

ABBNEYFIELD LOUGHTON SOCIETY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2011

Registered Number: 758621

Registered Charity Number: 227729



ABBNEYFIELD LOUGHTON SOCIETY LIMITED

DIRECTORS AND TRUSTEES

R J Davies (Chairman)
P F Bundock (Secretary)
M Farnsworth (Treasurer)
J Moore
L Richards
J Salt

SECRETARY

P F Bundock

PRESIDENT

J Kennedy

ACCOUNTANTS

Sterlings Accountancy Solutions Ltd
18 Springfield Avenue
Hutton
Brentwood
Essex
CM13 1RE

BANKERS

Barclays Bank plc
Woodford Broadway
33 The Broadway
Woodford Green
Essex
IG8 0HJ

REGISTERED OFFICE

121 High Road
Loughton
Essex
IG10 4LT

INVESTMENT MANAGERS

CCLA Investment Management Limited
COIF Charity Funds
80 Cheapside
London EC2V 6DZ

Jupiter Unit Trust Managers Limited
1 Grosvenor Place
London SW1X 7JJ

ABBEYFIELD LOUGHTON SOCIETY LIMITED**DIRECTORS' REPORT**

The directors present their annual report and the financial statements for the year ended 31st March 2011. This also represents the Trustees Report which is required by Part VI of the Charities Act 1993.

This report has been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities 2005 (revised 2008) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Structure, Governance & Management

2006 (number 758621). It is also a registered charity (number 227729). The accounts have, therefore, been prepared to comply with the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and revised in May 2008. The Society is an affiliated member of The Abbeyfield Society.

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

The directors of the charity are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year and since the year end were as follows:

P F Bundock
M Farnsworth
R J Davies
J Moore
L Richards
J Salt

Recruitment and Appointment

Potential new trustees are recruited in one of two ways. Either the trustees approach someone who they think may be interested and have time to commit to the organisation, or an interested, informed person approaches an executive committee member with a view to joining the committee.

The committee would then formally discuss the applicant's merits and skill sets. Following a formal screening process and a police check, if the committee consider that the applicant would enhance the committee's work, he or she is formally elected.

Induction and Training of Trustees

The charity has a formal induction pack which it gives to all new trustees. This explains to the trustees the duties and responsibilities of the office.

The trustees are also mindful of the requirements of the Deputy Prime Minister's Department (ODPM) 'Supporting People' which requires trustees and staff to attend mandatory, regular training courses on a variety of topics.

The trustees form The Executive Committee of the Society and are responsible for all decision-making. Trustees are appointed on a rotational basis by the members at the Annual General Meeting.

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

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**

Risk Management

The main areas of risk to the charity are financial and physical. The trustees undertake a formal risk assessment on a frequent basis to ensure that physical risks such as loose carpet, which could pose a risk to residents, are identified and dealt with early.

Staff are subject to police screening and training for key areas in Health and Safety, Food Hygiene and Abuse.

Fire drills and the regular testing of fire alarms are undertaken often to ensure staff and residents are aware of the emergency procedures. Each resident's room has displayed fire evacuation procedures and a panic button in case of emergency. In addition, residents are offered pendant personal alarm systems.

Investments are made with the ultimate aim of high liquidity, maximum yield with very low capital risk.

Objectives & Activities

The principal activity of the charity 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.

The trustees regularly review the needs and the facilities provided for the residents with a view to carrying out such work as maybe required, to improve and enhance the residents' quality of life.

No major projects were undertaken during the year other than the usual ongoing repairs and general upkeep of the building and garden.

It is the charity'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.

Achievements & Performance

The aim of the trustees is to ensure full occupancy of the home. The average occupancy for the year was 6.5 rooms from a total of 8, at the end of the year there was full occupancy.

Financial Review

Income increased from last year as a result of a better occupancy rate. Expenditure was consistent with previous years other than legal and professional costs, which increased due to an application for planning permission being submitted (see below for explanation). The continued low interest rate has resulted in a further reduction in interest received from capital invested in bank savings accounts to £639 compared with £1,771 in 2010. This has resulted in a deficit before property and investment revaluations of £14,380. However the charity is fortunate to have benefited from the recovery in financial markets and a rise in the value of investments, this has resulted in a deficit of £5,965 for 2011.

Due to the low occupancy levels over the past few years, the Trustees researched the possibility of selling the property and using the funds generated to pursue the charities objectives. Under the advice of property agents, planning permission was also sought and obtained which raised the property valuation.

During the year the charity was bequeathed a share portfolio with a valuation of around £318,000. This had not been received by the charity at the year end, so will be shown as income in the next financial year.

Reserves Policy

As at 31 March 2011, the total unrestricted reserves of the charity stands at £1,994,909, which includes the revaluation reserve of £1,182,457.

Income from residents covers all the general expenses of running a home including internal decorations and minor repairs. The investment income is generally used to fund capital expenditure or major work.

