

# **The Abbeyfield Saltash Society Limited**

## **Annual Report**

**Year Ended 31 July 2007**

**Company Number: 1117696**

**Registered Charity Number: 266208**

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# **The Abbeyfield Saltash Society Limited**

## **Annual Report**

**Year Ended 31 July 2007**

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# **The Abbeyfield Saltash Society Limited**

## **Officers, Professional Advisors and Registered Office**

### **Executive Committee:**

E R Distin  
W J Walton  
H Lyne  
H Greeves

Chairman  
Treasurer

### **Secretary:**

M Baker

### **Auditors:**

Francis Clark  
Chartered Accountants  
North Quay House  
Sutton Harbour  
PLYMOUTH  
PL4 0HA

### **Bankers:**

Barclays Bank plc

### **Solicitors:**

Blight Skinnard

### **Registered Office:**

Chichester House  
27 St Stephens Road  
SALTASH

# **The Abbeyfield Saltash Society Limited**

## **Report of the Executive Committee**

**Year Ended 31 July 2007**

The Executive Committee submits its annual report and audited financial statements for the Society for the year ended 31 July 2007

### **1 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. These activities fall wholly within hostel housing activities as defined in the Housing Act 1974. The Society provides accommodation for six residents at Chichester House, 27 St Stephens Road, Saltash and seven residents at Cresta House, 40 Callington Road, Saltash.

### **2 Status**

The Society is a company limited by guarantee having no share capital and with solely charitable objectives. It is a registered charity (number 266208), and a member of the Housing Association (number H2295).

### **3 Results**

The results for the year are set out in the income and expenditure account on page 6. The committee considers that the state of affairs of the Society is satisfactory.

### **4 Fixed Assets**

Note 3 on page 10 summarises the changes to the amounts of cost and depreciation on the freehold properties and fixtures and fittings. The committee is of the opinion that there is no significant difference between the book cost and market value for the existing use of the freehold properties.

### **5 Executive Committee**

The members of the Executive Committee who served during the year were.

E R Distin (Chairman), W J Walton (Treasurer), H Greeves, H Lyne, M Gwynn (for part of the year, resigned 30 September 2007), D Owen (resigned 31 December 2006), and M D Howells (resigned 7 March 2007).

### **6 Auditors**

A resolution for the re-appointment of Francis Clark as auditors will be proposed at the annual general meeting.

# **The Abbeyfield Saltash Society Limited**

## **Report of the Executive Committee**

**Year Ended 31 July 2007**

### **7 Statement of Responsibilities of the Executive Committee**

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 is 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 Executive Committee is 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. It is 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.



**M Baker (Secretary)**

**On behalf of the Executive Committee**

# **The Abbeyfield Saltash Society Limited**

## **Independent Auditors' Report to the Members**

We have audited the financial statements of The Abbeyfield Saltash Society Limited for the year ended 31 July 2007 which comprise the Income and Expenditure Account, the Balance Sheet and related notes. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the 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 trustees 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 trustees 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 Executive Committee responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Report of the Executive Committee.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and 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. We also report to you if, in our opinion, the Report of the Executive Committee is not consistent with the financial statements, if 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 directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Executive Committee's Report. We consider the implication for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and 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 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.

## **The Abbeyfield Saltash Society Limited**

### **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 company's affairs as at 31 July 2007 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 Act 1996, the Accounting Requirements for Registered Social Landlords General Determination 2000, and the Statement of Recommended Practice for Housing Associations

**Francis Clark**  
Chartered Accountants  
North Quay House  
Sutton Harbour  
PLYMOUTH  
PL4 0HA

*Francis Clark*

*Francis Clark*  
**Registered Auditor**

# The Abbeyfield Saltash Society Limited

## Income and Expenditure Account

Year Ended 31 July 2007

	Note	Restricted Funds £	Unrestricted Funds £	Total 2007 £	Total 2006 £
<b>Housing Activities</b>					
Turnover	9	-	98,863	<b>98,863</b>	101,618
Grant income		-	-	-	10,000
		-	98,863	<b>98,863</b>	111,618
Operating costs	12	(1,000)	(93,698)	<b>(94,698)</b>	(96,998)
Operating surplus		(1,000)	5,165	<b>4,165</b>	14,620
Interest receivable		-	1,910	<b>1,910</b>	2,778
(Deficit) / Surplus on ordinary activities before taxation		(1,000)	7,075	<b>6,075</b>	17,398
Taxation		-	-	-	-
(Deficit) / Surplus for the year	13	(1,000)	7,075	<b>6,075</b>	17,398

The Society's only activity is the provision of hostel accommodation

The Society has no recognised surpluses or deficits other than the surplus for the year

The Society's results derive from continuing activities

There is no material difference between the retained surplus for the year on ordinary activities stated above and its historical cost equivalent



