

REGISTERED COMPANY NUMBER: 0738023 (England and Wales)
REGISTERED CHARITY NUMBER: 220392
TENANT SERVICE AUTHORITY NUMBER HO374

REPORT OF THE EXECUTIVE COMMITTEE AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012
FOR
ABBNEYFIELD SOLENT SOCIETY LIMITED

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COMPANIES HOUSE

Leonard Gold Chartered Accountants
Registered Auditors
24 Landport Terrace
Portsmouth
Hampshire
PO1 2RG

ABBNEYFIELD SOLENT SOCIETY LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2012

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ABBNEYFIELD SOLENT SOCIETY LIMITED

REPORT OF THE EXECUTIVE COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2012

The Executive Committee who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2012. The Executive Committee have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

0738023 (England and Wales)

Registered Charity number

220392

Tenant Service Authority number

HO374

Registered office

50 St Edwards Road

Southsea

Hampshire

PO5 3DJ

Executive Committee

H Braunton - appointed 15th February 2012

Mrs E Bell

T Biddle

M Mitchell

Ms S Booth - resigned 4th April 2012

Auditors

Leonard Gold Chartered Accountants

Registered Auditors

24 Landport Terrace

Portsmouth

Hampshire

PO1 2RG

Solicitors

Coffin Mew LLP

1000 Lakeside

North Harbour

Western Road

Portsmouth

Hampshire

PO6 3EN

Bankers

Barclays Bank Plc

90 Osborne Road

Southsea

Portsmouth

Hampshire

PO5 3LW

ABBNEYFIELD SOLENT SOCIETY LIMITED
REPORT OF THE EXECUTIVE COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Abbeyfield Solent Society Limited is a company limited by guarantee, having no share capital, governed by its Memorandum and Articles of Association. The company was incorporated on 17 October 1962. It registered as a charity on 5 December 1963 with the Charity Commission and also as a Housing Association with the Housing Corporation. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new committee members

A nomination for election as an ordinary member of the Executive Committee may be put forward

- a) by the Executive Committee, or
- b) if accompanied by a signed statement from the nominee that he/she is willing to act as such, by at least two of members the Society who are entitled to vote

T Biddle and Mrs E Bell offer themselves for re-election at the Annual General Meeting

Induction and training of new committee members

New committee members undergo an orientation period to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes and the recent financial performance of the charity. During the induction period they meet key employees and other committee members. Committee members are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisational structure

The executive committee, which can have between 3 and 18 members, administers the charity. The Trustees have appointed an Administrator to manage the day to day operations of the Society, under the supervision of the Executive Committee. The Trustees have delegated authority of operational matters to the administration staff.

Risk management

The Executive Committee has conducted its own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. Internal risks are minimised by the implementation of procedures for authorisation of all transactions. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the charity shall be to carry on for the benefit of the community the provision and management for the relief and care of elderly persons of all classes suffering from the disabilities of old age or otherwise being in need, of housing for letting and not for sale and/or hostels. And in furtherance of this object but not otherwise the charity may

- (i) provide land or buildings for purposes connected with the requirements of the elderly persons occupying the houses of hostels provided or managed by the charity, and
- (ii) provide amenities or services for the benefit of such persons either exclusively or together with other persons

The charity shall have the power to do all the things necessary or expedient for the fulfilment of its objects, and in doing so shall use its best endeavours to observe and fulfil the Guiding Principles of the Abbeyfield movement.

ABBNEYFIELD SOLENT SOCIETY LIMITED

REPORT OF THE EXECUTIVE COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2012

ACHIEVEMENT AND PERFORMANCE

Investment performance

Under the Memorandum and Articles of Association, the charity has the power to make any investments that the executive committee sees fit

FINANCIAL REVIEW

The 2012 year saw an encouraging recovery from the disappointment of 2011. Three new committee members joined the Board and were fully operational early in the year and began the task to review property and management and implement change where necessary.

Critical cash reserves were at a dangerous low throughout the early part of the year, the reimplementation of an active programme for recruitment of new residents coupled with a return to traditional forms of advertising produced a rapid decline in the number of vacancies and by early spring a month on month income surplus was secured in our reserve savings.

