

ABBNEYFIELD REIGATE SOCIETY LIMITED

(COMPANY No. 1032349)

(CHARITY No. 263466)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 2006



ABBNEYFIELD REIGATE SOCIETY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006

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ABBNEYFIELD REIGATE SOCIETY LIMITED
OFFICERS, PROFESSIONAL ADVISERS AND REGISTERED OFFICE

Executive Committee Members

Mrs A M Sharpley
Mr D Rowlands
Mr T Wooden
Mrs M Owens
Mrs E Lee
Mr G Piejus

Chairman
Treasurer
Secretary

(Appointed 19 January 2006)

Auditors

Kingston Smith LLP
Surrey House
36-44 High Street
Redhill
Surrey
RH1 1RH

Bankers

Barclays Bank Plc
Reigate
Surrey

Registered Office

Abbeyfield House
34 Somers Road
Reigate
Surrey
RH2 9DZ

ABBEYFIELD REIGATE SOCIETY LIMITED

REPORT OF THE EXECUTIVE COMMITTEE

FOR THE YEAR ENDED 31ST DECEMBER 2006

The Executive Committee submits its Annual Report and financial statements for the year ended 31st December 2006

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.

During the year, the Society de-registered from the Housing Corporation under the provisions of Section 4 (4) of the Housing Act 1996 following which the Society ceased to be a Registered Social Landlord. Despite this, the members of the Executive Committee have decided to continue following the SORP and other accounting regulations relating to Registered Social Landlords as they consider it more relevant to the affairs of the Society.

Also during the year, the Society disposed of a parcel of land at Somers Road for £15,000 which the Executive Committee estimates had a cost of £100 when the property was acquired in 1973.

Results

The results for the year are set out on page 4. The house was operated at 96% of capacity during the year under review and voids amounted to £3,025 (2005 - £1,515).

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. Mrs A. M. Sharpley and Mr D. Rowlands retire at the forthcoming Annual General Meeting and do not seek re-election.

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 2006. 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.

Statement of disclosure to auditor

- (a) so far as the members are aware, there is no relevant audit information of which the Charitable Company's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the Charitable Company's auditors are aware of that information.

**ABBNEYFIELD REIGATE SOCIETY LIMITED
REPORT OF THE EXECUTIVE COMMITTEE
FOR THE YEAR ENDED 31ST DECEMBER 2006
(CONTINUED)**

Auditors

On 1 May 2006, Kingston Smith transferred their business to Kingston Smith LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The company's consent has been given to treating the appointment of Kingston Smith as extending to Kingston Smith LLP under the provision of section 26(5) of the Companies Act 1989. Kingston Smith LLP have indicated their willingness to continue in office and a resolution for the appointment of Kingston Smith LLP will be proposed at the forthcoming Annual General Meeting.

A. M. Sharpley

On behalf of the Executive Committee
Mrs A M Sharpley

Date

29th March 07

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

We have audited the financial statements of Abbeyfield Reigate Society Limited for the year ended 31st December 2006 which comprise the Income and Expenditure Account, the Balance Sheet, and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the charitable company's members those matters which we are required to include in an auditors' report addressed to them. To the fullest extent permitted by law we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of Executive Committee and Auditors

The responsibilities of the Executive Committee (who are also the directors of the company for the purpose of company law) 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) are set out in the Statement of Executive Committee Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK & Ireland).

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, the Housing Association Act 1996 and the Registered Social Landlords (Accounting Requirements) General Determination 2006. We also report to you whether, in our opinion, the information given in the Report of the Executive Committee is consistent with the financial statements. In addition we report to you if, in our opinion, the charitable 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 Executive Committee members' remuneration and other transactions is not disclosed.

We read the Report of the Executive 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 International Standards on Auditing (UK & Ireland) 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 of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31st December 2006 and of its income and expenditure for the year then ended,
- the financial statements 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 2006, and
- the information provided in the Report of the Executive Committee is consistent with the financial statements.