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

ABBNEYFIELD LOUGHTON SOCIETY LIMITED**DIRECTORS' REPORT**

Plans For Future Periods

Care is taken to ensure that when any new resident is entered into the accommodation, it is newly cleaned, redecorated and, where necessary, re-carpeted. Every effort is made to ensure that the new resident integrates with the other residents. A trial of 3 to 4 days is therefore mandatory, to ensure that the resident and home are compatible.

There are no plans for any major works on the building or garden other than general up keep.

Trustees' responsibilities in relation to the financial statements

The trustees who are also directors of Abbeyfield Loughton Society Ltd for the purposes of company law are responsible for preparing the Trustees Annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom generally Accepted Accounting Practice).

The law applicable to charitable companies in England & Wales (company law) requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources including the income and expenditure of the charitable company for that period. In preparing these financial statements the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures
- disclosed and explained in the financial statements and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2006, the Charity (Accounts and Reports) Regulations 2008 and the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Board of Trustees



P E Bundoock
Trustee

Date 23RD MAY, 2011

**INDEPENDENT EXAMINERS' REPORT TO THE TRUSTEES OF
ABBEYFIELD LOUGHTON SOCIETY LIMITED**

I report on the financial statements for the year ended 31 March 2011 set out on pages 5 to 10

Respective responsibilities of trustees and examiner

The trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the act) and that an independent examination is needed. I am qualified to undertake the examination by being a qualified member of The Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination it is my responsibility to

- examine the accounts under section 43 of the act
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 43(7)(b) of the act, and
- to state whether particular matters have come to my attention

Basis of independent examiner's statement

My examination was carried out in accordance with 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 seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a true and fair view and the report is limited to those matters set out in the statement below.

Independent examiners statement

In connection with my examination, no matter has come to my attention

- 1 which gives me reasonable cause to believe that in, any material respect, the requirements to
 - to keep accounting records in accordance with section 386 of the companies Act 2006, and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of section 396 of the companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by Charitieshave not been met, or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached



David Parker FCA
Institute of Chartered Accountants in England & Wales
Sterlings Accountancy Solutions Limited
18 Springfield Avenue
Hutton
Brentwood
Essex
CM13 1RE

Date 26 May 2011

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 2011**

	Notes	Unrestricted £	2011 Restricted £	Total £	2010 Total £
Incoming resources					
Incoming resources from generated funds					
Voluntary					
Donations		750	-	750	750
Activities for generating funds					
Investment income	3	639	-	639	1,771
Incoming resources from charitable activities					
Income from residential charges		83,395	-	83,395	76,376
Other incoming resources		-	-	-	-
Total incoming resources being net incoming resources available for charitable application		84,784	-	84,784	78,897
Resources expended					
Charitable expenditure					
Costs of charitable activities	4	81,732	-	81,732	80,747
Governance costs	5	17,432	-	17,432	6,946
Total resources expended		99,164	-	99,164	87,693
Net incoming/(outgoing) resources for the year before transfers and investment gains and losses being the surplus/(deficit) for the year for Companies Act purposes		(14,380)	-	(14,380)	(8,796)
Unrealised surplus/(deficit) on investments		8,415	-	8,415	20,362
Other recognised gains and losses on fixed assets for the Society's use					
Unrealised gain on land and buildings		-	-	-	-
Net movement in funds		(5,965)	-	(5,965)	11,566
Fund balance brought forward		2,000,874	-	2,000,874	1,989,308
Fund balance carried forward		£ 1,994,909	£ -	£ 1,994,909	£ 2,000,874

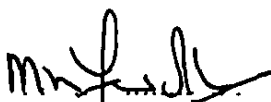
- All transactions are derived from continuing activities
- There are no gains or losses for the year other than those recognised in the Statement of Financial Activities

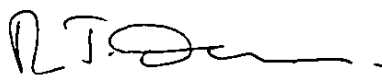
ABBNEYFIELD LOUGHTON SOCIETY LIMITED
BALANCE SHEET
AS AT 31ST MARCH 2011

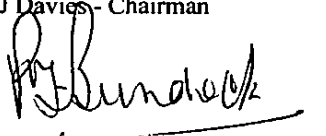
	Notes	2011 £	2010 £
Tangible Fixed Assets			
Housing properties	7	1,700,000	1,700,000
Investments	8	190,921	182,506
		<u>1,890,921</u>	<u>1,882,506</u>
Current Assets			
Debtors	9	1,260	502
Cash at bank and in hand		106,790	122,740
		<u>108,050</u>	<u>123,242</u>
Creditors amounts falling due within one year	10	4,062	4,874
Net Current Assets		<u>103,988</u>	<u>118,368</u>
Total Assets Less Liabilities		<u>£ 1,994,909</u>	<u>£ 2,000,874</u>
Financed by:			
Unrestricted reserves:			
Retained surplus	11	812,452	827,213
Revaluation reserve	11	1,182,457	1,182,457
	11	<u>£ 1,994,909</u>	<u>£ 2,009,670</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the financial reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the board of directors on the date shown below and were signed on its behalf by