A review of all the properties was undertaken to consider their suitability for the long term aims of the Society and how they might be made more attractive to the expectations of the modern retired community. It revealed some properties are approaching the end of their useful life whilst others were acceptable for now but had potential to expand or be rebuilt considering the extensive garden and that of its neighbouring properties.

The unoccupied block of flats at Jane Gillitt house was identified as good potential for refurbishment. Works began in late summer funded from a Trust together with funds earmarked from our accumulated reserves. This work is currently nearing the completion of phase one with the first new resident ready to occupy in the new year.

A general manager was appointed in February who began the long overdue task of bringing all the paperwork, policy and procedures up to date, submitting same to our umbrella organisation The Abbeyfield Society (TAS) who in turn have awarded us the Gold Star Standard, their mark of approval.

By the year end a surplus of income over expenditure had been achieved in 10 out of the 12 months and resulted in an unrestricted funds surplus for the year of £30,815, which represents 6% of total unrestricted income, which exceeds national guidelines. Although unrestricted reserves are still comparatively low, we are confident the new management team are achieving their targets and are very proactive in ensuring the success of 2012 is built on and increased during the coming years.

Public Benefit

Abbeyfield Solent's Trustees regularly monitor and review the success of the organisation in meeting its key objectives. The Trustees have considered the Charity Commission's guidance on public benefit and are satisfied that the charity's aims, and its activities carried out in pursuit of those aims, are for the public benefit. A proportion of our residents receive state funding to assist with their fees.

Reserves policy

There were three designated reserves at the start of the year. The purposes of these reserves are detailed in note 15 to the financial statements.

STATEMENT OF THE EXECUTIVE COMMITTEE'S RESPONSIBILITIES

The Executive Committee (who are also directors of The Abbeyfield Solent Society Limited for the purposes of company law) are responsible for preparing the Report of the Executive Committee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

ABBNEYFIELD SOLENT SOCIETY LIMITED
REPORT OF THE EXECUTIVE COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2012

Company law requires the Executive Committee to prepare financial statements for each financial year 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 those financial statements, the Executive Committee are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charity SORP,
- 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 charitable company will continue in business

The Executive Committee are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with 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.

In so far as the Executive Committee are aware

- there is no relevant information of which the charitable company's auditors are unaware, and
- the executive committee member have taken all steps that they ought to have taken to make themselves aware of any audit information and to establish that the auditors are aware of that information

AUDITORS

The auditors, Leonard Gold Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD



Harry Braunton - Chairman

Date

27/3/2013

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ABBEYFIELD SOLENT SOCIETY LIMITED

We have audited the financial statements of Abbeyfield Solent Society Limited for the year ended 31 December 2012 on pages seven to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the executive committee and auditors

As explained more fully in the Statement of Executive Committee Responsibilities, the Executive Committee members (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the executive committee, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006, schedule 1 to the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2006.

Opinion on other matter prescribed by the Companies Act 2006

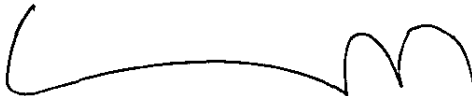
In our opinion the information given in the Report of the Executive Committee for the financial year for which the financial statements are prepared is consistent with the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ABBNEYFIELD SOLENT SOCIETY LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you, in our opinion

- Adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- The financial statements are not in agreement with the accounting records and returns, or
- Certain disclosures of executive committee members remuneration specified by law are not made, or
- We have not received all the information and explanations we require for our audit, or
- The executive committee members were not entitled to prepare financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Executive Committee



Mr S B Howarth (Senior Statutory Auditor)
for and on behalf of Leonard Gold
Registered Auditors
Chartered Accountants
24 Landport Terrace
Portsmouth
Hampshire
PO1 2RG

