

ABBNEYFIELD REIGATE SOCIETY LIMITED

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FINANCIAL STATEMENTS

FOR THE YEAR

ENDED

31ST DECEMBER 1998



ABBNEYFIELD REIGATE SOCIETY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1998

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ABBNEYFIELD REIGATE SOCIETY LIMITEDOFFICERS, PROFESSIONAL ADVISERS AND REGISTERED OFFICE**Executive Committee Members**

Mrs. A.M. Sharples	Chairman
Mr. D. Rowlands	Treasurer
Mr. F. Wilcox	Secretary
Mrs. C.M. Markham	
Mrs. J.A. Wilcox	
Mr. C. Stagg	
Mr. E. Marriage	

Auditors

Davies Watson
Reigate
Surrey

Bankers

Barclays Bank Plc
Reigate
Surrey

Registered Office

Abbeyfield House
34 Somers Road
Reigate
Surrey
RH2 9DZ

ABBNEYFIELD REIGATE SOCIETY LIMITED
REPORT OF THE EXECUTIVE COMMITTEE
FOR THE YEAR ENDED 31ST DECEMBER 1998

The Executive Committee submits its Annual Report and accounts for the year ended 31st December 1998.

PRINCIPAL ACTIVITY

The principal activity of the Society is to provide accommodation for lonely and elderly people in accordance with the aims and principles of the Abbeyfield Society Limited. Rehabilitation of the house in Somers Road, Reigate, Surrey, was completed and the permanent accommodation was occupied in the year ended 31st December 1973. Most of the capital to finance the original project was provided by public funds.

RESULTS

The results for the year are set out on page 5. The house was operated at 92.5% of capacity during the year under review and voids amounted to £3,738 (1997 - £10,947).

FIXED ASSETS

Details of movements in fixed assets are shown in the notes.

EXECUTIVE COMMITTEE

The present members of the Executive Committee are shown on page 1. During the year Mrs. J.K. Argles and Mr. G.R. Piejus retired from the Committee. Mr. F. Wilcox and Mrs. J.A. Wilcox retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

ABBNEYFIELD REIGATE SOCIETY LIMITEDREPORT OF THE EXECUTIVE COMMITTEE
FOR THE YEAR ENDED 31ST DECEMBER 1998 (Continued)**STATEMENT OF EXECUTIVE COMMITTEE RESPONSIBILITIES**

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 company and of the profit or loss of the company for that period. In preparing those financial statements, the Executive Committee are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 company and to enable them to ensure that the financial statements comply with the Companies Act 1985, the Housing Association Act 1996 and the Registered Social Landlords (Accounting Requirements) General Determination 1998. 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

A resolution for the appointment of Davies Watson will be proposed at the forthcoming Annual General Meeting.

.....*A. M. Sharples*.....
On behalf of the Executive Committee
Mrs. A.M. Sharples
29th March 1999

REPORT OF THE AUDITORS TO THE MEMBERS OF
ABBEYFIELD REIGATE SOCIETY LIMITED

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies as set out on page 7.

Respective responsibilities of Executive Committee and Auditors

As described on page 3, the company's Executive Committee are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

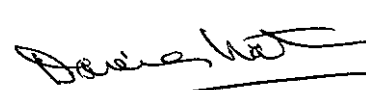
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Executive Committee in the preparation of the financial statements, and 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 mis-statement, 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 at 31st December 1998 and of its Income and Expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985, the Housing Association Act 1996 and the Registered Social Landlords (Accounting Requirements) General Determination 1998.

15A Lesbourne Road
Reigate, Surrey
29th March 1999


Davies Watson
Chartered Accountants
Registered Auditors

ABBEYFIELD REIGATE SOCIETY LIMITEDINCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1998

		<u>1998</u>	<u>1997</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>
Turnover		46,182	43,372
Operating costs	3	(45,566)	(40,406)
Operating surplus		616	2,966
Interest receivable and other income	4	3,510	6,973
Interest payable and similar charges		(1,683)	(1,894)
Surplus on ordinary activities before taxation		2,443	8,045
Tax on surplus on ordinary activities	5	—	—
Surplus for the year		2,443	8,045
Transfer from designated reserves	14	6,000	—
		8,443	8,045
Revenue reserve brought forward		94,775	86,730
Revenue reserve carried forward		103,218	94,775

There are no recognised gains or losses other than those stated above and the results are all derived from continuing operations.