Surrey House
36-44 High Street
Redhill
Surrey
RH1 1RH

Kingston Smith LLP
Kingston Smith LLP
Chartered Accountants
and Registered Auditors

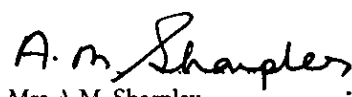
Date 2 May 2007

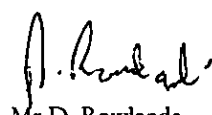
ABBNEYFIELD REIGATE SOCIETY LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2006

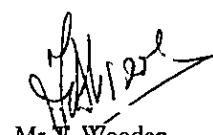
	Notes	2006 £	2005 £
Turnover		65,555	64,920
Operating costs	3	<u>(55,439)</u>	<u>(57,407)</u>
Operating surplus		10,116	7,513
Profit on sale of fixed assets		14,900	-
Interest receivable and other income	5	4,923	1,255
Interest payable and similar charges		<u>(360)</u>	<u>(645)</u>
Surplus on ordinary activities before taxation		29,579	8,123
Tax on surplus on ordinary activities	7	<u>-</u>	<u>-</u>
Surplus for the year		29,579	8,123
Revenue reserve brought forward		<u>143,101</u>	<u>134,978</u>
Revenue reserve earned forward		<u><u>172,680</u></u>	<u><u>143,101</u></u>

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

Approved by the Executive Committee on 29th March 2007


Mrs A M Sharpley
Chairman


Mr D Rowlands
Treasurer


Mr T Wooden
Secretary

ABBNEYFIELD REIGATE SOCIETY LIMITED
BALANCE SHEET AS AT 31ST DECEMBER 2006

	Notes	2006 £	2005 £
Fixed Assets			
Housing Properties			
Cost	8	150,702	150,802
Less Social Housing Grants	8	<u>40,522</u>	<u>40,522</u>
		110,180	110,280
Other fixed assets	9	<u>17,727</u>	<u>7,350</u>
		<u>127,907</u>	<u>117,630</u>
Current Assets			
Debtors and prepayments	11	625	1,230
National Savings investments		8,000	8,000
Cafinvest deposit		860	351
Bank deposit		3,997	2,466
Cash at bank and in hand		<u>38,195</u>	<u>23,908</u>
		<u>51,677</u>	<u>35,955</u>
Current Liabilities			
Amounts falling due within one year	12	<u>4,654</u>	<u>6,734</u>
Net Current Assets		<u>47,023</u>	<u>29,221</u>
Total Assets Less Current Liabilities		<u>174,930</u>	<u>146,851</u>
Creditors Amounts falling due after more than one year	13	<u>2,250</u>	<u>3,750</u>
Net Assets		<u><u>172,680</u></u>	<u><u>143,101</u></u>
Represented by:			
Accumulated Surplus		<u><u>172,680</u></u>	<u><u>143,101</u></u>

Approved by the Executive Committee on

A. M. Sharpley

Mrs A M Sharpley
Chairman

D. Rowlands

Mr D Rowlands
Treasurer

T. Wooden

Mr T Wooden
Secretary

ABBEYFIELD REIGATE SOCIETY LIMITED **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31ST DECEMBER 2006**

1 Status of Society

The Society is registered under the following Acts

- (a) The Companies Act 1985
- (b) The Charities Act 1960

2 Accounting Policies

- (a) These financial statements are prepared under the historical cost convention in accordance with applicable accounting standards and the 2005 Statement of Recommended Practice Accounting by Registered Social Landlords. The financial statements comply with the appropriate legislation and with the Registered Social Landlords (Accounting Requirements) General Determination 2000.
- (b) The financial statements 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 charged on fixtures and fittings at the rate of 10% of written down value per annum. Depreciation is not charged on land and buildings although the depreciation of buildings is required by Financial Reporting Standard 15. The Society's property is maintained at a high standard of repair and any depreciation is considered to be immaterial.
- (f) Turnover represents residential charges receivable net of rent losses from voids.
- (g) Grants are credited to deferred revenue. Grants towards capital expenditure are released to the Income and Expenditure Account over the expected useful life of the assets. Grants towards revenue expenditure are released to the Income and Expenditure Account as the related expenditure is incurred.

3 Operating Costs

	2006		2005	
	£	£	£	£
Management expenses:				
Audit fees	1,821		1,763	
Advertising	322		55	
Other	<u>7,681</u>		<u>5,756</u>	
		9,824		7,574
Repairs and maintenance		7,250		13,724
Service Costs:				
Employees	18,963		18,588	
Depreciation	1,970		816	
Others	<u>17,432</u>		<u>16,705</u>	
		<u>38,365</u>		<u>36,109</u>
		<u>55,439</u>		<u>57,407</u>

ABBEYFIELD REIGATE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006

4 Employee information	2006	2005
	£	£
Staff costs during the year were -		
Wages and salaries	16,978	16,566
Social security costs	<u>1,985</u>	<u>2,022</u>
	<u><u>18,963</u></u>	<u><u>18,588</u></u>

