ABBEYFIELD LOUGHTON SOCIETY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2003

Registered Number : 758621

L649WQL3
LD3
COMPANIES HOUSE
0396
04/12/03

ABBEYFIELD LOUGHTON SOCIETY LIMITED

DIRECTORS:	K F Ellis (Chairman) P F Bundock (Secretary) M Farnsworth (Treasurer) R J Davies
SECRETARY:	P F Bundock
AUDITORS:	Audit Assure 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

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2003

INDEX

Page Number		
1 - 2	-	Directors' report
3	-	Auditors' report
4	-	Statement of financial activities
5	-	Balance sheet
6 - 9	-	Notes to the financial statements
	For the information of the directors	
10	-	Detailed income and expenditure account

ABBEYFIELD LOUGHTON SOCIETY LIMITED

DIRECTORS' REPORT

The directors present their annual report and the financial statements for the year ended 31st March 2003. 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 remained at the same level as 2001/2002, with on average just one room being vacant for the whole period. The garden improvements started last year were completed at a cost of £13,799 whilst all other costs remained relatively constant. This resulted in a deficit before investment revaluations of £4,649. This, added to the fall in investments of £13,744, gave an overall deficit for the year of £18,393. Despite this deficit the Society has sufficient funds to finance its activities due to its surplus reserves brought forward.

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
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 K F Ellis and R J Davies retire from the Committee at the Annual General Meeting and offer themselves for re-election.

ABBEYFIELD 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 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 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, Audit Assure (formerly 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

29/11/03

Date:

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 2003 set out on pages 4 to 9. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) under the historical cost convention and on the basis of the accounting policies set out on page 6.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 2003 and of its deficit for the year then ended and have been properly prepared in accordance with those provisions of the Companies Act 1985 applicable to small companies.

Crown House
151 High Road
Loughton
Essex
IG10 4LG



AuditAssure

Chartered Accountants
Registered Auditors

Date: 2 December 2003

ABBEYFIELD 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 2003

	Notes	2003 £	2002 £
Incoming resources			
Voluntary			
Donations		1,671	38,058
Charitable activities			
Income from residential charges		73,280	73,492
Investment income	3	8,890	9,758
Total incoming resources being net incoming resources available for charitable application		83,841	121,308
Resources expended			
Charitable expenditure			
Costs of charitable activities	4	82,674	62,759
Management and administration	5	5,815	6,425
Total resources expended		88,490	69,184
Net (outgoing)/incoming resources for the year before transfers and investment gains and losses		(4,649)	52,124
Unrealised losses on investments		(13,744)	(14,210)
Other recognised gains and losses on fixed assets for the Society's use			
Unrealised gain on land and buildings		-	47,973
Net movement in funds		(18,393)	85,887
Fund balance brought forward		987,037	901,150
Fund balance carried forward		£ 968,644	£ 987,037

ABBEYFIELD LOUGHTON SOCIETY LIMITED

BALANCE SHEET

AS AT 31ST MARCH 2003

	Notes	2003 £	2003 £	2002 £	2002 £
Tangible Fixed Assets					
Housing properties	7		700,000		700,000
Investments	8		98,954		121,451
			798,954		821,451
Current Assets					
Debtors	9	2,910		2,246	
Cash at bank and in hand		174,093		171,511	
		177,003		173,757	
Creditors: amounts falling due within one year	10	7,313		8,171	
Net Current Assets			169,690		165,586
Total Assets Less Liabilities			£ 968,644		£ 987,037
Financed by:					
Unrestricted reserves:					
Retained surplus			814,141		818,790
Revaluation reserve			154,503		168,247
			£ 968,644		£ 987,037

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 June 2002).

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 Bundock - Secretary

Date: 29. 11. 03

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 2003

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 June 2002) 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 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 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 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.

ABBEYFIELD LOUGHTON SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2003

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

	2003 £	2002 £
Bank and short term deposit interest	8,645	9,324
Dividends receivable from UK listed investments	245	434
	£ 8,890	£ 9,758

4. COSTS OF CHARITABLE ACTIVITIES

	2003 £	2002 £
Repairs and maintenance	18,226	11,928
Staff salaries and costs	31,459	29,027
National Insurance	1,051	1,246
Staff training	-	376
Pension contributions	320	500
Food and other household costs	11,417	10,800
Garden maintenance	1,471	1,550
Garden landscaping	12,799	-
Rates	1,608	1,487
Heating and lighting	2,687	3,924
Telephone	224	552
Television licence and rental	112	109
Insurance	1,301	1,260
	£ 82,674	£ 62,759

5. MANAGEMENT & ADMINISTRATION

	2003 £	2002 £
Affiliation fee: The Abbeyfield Society	2,354	2,073
Auditors remuneration - audit	823	1,625
Accountancy	1,721	1,160
Printing, postage and stationery	180	173
General expenses	579	1,370
Bank charges	8	24
Charity donations	150	-
	£ 5,815	£ 6,425

ABBEYFIELD LOUGHTON SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2003

6. EMPLOYEES

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

7. FIXED ASSETS

Freehold Land and Buildings	Land and Buildings Held for Letting £
Valuation	
At 1st April 2002	700,000
At 31st March 2003	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

	2003 £	2002 £
Valuation brought forward	121,451	90,269
Additions	6,247	45,392
Disposals	(15,000)	
Revaluation deficit	(13,744)	(14,210)
	£ 98,954	£ 121,451

	2003 £	2002 £
UK Listed investments	33,640	46,451
Other UK investments	66,000	75,000
	£ 99,640	£ 121,451

The historical costs of investments is £135,907.

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

	2003 £	2002 £
CAF Socially Responsible Fund	13,696	18,352
Jupiter UK Growth Exempt Fund	19,257	28,099
COIF Charities Deposit Fund	66,000	75,000

ABBEYFIELD LOUGHTON SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2003

9. DEBTORS

	2003 £	2002 £
Prepayments and accrued income	2,310	2,246
Staff loan	600	-
	£ 2,910	£ 2,246

10. CREDITORS: Amounts falling due within one year

	2003 £	2002 £
Accruals and deferred income	£ 7,313	£ 8,171

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:-

	2003 £	2002 £
M Farnsworth	332	396
P Bundock	88	157
K F Ellis	28	-

ABBEYFIELD LOUGHTON SOCIETY LIMITED

DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2003

	2003			
	£	£	£	£
Income				
Net income from residential charges		73,280		73,492
Donations		1,671		38,058
Deposit interest		8,645		9,324
Dividends		245		434
		£ 83,841		£ 121,308
Expenditure				
Affiliation fee: The Abbeyfield Society	2,354		2,073	
Audit and accountancy	2,544		2,785	
Printing, postage and stationery	180		173	
Donation	150		-	
General expenses	579		1,370	
Bank charges	8		24	
		5,815		6,425
Repairs and maintenance		18,226		11,928
Employee costs	32,830		31,149	
Food and other household costs	11,417		10,800	
		44,247		41,949
Garden maintenance	1,471		1,550	
Garden landscaping	12,799		-	
Rates	1,608		1,487	
Heating and lighting	2,687		3,924	
Telephone	224		552	
Television licence and rental	112		109	
Insurance	1,301		1,260	
		20,202		8,882
Total Expenditure		£ 88,490		£ 69,184
Operating (Deficit)/Surplus for the year		(4,649)		52,124
Reversal of prior year loss on revaluation		-		-
Revaluation of land and buildings		-		47,973
Revaluation of investments		(13,744)		(14,210)
		(18,393)		85,887
Surplus at beginning of year		987,037		901,150
Surplus at end of year		£ 968,644		£ 987,037