	2002 £	2001 £
Bank and short term deposit interest	9,324	9,907
Dividends receivable from UK listed investments	434	341
	<u>£ 9,758</u>	<u>£ 10,248</u>

4. COSTS OF CHARITABLE ACTIVITIES

	2002 £	2001 £
Repairs and maintenance	11,928	5,979
Staff salaries and costs	29,027	26,440
National Insurance	1,246	1,056
Staff training	376	-
Pension contributions	500	320
Food and other household costs	10,800	9,720
Garden maintenance	1,550	1,328
Rates	1,487	1,385
Heating and lighting	3,924	3,206
Telephone	552	323
Television licence and rental	109	144
Insurance	1,260	1,187
	<u>£ 62,759</u>	<u>£ 51,088</u>

5. MANAGEMENT & ADMINISTRATION

	2002 £	2001 £
Affiliation fee: The Abbeyfield Society	2,073	2,327
Auditors remuneration - audit	1,625	1,550
Auditors remuneration - non-audit	1,160	948
Printing, postage and stationery	173	106
General expenses	1,370	940
Bank charges	24	23
	<u>£ 6,425</u>	<u>£ 5,894</u>

ABBNEYFIELD LOUGHTON SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2001
6. EMPLOYEES

The Society had one full-time equivalent employee this year and last year who runs the accommodation unit.

7. FIXED ASSETS

	Land and Buildings Held for Letting £
Freehold Land and Buildings	
Valuation	
At 1st April 2001	650,000
Addition	2,027
Revaluation surplus	47,973
At 31st March 2002	700,000

The property was revalued for existing use at 31st March 2002 by the directors who did not carry out a formal valuation but estimated market value by comparison with similar properties in the area.

The original cost of the property, including improvements, was £517,543.

8. INVESTMENTS

	2002 £	2001 £
Valuation brought forward	90,269	65,000
Additions	45,392	25,269
Revaluation deficit	(14,210)	-
	£ 121,451	£ 90,269
	2002 £	2001 £
UK Listed investments	46,451	60,269
Other UK investments	75,000	30,000
	£ 121,451	£ 90,269

The historical costs of investments is £135,661.

Investments comprising greater than 5% of investments are as follows:-

	2002 £	2001 £
CAF Ethical Plus Fund	18,352	25,269
Jupiter UK Growth Exempt Fund	28,099	35,000
COIF Charities Deposit Fund	75,000	30,000

The above investments were in previous years included as current assets. The directors now consider these to be long term investments so are now included as fixed assets.

ABBNEYFIELD LOUGHTON SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2002
9. DEBTORS

	2002 £	2001 £
Local authority contributions recoverable	-	595
Prepayments and accrued income	2,246	718
	<u>£ 2,246</u>	<u>£ 1,313</u>

10. CREDITORS: Amounts falling due within one year

	2002 £	2001 £
Accruals and deferred income	£ 8,171	£ 6,651
	<u>£ 8,171</u>	<u>£ 6,651</u>

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. PAYMENT TO MEMBERS, COMMITTEE MEMBERS, OFFICERS, ETC.

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

	2002 £	2001 £
M Farnsworth	396	244
P Bundock	157	293
	<u>553</u>	<u>537</u>

ABBEYFIELD LOUGHTON SOCIETY LIMITED
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2002

	2002		2001	
	£	£	£	£
Income				
Net income from residential charges		73,492		69,603
Donations		38,058		945
Deposit interest		9,324		10,248
Dividends		434		-
		<u>£ 121,308</u>		<u>£ 80,796</u>
Expenditure				
Affiliation fee: The Abbeyfield Society	2,073		2,327	
Audit and accountancy	2,785		2,498	
Printing, postage and stationery	173		106	
Donation	-		-	
General expenses	1,370		940	
Bank charges	24		23	
		<u>6,425</u>		<u>5,894</u>
Repairs and maintenance		11,928		5,979
Employee costs	31,149		27,816	
Food and other household costs	10,800		9,720	
		<u>41,949</u>		<u>37,536</u>
Garden maintenance	1,550		1,328	
Rates	1,487		1,385	
Heating and lighting	3,924		3,206	
Telephone	552		323	
Television licence and rental	109		144	
Insurance	1,260		1,187	
Advertising and promotion	-		1,327	
		<u>8,882</u>		<u>8,900</u>
Total Expenditure		<u>£ 69,184</u>		<u>£ 58,309</u>
Operating Surplus for the Year		52,124		22,487
Reversal of prior year loss on revaluation		-		183,109
Revaluation of land and buildings		47,973		134,484
Revaluation of investments		(14,210)		
		<u>85,887</u>		<u>340,080</u>
Surplus at beginning of year		901,150		561,070
Surplus at end of year		<u>£ 987,037</u>		<u>£ 901,150</u>