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

5 Interest receivable and other income	2006	2005
	£	£
Interest receivable	373	359
Donations and legacies	650	896
Grants	<u>3,900</u>	<u>-</u>
	<u><u>4,923</u></u>	<u><u>1,255</u></u>

6 Operating surplus	2006	2005
	£	£
is stated after charging -		
Auditor's remuneration	<u><u>1,821</u></u>	<u><u>1,763</u></u>

7 Tax on Surplus on Ordinary Activities

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

8 Housing properties	2006	2005
	£	£
Cost		
At 1st January 2006	150,802	150,802
Disposal	<u>(100)</u>	<u>-</u>
At 31st December 2006	<u><u>150,702</u></u>	<u><u>150,802</u></u>
Social Housing Grants	<u><u>(40,522)</u></u>	<u><u>(40,522)</u></u>
Net Cost at 31st December 2006	<u><u>110,180</u></u>	<u><u>110,280</u></u>

The historical cost of the housing property is the same as that disclosed as cost in the financial statements.

ABBNEYFIELD REIGATE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006

9	Fixtures, Fittings and Equipment	2006	2005
		£	£
	Cost		
	At 1st January 2006	22,566	21,215
	Additions during the year	<u>12,347</u>	<u>1,351</u>
	At 31st December 2006	<u>34,913</u>	<u>22,566</u>
	Depreciation		
	At 1st January 2006	15,216	14,400
	Charged during the year	<u>1,970</u>	<u>816</u>
	At 31st December 2006	<u>17,186</u>	<u>15,216</u>
	Net book value	<u>17,727</u>	<u>7,350</u>
10	Capital Commitments		
	There were no capital commitments outstanding at 31st December 2006 (2005 - Nil)		
11	Debtors	2006	2005
		£	£
	Amounts falling due within one year		
	Prepayments	<u>625</u>	<u>1,230</u>
12	Creditors	2006	2005
		£	£
	Amounts falling due within one year		
	Loan (see note 14)	1,500	1,500
	Social security and other taxes	-	437
	Accrued expenses and deferred income	<u>3,154</u>	<u>4,797</u>
		<u>4,654</u>	<u>6,734</u>
13	Creditors	2006	2005
		£	£
	Amounts falling due after more than one year		
	Loan (see note 14)	<u>2,250</u>	<u>3,750</u>

ABBEYFIELD REIGATE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006

14 Loan

The loan from the Abbeyfield South East Region is repayable by equal annual instalments of principal plus interest at the base rate adjusted annually

	2006 £	2005 £
Capital repayable in one year	1,500	1,500
Capital repayable in one to two years	2,250	1,500
Capital repayable in two to five years	<u>-</u>	<u>2,250</u>
	<u>3,750</u>	<u>5,250</u>

15 Number of Units in Management

	2006 £	2005 £
At beginning and end of year	<u>9</u>	<u>9</u>

ABBNEYFIELD REIGATE SOCIETY LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2006

	2006		2005	
	£	£	£	£
Property Revenue account				
INCOME				
Residential charges receivable	68,580		66,435	
Less: Vacancies and absences	<u>3,025</u>		<u>1,515</u>	
		65,555		64,920
EXPENDITURE				
Management expenses				
Insurance	1,384		1,218	
Telephone	667		487	
Affiliation fees	2,212		1,989	
Audit fees	1,821		1,763	
Advertising	322		55	
Other	2,621		2,062	
Legal & Professional	<u>797</u>		<u>-</u>	
	<u>9,824</u>		<u>7,574</u>	
Repairs and maintenance				
Current	<u>7,250</u>		<u>13,724</u>	
Service costs				
Employees	18,963		18,588	
Food and supplies	8,742		8,950	
Laundry and cleaning	887		832	
General and water rates	2,835		2,517	
Heat and light	4,968		4,406	
Furniture depreciation	<u>1,970</u>		<u>816</u>	
	<u>38,365</u>		<u>36,109</u>	
Mortgage and loan interest	<u>360</u>		<u>645</u>	
		<u>55,799</u>		<u>58,052</u>
PROPERTY REVENUE SURPLUS				
FOR THE YEAR		9,756		6,868
Profit on sale of fixed assets		14,900		-
General Income and Expenditure Account				
Donations and legacies	650		896	
Interest received	373		359	
Grants	<u>3,900</u>		<u>-</u>	
		<u>4,923</u>		<u>1,255</u>
TOTAL SURPLUS FOR THE YEAR		<u><u>29,579</u></u>		<u><u>8,123</u></u>