Date 1 May 2013

ABBNEYFIELD SOLENT SOCIETY LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	Unrestricted Funds General £	Designated £	Restricted Funds £	Endowment Funds Restricted £	2012 Total Funds £	2011 Total Funds £
INCOMING RESOURCES							
Incoming resources from generated funds							
Voluntary income	2	907	-	50,000	-	50,907	1,500
Investment income	3	7	-	-	-	7	18
Incoming resources from charitable activities							
	4						
Residents Accommodation							
		507,554	-	-	-	507,554	477,435
Total incoming resources							
		508,468	-	50,000	-	558,468	478,953
RESOURCES EXPENDED							
Charitable activities	5	458,649	-	-	-	458,649	480,519
Governance costs	6	19,004	-	-	-	19,004	17,984
Total resources expended							
		477,653	-	-	-	477,653	498,503
NET (OUTGOING) RESOURCES before transfers							
		30,815	-	50,000	-	80,815	(19,550)
Gross transfers between funds							
	15	-	-	-	-	-	-
Net incoming/(outgoing) Resources before other recognised gains							
		30,815	-	50,000	-	80,815	(19,550)
Gains on revaluation of freehold property							
		-	-	-	-	-	168,225
Net movement in funds							
		30,815	-	50,000	-	80,815	148,675
RECONCILIATION OF FUNDS							
Total funds brought Forward							
		534,020	1,558,623	-	584,697	2,677,340	2,528,665
TOTAL FUNDS CARRIED FORWARD							
		564,835	1,558,623	50,000	584,697	2,758,155	2,677,340

The notes form part of these financial statements


ABBNEYFIELD SOLENT SOCIETY LIMITED


BALANCE SHEET
AT 31 DECEMBER 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Tangible assets	10	2,745,485	2,723,642
		<u>2,745,485</u>	<u>2,723,642</u>
CURRENT ASSETS			
Stocks		1,400	1,400
Debtors amounts falling due within one year	11	40,496	7,343
Cash at bank and in hand		<u>55,314</u>	<u>11,423</u>
		97,210	20,166
CREDITORS			
Amounts falling due within one year	12	(52,957)	(26,202)
NET CURRENT ASSETS		<u>44,253</u>	<u>(6,036)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,789,738	2,717,606
CREDITORS			
Amounts falling due after more than one year	13	(31,583)	(40,266)
NET ASSETS		<u>2,758,155</u>	<u>2,677,340</u>
FUNDS	15		
Unrestricted funds		2,123,458	2,092,643
Restricted funds		50,000	-
Endowment funds		<u>584,697</u>	<u>584,697</u>
TOTAL FUNDS		<u>2,758,155</u>	<u>2,677,340</u>

These 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 Executive Committee on 27th March 2013 and were signed on its behalf by


Harry Braunton - Chairman


Michael Mitchell – Committee Member

ABBNEYFIELD SOLENT SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

1 ACCOUNTING POLICIES

Accounting convention

The Charity is registered with the Charity Commission and is also registered under the Housing Act 1996

The financial statements have been prepared in accordance with the United Kingdom financial reporting standards, the Statement of Recommended Practice Accounting by Registered Social Landlords 2008 and with the Accounting Requirements for Registered Social Landlords General Determination 2006

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets

The charity has taken advantage of the exemption in FRS1 and under the Accountancy requirements for Registered Social Landlords General Determination 1996 from the requirement to prepare a cash flow statement on the grounds that it is a small company and has fewer than 500 units to rent

Incoming resources

Income from charitable activities represents rental income and is recognised on a receivable basis

Voluntary income including donations and legacies that are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when

- The donor specifies that the donation must only be used in future accounting periods, or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement

Investment income is recognised on a receivable basis

Resources expended

Expenditure is accounted for on an accruals basis. All resources expended are classified under headings that aggregate all costs related to that category. VAT is charged to those costs as this cannot be recovered

- Charitable activities include expenditure associated with the running of the charity's houses
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements

Tangible assets

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life as follows -

Fixtures, Fittings and Equipment – 10-100% on cost depending on the assets expected life

At the 1 January 2012 the depreciation policies were reviewed and the expected useful life of the various categories of fixtures were amended. Previously the depreciation rates ranged from 12.5-100%. Had this revision not taken place the depreciation charge for the year would have been £18,531 rather than £13,691

