

**REPORT OF THE COMMITTEE TO THE MEMBERS OF  
HEREFORD SOCIETY FOR AIDING THE INDUSTRIOUS  
A COMPANY LIMITED BY GUARANTEE**

The Committee present their Report and Audited Financial Statements for the year ended 5th April 2007.

**Statement of Committee Members' Responsibilities**

Company Law requires the committee members 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 committee members 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 committee members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to 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.

**Principal Activities**

The principal activities of the Company continue to be the maintenance of almshouses in Bath Street and Friar Street, Hereford and to provide assistance to those in need who are seeking to better themselves by their own efforts

**Committee**


Committee members during the year were as follows:

|                   |                            |
|-------------------|----------------------------|
| H G M Bricknell   | (Chairman)                 |
| G E Kent          |                            |
| J C Holland       | (Resigned 16 October 2006) |
| Dr R G Miller     |                            |
| M Jones           |                            |
| C R George        |                            |
| Mrs J E O'Donnell |                            |
| Mrs M E Phillips  |                            |
| R G V Weston      |                            |
| T Nellist         | (Appointed 17 July 2006)   |

**Auditors**

In accordance with Section 385 of the Companies Act 1985 a resolution reappointing Thorne Widgery as Auditors will be put to the Annual General Meeting.

This Report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the Committee on 17 September 2007 and signed on their behalf.

  
H G M BRICKNELL  
Chairman  
18 Venns Close,  
Hereford.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**HEREFORD SOCIETY FOR AIDING THE INDUSTRIOUS**  
**A COMPANY LIMITED BY GUARANTEE**

We have audited the financial statements of Hereford Society for Aiding the Industrious on pages 3 to 8 for the year ended 5 April 2007. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

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 THE COMMITTEE MEMBERS AND AUDITORS**

As described in the report of the committee, the committee members are responsible for the preparation of 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 report to you if, in our opinion, the report of the committee is consistent with the financial statements. We also report to you if in our opinion 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 committee members remuneration and transactions with the company is not disclosed.

We read the report of the committee 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 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 committee 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 as to whether 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Charity's affairs as at 5 April 2007 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- The financial statements have been properly prepared in accordance with the Companies Act 1985, and
- The information given in the Report of the Committee is consistent with the financial statements.

  
**THORNE WIDGERY**  
Chartered Accountants  
Registered Auditors  
HEREFORD

17 September 2007

**HEREFORD SOCIETY FOR AIDING THE INDUSTRIOUS**

**A COMPANY LIMITED BY GUARANTEE**

**SURPLUS ACCOUNT FOR THE YEAR ENDED 5TH APRIL, 2007**

|  | <u>2007</u><br>£ | <u>2006</u><br>£ |
|--|------------------|------------------|
| Almshouse and Investment Income  | 97,389           | 85,949           |
| Almshouse costs and donations  | <u>69,362</u>    | <u>70,335</u>    |
| <b><u>Gross Surplus</u></b>  | 28,027           | 15,614           |
| Administrative expenses  | <u>15,407</u>    | <u>15,021</u>    |
| Operating Surplus (Deficit)  | 12,620           | 593              |
| Surplus (Deficit) on disposal of fixed asset investments               | <u>1,326</u>     | <u>10,824</u>    |
| <b><u>Surplus (Deficit) on ordinary activities before interest</u></b> | 13,946           | 11,417           |
| Surplus on Maintenance Reserve   | -                | -                |
| Interest receivable  | <u>508</u>       | <u>458</u>       |
| Retained Surplus (Deficit) for the Year                                | 14,454           | 11,875           |
| Realised Investment Valuation Surpluses                                | 8,954            | 18,236           |
| Retained Surplus brought forward                                       | <u>482,529</u>   | <u>452,418</u>   |
|  | <u>505,937</u>   | <u>482,529</u>   |

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

**FOR THE YEAR ENDED 5TH APRIL, 2007**

|   | <u>2007</u><br>£ | <u>2006</u><br>£ |
|---|------------------|------------------|
| Surplus (Deficit) for the financial year                                  | 14,454           | 11,875           |
| Unrealised Surplus (Deficit) on revaluation of investments                | 61,468           | 98,047           |
| Excess (Deficit) of annual maintenance allocation over actual expenditure | <u>(40,915)</u>  | <u>42,438</u>    |
| Total recognised gains (losses) for the Year                              | <u>35,007</u>    | <u>152,360</u>   |

