

FINANCIAL STATEMENTS

FOR THE YEAR

ENDED

31ST DECEMBER 1997



ABBNEYFIELD REIGATE SOCIETY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1997

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

Mrs. A.M. Sharpley	Chairman
Mr. D. Rowlands	Treasurer
Mr. F. Wilcox	Secretary
Mrs. J.K. Argles	
Mrs. C.M. Markham	
Mr. G.R. Piejus	
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 1997

The Executive Committee submits its Annual Report and accounts for the year ended 31st December 1997.

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 80% of capacity during the year under review and voids amounted to £10,947 (1996 - £14,940).

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. D. Hense, Mr. R. Cole and Miss L.J. Ballard retired from the Committee whilst Mr. C. Stagg, Mr. E. Marriage and Mr. D. Rowlands were appointed. Mrs. A.M. Sharpley and Mrs. C.M. Markham retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. Mrs. J.K. Argles has indicated that she will be retiring at the forthcoming Annual General Meeting.

ABBNEYFIELD REIGATE SOCIETY LIMITED**REPORT OF THE EXECUTIVE COMMITTEE**
FOR THE YEAR ENDED 31ST DECEMBER 1997 (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 1996. 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. Sharpley*...

On behalf of the Executive Committee

Mrs. A.M. Sharpley

30th March, 1998

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

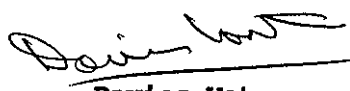
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 1997 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 1996.

15A Lesbourne Road
Reigate, Surrey
30th March, 1998


Davies Watson
Chartered Accountants
Registered Auditors

ABBNEYFIELD REIGATE SOCIETY LIMITEDINCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1997

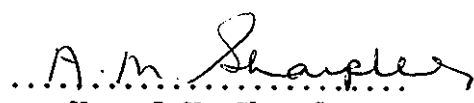
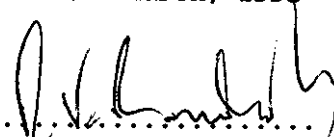

		<u>1997</u>	<u>1996</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>
Turnover		43,372	38,152
Operating costs	3	(40,406)	(37,336)
Operating surplus		2,966	816
Interest receivable and other income	4	6,973	2,395
Interest payable and similar charges		(1,894)	(2,086)
Surplus on ordinary activities before taxation		8,045	1,125
Tax on surplus on ordinary activities	5	-	-
Surplus for the year		8,045	1,125
Transfer to designated reserves	14	-	-
		8,045	1,125
Revenue reserve brought forward		86,730	85,605
Revenue reserve carried forward		94,775	86,730

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

ABBNEYFIELD REIGATE SOCIETY LIMITED**BALANCE SHEET AS AT 31ST DECEMBER 1997**

		<u>1997</u>		<u>1996</u>	
	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>TANGIBLE FIXED ASSETS</u>					
Land and buildings	6		85,390		74,243
Furniture and fittings	7		7,097		3,494
			<u>92,487</u>		<u>77,737</u>
<u>CURRENT ASSETS</u>					
Debtors and prepayments	9	1,555		5,599	
National Savings investments		27,516		27,033	
Cafinvest deposit		1,244		5,459	
Bank deposit		2,468		1,290	
Cash at bank and in hand		1,089		1,852	
		<u>33,872</u>		<u>41,233</u>	
<u>CURRENT LIABILITIES</u>					
Amounts falling due within one year	10	<u>4,842</u>		<u>4,307</u>	
<u>NET CURRENT ASSETS</u>			<u>29,030</u>		<u>36,926</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			<u>121,517</u>		<u>114,663</u>
<u>CREDITORS: Amounts falling due</u>					
after more than one year	11		<u>(20,742)</u>		<u>(21,933)</u>
<u>NET ASSETS</u>			<u><u>100,775</u></u>		<u><u>92,730</u></u>
Represented by:					
<u>REGIONAL FUND</u>		14	6,000		6,000
<u>ACCUMULATED SURPLUS</u>			<u>94,775</u>		<u>86,730</u>
			<u><u>100,775</u></u>		<u><u>92,730</u></u>

Approved by the Executive Committee on 30th March, 1998

.....
 Mrs. A.M. Sharpley
 Chairman

.....
 Mr. D. Rowlands
 Treasurer

.....
 Mr. F. Wilcox
 Secretary

ABBREYFIELD REIGATE SOCIETY LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1997****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 1996.
- (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>1997</u>		<u>1996</u>	
	£	£	£	£
Management expenses:				
Audit fees	680		630	
Advertising	323		793	
Others	6,081		4,606	
		7,084		6,029
Repairs and maintenance		5,744		5,811
Service costs:				
Employees	13,969		13,589	
Depreciation	788		388	
Others	12,821		11,519	
		27,578		25,496
		40,406		37,336

The number of employees was one. No remuneration or expenses were paid to any member or officer of the Society.