Freehold property – The Charity has a policy of upgrading its properties to a standard that would increase the properties residual value, so that a depreciation charge is inappropriate

The above policy is adopted in accordance with the Statement of Recommended Practice (Accounting by Registered Housing Associations) so that the financial statements show a true and fair view of the state of charity's affairs, even though this is a departure from the requirements of the Companies Act 2006

ABBNEYFIELD SOLENT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES – continued

Social Housing Grants - where developments have been financed wholly or partly by housing association grants the cost of those developments has been reduced by the grant receivable. Whilst SHG has been treated as a grant it is repayable under certain circumstances, primarily following the sale of a property, but the repayment is often restricted to the net proceeds of the sale.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the executive committee.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The Permanent Endowment Fund is restricted and represents the property known as Jane Gillitt in Southsea which is occupied by the charity. The charity is entitled to the income but the property is owned by The Jane Gillitt Home Trust, a uniting direction dated 23 March 2005 is in place.

Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

Pensions

A stakeholder pension scheme has been set up for the Society's employees, although at present no employees have become members.

ABBNEYFIELD SOLENT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2012

2 VOLUNTARY INCOME

	2012 £	2011 £
Donations	50,907	1,500
	<u>50,907</u>	<u>1,500</u>

3 INVESTMENT INCOME

	2012 £	2011 £
Deposit account interest	<u>7</u>	<u>18</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2012 £	2011 £
Resident charges	<u>507,554</u>	<u>477,435</u>

5. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2012 £	2011 £
Staff costs	230,649	237,131
Rates	13,501	11,917
Insurance	7,677	7,151
Light, heat and water	50,081	56,371
Telephone	5,281	5,121
Postage, stationery and advertising	9,006	8,285
Sundries	3,936	2,145
Food and household expenses	55,238	54,833
Office Accountant	8,156	8,749
Executive Committee mileage	1,982	555
Repairs	59,451	68,774
Depreciation and loss on disposal of assets	13,691	19,487
	<u>458,649</u>	<u>480,519</u>

ABBNEYFIELD SOLENT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2012

6 GOVERNANCE COSTS

	2012	2011
	£	£
Auditors' remuneration	4,000	8,285
Bank charges	1,492	1,312
Affiliation fees	11,312	6,557
Mortgage interest	<u>2,200</u>	<u>1,830</u>
	<u>19,004</u>	<u>17,984</u>

7. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	2012	2011
	£	£
Auditors' remuneration	4,000	8,285
Depreciation - owned assets	<u>13,691</u>	<u>19,487</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2012 nor for the year ended 31 December 2011

Trustees' Expenses

Expenses were reimbursed to the committee members of £1,982 for mileage (£555 in 2011)

9. STAFF COSTS

	2012	2011
	£	£
Wages and salaries	218,634	224,868
Social security costs	<u>12,015</u>	<u>12,263</u>
	<u>230,649</u>	<u>237,131</u>

No employee earns above £60,000

ABBNEYFIELD SOLENT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2012

10 TANGIBLE FIXED ASSETS

	Property improvements under construction £	Freehold property £	Fixtures and fittings £	Totals £
COST/VALUATION				
At 1 January 2012	-	3,000,000	154,511	3,154,511
Additions	34,958	-	576	35,534
Disposals	-	-	(140)	(140)
At 31 December 2012	<u>34,958</u>	<u>3,000,000</u>	<u>154,947</u>	<u>3,189,905</u>
Less Social Housing Grant	-	(321,876)	(2,370)	(324,246)
DEPRECIATION				
At 1 January 2012	-	-	106,623	106,623
Charge for the year	-	-	13,691	13,691
Eliminated on disposal	-	-	(140)	(140)
At 31 December 2012	<u>-</u>	<u>-</u>	<u>120,174</u>	<u>120,174</u>
NET BOOK VALUE				
At 31 December 2012	<u>34,958</u>	<u>2,678,124</u>	<u>32,403</u>	<u>2,745,485</u>
At 31 December 2011	<u>-</u>	<u>2,678,124</u>	<u>45,518</u>	<u>2,723,642</u>