**NOTE OF HISTORICAL COST SURPLUSES AND DEFICITS**

**FOR THE YEAR ENDED 5TH APRIL, 2007**

|  | <u>2007</u><br>£ | <u>2006</u><br>£ |
|--|------------------|------------------|
| Surplus (Deficit) for the financial year                 | 14,454           | 11,875           |
| <b><u>Less</u></b> Surplus (Deficit) on asset disposals  | <u>(1,326)</u>   | <u>(10,824)</u>  |
| Surplus (Deficit) on asset disposals over original cost  | <u>5,579</u>     | <u>29,060</u>    |
| Historical Cost Surplus (Deficit) for the financial year | <u>18,707</u>    | <u>30,111</u>    |

**HEREFORD SOCIETY FOR AIDING THE INDUSTRIOUS**

**A COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 5TH APRIL, 2007**

|   | <b><u>2007</u></b>                  |                                   | <b><u>2006</u></b>           |
|---|-------------------------------------|-----------------------------------|------------------------------|
|   | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Designated<br/>Funds<br/>£</b> | <b>Total<br/>Funds<br/>£</b> |
| <b><u>INCOME AND EXPENDITURE</u></b>  |                                     |                                   |                              |
| <b><u>Incoming Resources</u></b>  |                                     |                                   |                              |
| Incoming resources from Charitable activities:                                    |                                     |                                   |                              |
| Almshouse Income  | 50,783                              | -                                 | 50,783                       |
| Incoming resources from generated funds:  |                                     |                                   |                              |
| Investment Income   | 47,114                              | -                                 | 47,114                       |
| <b><u>Total Incoming Resources</u></b>  | <b><u>97,897</u></b>                | <b><u>-</u></b>                   | <b><u>97,897</u></b>         |
| <b><u>Resources Expended</u></b>  |                                     |                                   |                              |
| Costs of generating funds:  |                                     |                                   |                              |
| Investment Management costs   | -                                   | -                                 | -                            |
| Charitable Activities:  |                                     |                                   |                              |
| Grants Payable  | 8,211                               | -                                 | 8,211                        |
| Almshouse Expenditure   | 2,825                               | 99,242                            | 102,067                      |
| Governance Costs:   |                                     |                                   |                              |
| Management and Administration   | 15,407                              | -                                 | 15,407                       |
| <b><u>Total Resources Expended</u></b>  | <b><u>26,443</u></b>                | <b><u>99,242</u></b>              | <b><u>125,685</u></b>        |
| <b><u>Net Incoming Resources<br/>Before Transfers</u></b>                         | <b><u>71,454</u></b>                | <b><u>(99,242)</u></b>            | <b><u>(27,788)</u></b>       |
| <b><u>Gross Transfers between funds</u></b>                                       | <b><u>(58,327)</u></b>              | <b><u>58,327</u></b>              | <b><u>-</u></b>              |
| <b><u>Net Incoming Resources before other<br/>Recognised gains and losses</u></b> | <b><u>13,127</u></b>                | <b><u>(40,915)</u></b>            | <b><u>(27,388)</u></b>       |
| <b><u>OTHER RECOGNISED GAINS OR LOSSES</u></b>                                    |                                     |                                   |                              |
| Realised Gains (Losses) on<br>Investment disposals                                | 1,326                               | -                                 | 1,326                        |
| Unrealised Gains (Losses) on<br>investment revaluations                           | 61,468                              | -                                 | 61,468                       |
| <b><u>Net Movement in Funds</u></b>   | <b><u>75,921</u></b>                | <b><u>(40,915)</u></b>            | <b><u>35,006</u></b>         |
| <b><u>Total Funds brought forward</u></b>   | <b><u>815,131</u></b>               | <b><u>42,438</u></b>              | <b><u>857,569</u></b>        |
| <b><u>Total Funds carried forward</u></b>   | <b><u>891,052</u></b>               | <b><u>1,523</u></b>               | <b><u>892,575</u></b>        |