ABBEYFIELD REIGATE SOCIETY LIMITED**BALANCE SHEET AS AT 31ST DECEMBER 1998**

		<u>1998</u>		<u>1997</u>	
	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>TANGIBLE FIXED ASSETS</u>					
Land and buildings	6		81,414		85,390
Furniture and fittings	7		8,062		7,097
			<u>89,476</u>		<u>92,487</u>
<u>CURRENT ASSETS</u>					
Debtors and prepayments	9	527		1,555	
National Savings investments		28,066		27,516	
Cafinvest deposit		1,323		1,244	
Bank deposit		3,062		2,468	
Cash at bank and in hand		4,475		1,089	
		<u>37,453</u>		<u>33,872</u>	
<u>CURRENT LIABILITIES</u>					
Amounts falling due within one year	10	5,871		4,842	
<u>NET CURRENT ASSETS</u>					
			<u>31,582</u>		<u>29,030</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>					
			121,058		121,517
<u>CREDITORS: Amounts falling due after more than one year</u>					
	11		(17,840)		(20,742)
<u>NET ASSETS</u>					
			<u>103,218</u>		<u>100,775</u>
Represented by:					
<u>REGIONAL FUND</u>					
	14		-		6,000
<u>ACCUMULATED SURPLUS</u>					
			<u>103,218</u>		<u>94,775</u>
			<u>103,218</u>		<u>100,775</u>
			<u>=====</u>		<u>=====</u>

Approved by the Executive Committee on 29th March, 1999

A. M. Sharpley

 Mrs. A.M. Sharpley
 Chairman

D. Rowlands

 Mr. D. Rowlands
 Treasurer

F. Wilcox

 Mr. F. Wilcox
 Secretary

ABBEYFIELD REIGATE SOCIETY LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1998****1. STATUS OF SOCIETY**

The Society is registered under the following Acts:

- (a) The Companies Act 1985.
- (b) The Charities Act 1960.
- (c) The Housing Act 1996, the Society being wholly engaged in housing activities as defined in that Act.

2. ACCOUNTING POLICIES

- (a) These accounts are prepared under the historical cost convention in accordance with applicable accounting standards and the Statement of Recommended Practice published by the National Federation of Housing Associations. The accounts comply with the appropriate legislation and with the Registered Social Landlords (Accounting Requirements) General Determination 1998.
- (b) The accounts have been prepared on the basis that the capital expenditure referred to in Note 6 has been grant aided, funded by loan or met out of reserves.
- (c) Mortgage loans are advanced by the local authority under the terms of individual mortgage deeds.
- (d) Social Housing grants are made by the Housing Corporation (and formerly by the Department of Environment) and are utilised to reduce the amount of mortgage loan to an amount which it is estimated can be serviced by the net annual income for the scheme. These grants are paid direct to the lending authority and are reflected in the accounts only when the payment has been made and the relevant mortgage loan reduced.
- (e) Depreciation is not charged on land and buildings and on fixtures and fittings at the rate of 10% of written down value per annum. The Society's property is maintained at a high standard of repair and any depreciation is considered to be immaterial.

3. OPERATING COSTS

	<u>1998</u>		<u>1997</u>	
	£	£	£	£
Management expenses:				
Audit fees	705		680	
Advertising	471		323	
Others	5,640		6,081	
		6,816		7,084
Repairs and maintenance		10,158		5,744
Service costs:				
Employees	15,680		13,969	
Depreciation	895		788	
Others	12,017		12,821	
		28,592		27,578
		45,566		40,406

The number of full-time employees was one. No remuneration was paid to any member or officer of the Society.

ABBNEYFIELD REIGATE SOCIETY LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1998 (continued)****4. INTEREST RECEIVABLE AND OTHER INCOME**

	<u>1998</u> <u>£</u>	<u>1997</u> <u>£</u>
Interest receivable	2,097	2,091
Donations and legacies	1,278	4,747
Grants	135	135
	<u>3,510</u>	<u>6,973</u>

5. TAX ON SURPLUS ON ORDINARY ACTIVITIES

In view of the Society's charitable status, no provision for corporation tax is considered necessary.