# The Abbeyfield Saltash Society Limited

## Balance Sheet

31 July 2007

	Note	2007 £	2006 £
<b>Tangible Fixed Assets</b>			
Housing land and buildings		190,350	191,987
Less SHG		(84,895)	(84,895)
		<u>105,455</u>	<u>107,092</u>
Improvements to property		87,558	74,356
Fixtures and fittings		<u>20,359</u>	<u>18,929</u>
	3	<u>213,372</u>	<u>200,377</u>
<b>Current Assets</b>			
Debtors	4	1,606	990
Cash at bank		<u>62,429</u>	<u>71,521</u>
		<u>64,035</u>	<u>72,511</u>
<b>Current Liabilities</b>			
Creditors due within one year	5	<u>9,991</u>	<u>11,547</u>
<b>Net Current Assets</b>		<u>54,044</u>	<u>60,964</u>
<b>Total Assets Less Current Liabilities</b>		<u><u>267,416</u></u>	<u><u>261,341</u></u>
<b>Revenue Reserve</b>	6	239,416	232,341
<b>Designated Property Maintenance Reserve</b>	7	20,000	20,000
<b>Restricted Fund</b>	8	<u>8,000</u>	<u>9,000</u>
		<u><u>267,416</u></u>	<u><u>261,341</u></u>

These financial statements were approved by the Committee on 5.12.07 by:

E Distin - Chairman

W J Walton - Treasurer

M Baker - Secretary

# The Abbeyfield Saltash Society Limited

## Notes and Accounting Policies

Year Ended 31 July 2007

### 1 Status of Society

The Abbeyfield Saltash Society Limited is registered under the Companies Act and is a registered charity

The company is one limited by guarantee and not having a share capital in accordance with the Companies Act 1985 Every member of the company undertakes to guarantee the liabilities of the company up to an amount not exceeding one pound each

### 2 Accounting Policies

These accounts are prepared under the historical cost convention and are in accordance with applicable Accounting Standards in the United Kingdom and in accordance with the Statement of Recommended Practice (the SORP) issued by the National Federation of Housing Associations, the Welsh Federation of Housing Associations and the Scottish Federation of Housing Associations, and with the Accounting Requirements for Registered Social Landlords General Determination 2000

#### a) Social Housing Grants (SHGs)

SHGs are made by the Department of the Environment and are utilised to reduce the amount of mortgage loans to a level that can be financed from the equivalent fair rental income available The grants are made direct to the lending authority and are reflected in the Society's accounts only when the payment has been made and the relevant mortgage loan reduced

#### b) Housing, Land and Buildings SHG - Assisted Schemes

Cost, irrespective of the source of finance, includes costs of acquisition, development expenditure, interest on mortgage and other loan financing up to date of completion of project for occupation, and other costs if these are covered by a SHG grant

#### c) Housing, Land and Buildings: Other Schemes

Cost includes acquisition and development expenditure, and interest on loan financing up to the date of completion of project for occupation

#### d) Incoming resources

##### Grant income

Capital grants which are given for a specific purpose and have conditions imposed are treated as restricted fund income

#### e) Fixtures, Fittings and Equipment

Assets donated to the Society are not included in the balance sheet, other assets are included at cost

#### f) Depreciation

Fixed assets are depreciated at the following rates

Freehold property	-	2% straight line
Fixtures & fittings	-	10% of written down value

No depreciation is provided on freehold land Depreciation is charged so as to write down the cost (net of social housing grant) of freehold housing properties other than freehold land to their estimated residual value on a straight line basis over the expected useful economic lives

# **The Abbeyfield Saltash Society Limited**

## **Notes and Accounting Policies**

**Year Ended 31 July 2007**

**g) Donations**

Donations are recorded in the financial statements according to the period in which they are received

**h) Apportionment of Management Expenses (Note 12)**

Direct employee, administration and operating costs have been apportioned to the property revenue account and the relevant sections of the income and expenditure account on the basis of costs of the staff to the extent that they are directly engaged in each of the operations dealt with in these accounts

**i) Pension Costs**

Retirement benefits for certain employees of the Society are provided by a defined contribution scheme, which is funded by contributions from the Society and employees. Payments are made to a pension trust which is financially separate from the Society. These payments are made in accordance with periodic calculations by professionally qualified actuaries. Payments are charged against income in order to provide for the expected pension costs over the service lives of employees in the scheme, such that the regular pension cost is a substantially level percentage of current and future pensionable payroll in the light of current actuarial assumptions

**j) Property Maintenance Reserve**

A specific designated reserve has been established to allocate funds for future major repairs. It is estimated that the cycle of repairs is a five year period.