**HEREFORD SOCIETY FOR AIDING THE INDUSTRIOUS**

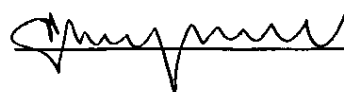
**A COMPANY LIMITED BY GUARANTEE**

**BALANCE SHEET - 5TH APRIL, 2007**

|   | <u>Note</u> | <u>2007</u>    | <u>2006</u>    |
|---|-------------|----------------|----------------|
|   |             | £              | £              |
| <b><u>FIXED ASSETS</u></b>                                    |             |                |                |
| Tangible Assets   | (1[b],3)    | 3,210          | 5,710          |
| Investments   | (4)         | <u>874,237</u> | <u>829,060</u> |
| <b><u>CURRENT ASSETS</u></b>                                  |             |                |                |
| Debtors   | (5)         | 2,396          | 2,950          |
| Cash at bank and in hand                                      |             | <u>14,622</u>  | <u>21,024</u>  |
|   |             | <u>17,018</u>  | <u>23,974</u>  |
| <b><u>CREDITORS</u></b> - amounts falling due within one year | (6)         | <u>1,890</u>   | <u>1,175</u>   |
| <b><u>NET CURRENT ASSETS</u></b>                              |             | <u>15,128</u>  | <u>22,799</u>  |
| <b><u>NET ASSETS</u></b>                                      |             | <u>852,575</u> | <u>857,569</u> |
| <b><u>RESERVES</u></b>  |             |                |                |
| Maintenance Reserve   | (7)         | 1,523          | 42,438         |
| Investment Revaluation Reserve                                | (8)         | 385,116        | 332,602        |
| Surplus Account   |             | <u>505,936</u> | <u>482,529</u> |
| <b><u>TOTAL RESERVES</u></b>                                  | (9)         | <u>892,575</u> | <u>857,569</u> |

The officers of the Company have taken advantage, in the preparation of these accounts, of special exemptions applicable to small companies on the grounds that the Company qualifies as a small company by virtue of Section 247 of the Companies Act 1985.

These accounts were approved by the committee on 17 September 2007 and signed on its behalf.

 **H G M BRICKNELL** (Chairman)

**HEREFORD SOCIETY FOR AIDING THE INDUSTRIOUS**  
**A COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5TH APRIL, 2007**

**1. ACCOUNTING POLICIES**

The accounting policies adopted by the Company are set below and are consistent with those previously adopted.

**(a) Basis of Accounting**

The financial statements are prepared on the historical cost basis, with the exception of investments, and in accordance with the statement of recommended practice for accounting by Charities and include the results of the Company's activities as described in the report of the committee, all of which are continuing

**(b) Fixed Assets**

The original costs of Venns Close Memorial Homes and John Venn Memorial Homes and improvements to both properties were written off over ten years on a straight line basis. Office equipment is depreciated on a reducing balance basis at an annual rate of 20%. An office building is being depreciated on a straight line basis over ten years from the date of completion and occupation.

**(c) Investments**

In accordance with the Statement of Recommended Accounting practice for Charities, investments are stated at open market valuation.

**(d) Maintenance**

The cost of maintaining the Almshouses is accounted for on a five-year basis, with an annual allocation charged to the surplus account from a maintenance reserve, with actual expenditure in the year charged against the reserve.

**2. SURPLUS ON ORDINARY ACTIVITIES**

The surplus is stated after charging:

| <u>2007</u> | <u>2006</u> |
|-------------|-------------|
| £           | £           |

|                        |              |              |
|------------------------|--------------|--------------|
| Depreciation           | 2,500        | 2,527        |
| Auditors' Remuneration | <u>1,100</u> | <u>1,000</u> |

**3. TANGIBLE ASSETS**

|                              | <u>Total</u>   | <u>Almshouses</u> | <u>Office</u> | <u>Office<br/>Equipment</u> |
|------------------------------|----------------|-------------------|---------------|-----------------------------|
|                              | £              | £                 | £             | £                           |
| Cost:                        |                |                   |               |                             |
| At beginning and end of year | <u>141,044</u> | <u>114,173</u>    | <u>23,957</u> | <u>2,914</u>                |
| Accumulated depreciation:    |                |                   |               |                             |
| At beginning of Year         | 135,334        | 114,173           | 18,769        | 2,392                       |
| Provision for the Year       | <u>2,500</u>   | -                 | <u>2,396</u>  | 104                         |
| At end of Year               | <u>137,834</u> | <u>114,173</u>    | <u>21,165</u> | <u>2,496</u>                |
| Net book value:              |                |                   |               |                             |
| At beginning of Year         | 5,710          | -                 | 5,188         | 522                         |
| At end of Year               | <u>3,210</u>   | -                 | <u>2,792</u>  | <u>418</u>                  |