M Farnsworth - Treasurer


R J Davies - Chairman


P F Bundock - Secretary

Date 23RD MAY 2011

The notes on pages 7 to 10 form part of these financial statements

ABBNEYFIELD LOUGHTON SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2011

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

The financial statements are prepared under the historical cost convention, as modified to include the revaluation of certain fixed assets and in accordance with the Financial reporting Standards for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice SORP (revised 2005), Accounting and Reporting by Charities

Incoming Resources

Income from donations is included in incoming resources when these are receivable

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 fallen below recoverable amount, 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

Freehold property is carried at cost/valuation and is not depreciated. 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. This represents a departure from the Companies Act 2006 which requires depreciation to be charged on tangible fixed assets. The directors consider this departure to be necessary to give a true and fair view.

If this departure from the Act had not been made, the profit for the year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

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.

ABBNEYFIELD LOUGHTON SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2011

2. ACCOUNTING POLICIES - Continued

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.

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

	2011	2010
	£	£
Bank and short term deposit interest	639	1,771
	<u>£ 639</u>	<u>£ 1,771</u>

4. COSTS OF CHARITABLE ACTIVITIES

	2011	2010
	£	£
Repairs and maintenance	7,069	7,934
Staff salaries and costs	45,407	44,396
National Insurance	2,495	2,544
Pension contributions	116	180
Food and other household costs	10,447	9,430
Garden maintenance	3,466	3,333
Rates	2,468	2,416
Heating and lighting	7,135	7,216
Telephone	492	581
Television licence and rental	146	143
Insurance	1,665	1,747
Advertising	826	827
	<u>£ 81,732</u>	<u>£ 80,747</u>

5. GOVERNANCE COSTS

	2011	2010
	£	£
Affiliation fee The Abbeyfield Society	1,366	1,436
Auditors remuneration - audit	-	-
Accountancy	2,932	2,256
Legal and professional	10,431	519
Printing, postage and stationery	297	406
General expenses	2,406	2,329
	<u>£ 17,432</u>	<u>£ 6,946</u>

ABBNEYFIELD LOUGHTON SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2011

6. EMPLOYEES

The Society had 7 (20010 - 8) employees, amounting to one full-time equivalent employee, who run the accommodation unit. No employee earns more than £60,000 per annum.

7. FIXED ASSETS

	Land and buildings held for letting £
Freehold Land and Buildings	
Valuation	
At 1st April 2010	1,700,000
Revaluation surplus	-
At 31st March 2011	£ 1,700,000

The property revaluation was last amended in the accounts for the year ended 31 March 2007. The valuation was carried out by Heather Thirtle F R I C S on 22nd May 2007, on the basis of the open market value for existing use.

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

8. INVESTMENTS

	2011 £	2010 £
Valuation brought forward	182,506	169,144
Additions	-	-
Disposals	-	(7,000)
Revaluation surplus/(deficit)	8,415	20,362
	£ 190,921	£ 182,506
	2011 £	2010 £
UK Listed investments	73,921	65,506
Other UK investments	117,000	117,000
	£ 190,921	£ 182,506

The historical costs of investments is £178,425.

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

	2011 £	2010 £
F & C Stewardship Income & International Funds	24,024	21,773
Jupiter UK Alpha Fund	49,897	43,733
COIF Charities Deposit Fund	117,000	117,000

ABBEYFIELD LOUGHTON SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2011

9. DEBTORS

	2011	2010
	£	£
Prepayments and accrued income	1,260	502
	<u>£ 1,260</u>	<u>£ 502</u>

10. CREDITORS Amounts falling due within one year

	2011	2010
	£	£
Accruals and deferred income	£ 4,062	£ 4,874
	<u>£ 4,062</u>	<u>£ 4,874</u>

11. RESERVES

	Freehold Revaluation Reserve £	Investments Revaluation Reserve £	Unrestricted Reserve £	Total £
At 1 April 2010	1,182,457	-	818,417	2,000,874
Operating deficit for the year	-	-	(14,380)	(14,380)
Revaluation surplus in the year	-	-	8,415	8,415
At 31 March 2011	<u>£ 1,182,457</u>	<u>£ -</u>	<u>£ 812,452</u>	<u>£ 1,994,909</u>

12. SHARE CAPITAL AND CONTROLLING PARTY

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

There is considered to be no controlling party

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

Payments to members of the Society for travel and sundry expenses reimbursed and ex gratia payments are as follows -

	2011	2010
	£	£
M Farnsworth (includes ex gratia payment of £1,500)	1,685	1,723
P Bundock (includes ex gratia payment of £1,500)	2,375	1,789
R J Davies	6	96
J Moore	61	124
	<u>£ 4,127</u>	<u>£ 3,732</u>

The ex gratia payments made to M Farnsworth and P Bundock are in respect of accounting and secretarial duties performed, respectively, for the charity in the year

The trustees did not receive any remuneration during the year.