ABBNEYFIELD REIGATE SOCIETY LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1997 (continued)****4. INTEREST RECEIVABLE AND OTHER INCOME**

	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
Interest receivable	2,091	2,051
Donations and legacies	4,747	209
Grants	135	135
	<u>6,973</u>	<u>2,395</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	96,460	90,929
Additions	24,153	5,531
Social Housing Grants	(35,223)	(22,217)
Net book value	<u>85,390</u>	<u>74,243</u>

7. FIXTURES, FITTINGS AND EQUIPMENT

Cost:		
At the beginning of year	10,863	10,811
Additions during the year	4,391	52
At end of year	<u>15,254</u>	<u>10,863</u>
Depreciation:		
At beginning of year	7,369	6,981
Charged during the year	788	388
At end of year	<u>8,157</u>	<u>7,369</u>
Net book value	<u>7,097</u>	<u>3,494</u>

8. CAPITAL COMMITMENTS

There were no capital commitments outstanding at 31st December 1997 (1996-Nil).

9. DEBTORS**Amounts falling due within one year:**

Housing Corporation	-	4,630
Prepayments	995	969
Residential charges	560	-
	<u>1,555</u>	<u>5,599</u>

ABBEYFIELD REIGATE SOCIETY LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1997 (continued)****10. CREDITORS**

	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
Amounts falling due within one year:		
Mortgages (see note 12)	1,950	1,950
Accrued expenses	2,892	2,357
	<u>4,842</u>	<u>4,307</u>

11. CREDITORS

Amounts falling due after more than one year:		
Mortgages (see note 12)	15,692	17,883
Loans (interest free)	50	50
Provision for future repairs (see note 13)	5,000	4,000
	<u>20,742</u>	<u>21,933</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	1,950	1,950
Capital repayable in more than one year	15,692	17,883
	<u>17,642</u>	<u>19,833</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	4,000	2,000
Transfer from Property Revenue Account	1,000	2,000
Balance at end of year	<u>5,000</u>	<u>4,000</u>

14. REGIONAL FUND

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

ABBEYFIELD REIGATE SOCIETY LIMITED**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1997**

	<u>1997</u>		<u>1996</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Property Revenue account				
<u>INCOME</u>				
Residential charges receivable	54,319		53,092	
Less: Vacancies and absences	<u>(10,947)</u>		<u>(14,940)</u>	
		43,372		38,152
Grants receivable		<u>135</u>		<u>135</u>
		43,507		38,287
<u>EXPENDITURE</u>				
Management expenses				
Insurance	1,081		1,032	
Telephone	400		303	
Affiliation fees	2,140		1,485	
Audit fees	680		630	
Advertising	323		793	
Other	<u>2,460</u>		<u>1,379</u>	
	<u>7,084</u>		<u>5,622</u>	
Repairs and maintenance				
Current	4,744		3,811	
Provision for future expenses	<u>1,000</u>		<u>2,000</u>	
	<u>5,744</u>		<u>5,811</u>	
Service costs				
Employees	13,969		13,589	
Food and supplies	8,071		7,039	
Laundry and cleaning	362		522	
General and water rates	1,740		1,660	
Heat and light	2,648		2,705	
Furniture depreciation	<u>788</u>		<u>388</u>	
	<u>27,578</u>		<u>25,903</u>	
Mortgage interest	<u>1,894</u>		<u>2,086</u>	
		42,300		39,422
<u>PROPERTY REVENUE SURPLUS/(DEFICIT)</u>				
<u>FOR THE YEAR</u>		1,207		(1,135)
General Income and Expenditure Account				
Donations and Legacies	4,747		209	
Interest received	<u>2,091</u>		<u>2,051</u>	
		6,838		2,260
<u>TOTAL SURPLUS FOR THE YEAR</u>		<u>8,045</u>		<u>1,125</u>