**HEREFORD SOCIETY FOR AIDING THE INDUSTRIOUS**

**A COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5TH APRIL, 2007 (CONTINUED)**

|    |  |                     |  |  |
|----|--|---------------------|--|--|
| 4. | <b><u>INVESTMENTS</u></b>  | <b><u>Cost</u></b>  | <b><u>Valuation</u></b>                |  |
|    |  | £                   | £                                      |  |
|    | Opening Balance  | 496,458             | 829,060                                |  |
|    | Additions  | 7,599               | 7,599                                  |  |
|    | Sales  | (20,515)            | (23,890)                               |  |
|    | Surplus (Deficit) on revaluation   | <u>5,579</u>        | <u>61,468</u>                          |  |
|    | Closing balance  | <u>489,121</u>      | <u>874,237</u>                         |  |
| 5. | <b><u>DEBTORS</u></b>  | <b><u>2007</u></b>  | <b><u>2006</u></b>                     |  |
|    |  | £                   | £                                      |  |
|    | <u>Due within one year:</u>  |                     |  |  |
|    | Loans  | 2,396               | -                                      |  |
|    | Other Debtors  | <u>-</u>            | <u>2,950</u>                           |  |
|    |  | <u>2,396</u>        | <u>2,950</u>                           |  |
| 6. | <b><u>CREDITORS</u></b> - Amounts falling due within one year                    | <b><u>2007</u></b>  | <b><u>2006</u></b>                     |  |
|    |  | £                   | £                                      |  |
|    | Accruals and deferred income   | <u>1,890</u>        | <u>1,175</u>                           |  |
| 7. | <b><u>MAINTENANCE RESERVE</u></b>  | <b><u>Total</u></b> | <b><u>John Venn Memorial Homes</u></b> | <b><u>Venns Close Memorial Homes</u></b> |
|    |  | £                   | £                                      | £  |
|    | Balance brought forward  | 42,438              | 16,596                                 | 25,842                                   |
|    | Annual allocation - Year 2   | 58,327              | 19,881                                 | 38,446                                   |
|    | Expenditure in the Year  | (99,242)            | (21,710)                               | (77,532)                                 |
|    | Balance carried forward  | <u>1,523</u>        | <u>14,767</u>                          | <u>(13,244)</u>                          |
| 8  | <b><u>INVESTMENT REVALUATION RESERVE</u></b>                                     | <b><u>2007</u></b>  | <b><u>2006</u></b>                     |  |
|    |  | £                   | £                                      |  |
|    | Opening balance  | 332,602             | 252,791                                |  |
|    | Revaluation deficit (surplus) on investments sold transferred to Surplus account | (8,954)             | (18,236)                               |  |
|    | Surplus (Deficit) on revaluation in the current year                             | <u>61,468</u>       | <u>98,047</u>                          |  |
|    | Closing Balance  | <u>385,116</u>      | <u>332,602</u>                         |  |

**HEREFORD SOCIETY FOR AIDING THE INDUSTRIOUS**  
**A COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5TH APRIL, 2007 (CONTINUED)**

| 9. <u>MOVEMENTS ON RESERVES</u>                 | <u>2007</u>    | <u>2006</u>    |
|---|----------------|----------------|
| Surplus (Deficit) for the Year                  | 14,453         | 11,875         |
| Transfers to (from) Maintenance reserve         | (40,915)       | 42,438         |
| Surplus (Deficit) on Revaluation of Investments | 61,468         | 98,047         |
| Opening Reserves                                | <u>857,569</u> | <u>705,209</u> |
| Closing Reserves                                | <u>892,575</u> | <u>857,569</u> |

| 10. <u>DIRECT CHARITABLE EXPENDITURE</u> | <u>2007</u><br>£ | <u>2006</u><br>£ |
|--|------------------|------------------|
| Grants Payable                           |                  |                  |
|  | 4,490            | 3,776            |
| To Institutions                          | <u>3,721</u>     | <u>5,057</u>     |
| To Individuals                           | <u>8,211</u>     | <u>8,833</u>     |

Grants to Institutions include:

|   |       |       |
|---|-------|-------|
| Marches Family Network                      | 1,000 | -     |
| Hereford Headway                            | 1,000 | -     |
| Friends of the Community House for Children |       |       |
| With Disabilities                           | -     | 1,000 |
| Longtown Mountain Rescue                    | 1,000 | -     |

Grants payable to individuals in 2007  
numbered 13 (2006 - 10)

| 11. <u>MANAGEMENT AND ADMINISTRATION</u> | <u>2007</u><br>£ | <u>2006</u><br>£ |
|--|------------------|------------------|
| Staff Salaries and Expenses              | 8,948            | 8,414            |
| Insurance                                | 602              | 710              |
| Audit                                    | 1,000            | 1,000            |
| Office establishment costs               | <u>3,757</u>     | <u>4,603</u>     |
|  | <u>14,307</u>    | <u>14,727</u>    |

Included in the costs of insurance stated above is cover to protect the charity and its trustees against neglect or default of £378 (2006 - £378)

Salaries paid amount to £7,006 (2006 - £6,905) in respect of two members of staff.