The properties were revalued during 2006 by Veness, Chartered Surveyor, with the valuation being on the basis of current existing use. A revaluation was due in 2011, the Trustees took the decision that the cost of a full professional valuation would exceed the benefit for the charity and therefore no professional revaluation was carried out. The Trustees have considered the property values at 31 December 2012 and have completed their own property revaluation, believing that there has been no change from 2011. The Trustees believe that their combined experience of building residential and commercial properties gives them the knowledge to complete the valuation.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Prepayments and other debtors	<u>40,496</u>	<u>7,343</u>
	<u>40,496</u>	<u>7,343</u>

ABBNEYFIELD SOLENT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2012

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Bank overdraft and mortgages	9,033	8,910
Social security and other taxes	4,087	3,097
Trade creditors	16,498	2,521
Accrued expenses	<u>23,339</u>	<u>11,674</u>
	<u>52,957</u>	<u>26,202</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £	2011 £
Mortgages	<u>31,583</u>	<u>40,266</u>

The mortgages are secured by a charge on the appropriate freehold land and buildings. All mortgages are repayment mortgages at a variable rate of interest determined by market rates.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Endowment funds	2012 Total Funds	2011 Total Funds
	£	£	£	£	£
Fixed assets	2,125,830	34,958	584,697	2,745,485	2,723,642
Current assets	62,210	35,000	-	97,210	20,166
Current liabilities	(32,999)	(19,958)	-	(52,957)	(26,202)
Long term liabilities	<u>(31,583)</u>	<u>-</u>	<u>-</u>	<u>(31,583)</u>	<u>(40,266)</u>
	<u>2,123,458</u>	<u>50,000</u>	<u>584,697</u>	<u>2,758,155</u>	<u>2,677,340</u>

ABBAYFIELD SOLENT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2012

15. MOVEMENT IN FUNDS

	At 1 1 12 £	Net movement in funds £	Transfers between funds £	At 31 12 12 £
Unrestricted funds				
General fund	534,020	30,815	-	564,835
Restricted fund	-	50,000	-	50,000
Designated funds				
Revaluation Reserve Fund	1,558,623	-	-	1,558,623
	<u>2,092,643</u>	<u>80,815</u>	<u>-</u>	<u>2,173,458</u>
 Endowment funds				
Designated funds				
Permanent Endowment Revaluation Reserve Fund	556,046	-	-	556,046
Permanent Endowment Property Equity Fund	28,651	-	-	28,651
	<u>584,697</u>	<u>-</u>	<u>-</u>	<u>584,697</u>
 TOTAL FUNDS	<u>2,677,340</u>	<u>80,815</u>	<u>-</u>	<u>2,758,155</u>

Net movement in funds, included in the above are as follows

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	508,468	477,653	30,815
Restricted Fund	50,000	-	50,000
	<u>558,468</u>	<u>477,653</u>	<u>80,815</u>
 Endowment funds			
Permanent Endowment Fund	-	-	-
Permanent Endowment Revaluation Reserve Fund	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL FUNDS	<u>558,468</u>	<u>477,653</u>	<u>80,815</u>

ABBNEYFIELD SOLENT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2012

Purpose of funds -

Revaluation reserve

The revaluation reserve is required by the Companies Act 2006 and represents the amount by which the Charity's properties exceed their historical cost

Restricted fund

This represents a donation by the Margaret Fisher Will Trust to be used to improve part of the Jane Gillitt property

Permanent endowment fund

This fund represents the capital value of the Jane Gillitt property as the charity is entitled to use the income it generates but are not entitled to the capital. This fund is split between the property equity fund which represents the original cost of the property and the revaluation fund which shows the increase in value

16. CONTINGENT LIABILITIES

The property purchased at West Street, Havant in 2008 does have a clawback clause in favour of Abbeyfield UK. If the charity sells the property in the first five years of ownership, depending on the length of time owned the charity will need to pay Abbeyfield UK a percentage of the sale proceeds, ranging from 80% in year one down to 20% in year five. This clawback clause finished in February 2013.