For this period an estimate of £4,000 has been calculated as the likely annual repair bill in the next five years

# The Abbeyfield Saltash Society Limited

## Notes and Accounting Policies

Year Ended 31 July 2007

<b>3</b>	<b>Fixed Assets</b>	<b>Freehold property £</b>	<b>Improvements to Property £</b>	<b>Fixtures &amp; fittings £</b>	<b>Total £</b>
	<b>Cost</b>				
	At 1 August 2006 and 31 July 2007	201,809	83,926	29,444	315,179
	Additions	-	15,187	4,055	19,242
	Disposals	-	-	(855)	(855)
	<b>At 31 July 2007</b>	<b>201,809</b>	<b>99,113</b>	<b>32,644</b>	<b>333,566</b>
	<b>Social Housing Grant</b>				
	At 1 August 2006 and 31 July 2007	84,895	-	-	84,895
	<b>Depreciation</b>				
	At 1 August 2006	9,822	9,570	10,515	29,907
	Charge for year	1,637	1,985	2,263	5,885
	Eliminated on disposal	-	-	(493)	(493)
	<b>At 31 July 2007</b>	<b>11,459</b>	<b>11,555</b>	<b>12,285</b>	<b>35,299</b>
	<b>Net Book Value</b>				
	At 31 July 2007	105,455	87,558	20,359	213,372
	At 31 July 2006	107,092	74,356	18,929	200,377

No assets of greater than nominal value have been donated during the current year

<b>4</b>	<b>Debtors: Due within one year</b>	<b>2007 £</b>	<b>2006 £</b>
	Prepayments	1,606	990
<b>5</b>	<b>Creditors Due within one year</b>		
	Creditors	9,080	10,647
	Accruals	911	900
		<b>9,991</b>	<b>11,547</b>

# The Abbeyfield Saltash Society Limited

## Notes and Accounting Policies

### Year Ended 31 July 2007

		2007 £	2006 £
<b>6</b>	<b>Revenue Reserve</b>		
	Balance at 1 August 2006	232,341	223,943
	Surplus for year	7,075	8,398
	<b>Balance at 31 July 2007</b>	<b>239,416</b>	<b>232,341</b>
<b>7</b>	<b>Designated Property Maintenance Reserve</b>		
	Balance at 1 August 2006 and 31 July 2007	20,000	20,000
<b>8</b>	<b>Restricted Funds</b>		
	Balance at 1 August 2006	9,000	10,000
	Operating costs	(1,000)	(1,000)
	<b>Balance at 31 July 2007</b>	<b>8,000</b>	<b>9,000</b>
<b>9</b>	<b>Turnover</b>		
	Residential charges receivable	106,514	103,509
	Losses arising from vacancies	(7,651)	(1,891)
	Net income from residential charges	98,863	101,618
<b>10</b>	<b>Employees Costs</b>		
	Salaries Housekeepers and administration	26,021	25,209
	Housekeepers pension costs	957	921
	Costs Domestic Help	13,560	11,413
		<b>40,538</b>	<b>37,543</b>
		2007 Number	2006 Number
	Average number of persons employed during year	4	3

### 11 Director's Emoluments

No remuneration was paid to any of the Society's directors during the year

# The Abbeyfield Saltash Society Limited

## Notes and Accounting Policies

Year Ended 31 July 2007

### 12 Operating Costs

	Management	Services	Current Maintenance	Finance & Maintenance	2007 Total	2006 Total
	£	£	£	£	£	£
Insurances & Rates	6,859	-	-	-	6,859	6,057
Membership fee	-	-	-	1,790	1,790	2,556
Audit and accountancy	-	-	-	892	892	858
Employee costs	-	40,538	-	-	40,538	37,543
Food and other household costs	-	18,558	-	-	18,558	19,560
Heat and light	-	6,622	-	-	6,622	5,033
Telephone	-	759	-	-	759	713
Depreciation	-	5,885	-	-	5,885	5,423
Repairs and renewals	-	-	11,097	-	11,097	18,875
Loss on disposal of assets	-	362	-	-	362	-
Sundries	1,336	-	-	-	1,336	380
	<u>8,195</u>	<u>72,724</u>	<u>11,097</u>	<u>2,682</u>	<u>94,698</u>	<u>96,998</u>

### 13 (Deficit) / Surplus for the Year

	2007 £	2006 £
The (deficit) / surplus for the year is after charging		
Audit fee	892	858
Depreciation written off tangible fixed assets	5,885	5,423
Loss on disposal of assets	<u>362</u>	<u>-</u>

### 14 Housing Stock

	Units in Management 2007 Number	2006 Number
Hostel accommodation - number of bed spaces	<u>13</u>	<u>13</u>

### 15 Capital commitments

At 31 July 2007 the Executive Committee had committed to capital expenditure of £10,500 in respect of Cresta House. This amount represents the balance payable for work done in respect of a conservatory. This work has not been done in accordance with the agreed specification and the balance will only be paid when the work is completed satisfactorily.