6. LAND AND BUILDINGS

Cost at beginning of year	120,613	96,460
Additions	1,323	24,153
Social Housing Grants	(40,522)	(35,223)
Net book value	<u>81,414</u>	<u>85,390</u>

7. FIXTURES, FITTINGS AND EQUIPMENT

Cost:		
At beginning of year	15,254	10,863
Additions during the year	1,860	4,391
At end of year	<u>17,114</u>	<u>15,254</u>
Depreciation:		
At beginning of year	8,157	7,369
Charged during the year	895	788
At end of year	<u>9,052</u>	<u>8,157</u>
Net book value	<u>8,062</u>	<u>7,097</u>

8. CAPITAL COMMITMENTS

There were no capital commitments outstanding at 31st December 1998 (1997-Nil).

9. DEBTORS

Amounts falling due within one year:

Prepayments	527	995
Residential charges	-	560
	<u>527</u>	<u>1,555</u>

ABBNEYFIELD REIGATE SOCIETY LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1998 (continued)****10. CREDITORS**

	<u>1998</u> <u>£</u>	<u>1997</u> <u>£</u>
Amounts falling due within one year:		
Mortgages (see note 12)	2,400	1,950
Accrued expenses	3,471	2,892
	<u>5,871</u>	<u>4,842</u>

11. CREDITORS

Amounts falling due after more than one year:		
Mortgages (see note 12)	12,840	15,692
Loans (interest free)	-	50
Provision for future repairs (see note 13)	5,000	5,000
	<u>17,840</u>	<u>20,742</u>

12. MORTGAGES

Housing mortgage loans secured by charges on the Society's land and buildings repayable by equal annual instalments of principal and interest.

Reigate and Banstead Borough Council

Capital repayable in one year	2,400	1,950
Capital repayable in more than one year	12,840	15,692
	<u>15,240</u>	<u>17,642</u>

The last instalments of these loans fall to be repaid on dates between 2003 and 2009 and the loans bear interest at the rate of 9.25% per annum.

13. PROVISION FOR FUTURE REPAIRS

In the past, the Society has provided on a continuous basis for the repairs and maintenance of its property for which SHG will not be claimed. In future, provision will only be made now for known commitments at the balance sheet date.

Balance at beginning of year	5,000	4,000
Transfer from Property Revenue Account	-	1,000
Balance at end of year	<u>5,000</u>	<u>5,000</u>

14. REGIONAL FUND

Balance at beginning of year	6,000	6,000
Transfer to Income and Expenditure Account	(6,000)	-
Balance at end of year	<u>-</u>	<u>6,000</u>

ABBNEYFIELD REIGATE SOCIETY LIMITED**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1998**

		<u>1998</u>		<u>1997</u>	
	<u>Note</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Property Revenue account					
<u>INCOME</u>					
Residential charges receivable	1	49,920		54,319	
Less: Vacancies and absences		(3,738)		(10,947)	
			46,182		43,372
Grants receivable			135		135
			46,317		43,507
<u>EXPENDITURE</u>					
Management expenses					
Insurance		1,119		1,081	
Telephone		441		400	
Affiliation fees		1,890		2,140	
Audit fees		705		680	
Advertising		471		323	
Other		2,190		2,460	
		6,816		7,084	
Repairs and maintenance					
Current	2	10,158		4,744	
Provision for future expenses		-		1,000	
		10,158		5,744	
Service costs					
Employees		15,680		13,969	
Food and supplies		7,423		8,071	
Laundry and cleaning		397		362	
General and water rates		1,253		1,740	
Heat and light		2,944		2,648	
Furniture depreciation		895		788	
		28,592		27,578	
Mortgage interest		1,683		1,894	
			47,249		42,300
<u>PROPERTY REVENUE (DEFICIT)/SURPLUS</u>					
<u>FOR THE YEAR</u>					
			(932)		1,207
General Income and Expenditure Account					
Donations and Legacies		1,278		4,747	
Interest received		2,097		2,091	
			3,375		6,838
<u>TOTAL SURPLUS FOR THE YEAR</u>					
			2,443		8,045

ABBEYFIELD REIGATE SOCIETY LIMITEDNOTES TO INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1998

Note 1

RESIDENTIAL CHARGES RECEIVABLE

	<u>1998</u>	<u>1997</u>
No. of units in management	<u>9</u>	<u>10</u>

In 1998 the number of units in management was reduced from 10 to 9 as one unit was considered too small for letting.

Note 2

REPAIRS AND MAINTENANCE

The higher figure for 1998 of £10,158 was due to exceptional expenditure on re-carpeting and re-decoration.