

The Abbeyfield Menston Society Limited
(Limited by Guarantee)

Financial Statements

For the year ended

31 July 2008

Registered Social Landlord Number: H0369

Company Number: 01125756

Charity Number: 502709



The Abbeyfield Menston Society Limited (Limited by Guarantee)

Financial Statements

Year ended 31 July 2008

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The Abbeyfield Menston Society Limited (Limited by Guarantee)

Committee Members and Advisers

Registered Social Landlord Number: H0369

Company Number: 01125756

Charity Number: 502709

DIRECTORS (KNOWN AS THE EXECUTIVE COMMITTEE)

D Smith
PN Wilbraham
RCM Webb
Mrs K Dixon
Miss MA Paine
Mrs F Johnson

COMPANY SECRETARY

PN Wilbraham

REGISTERED OFFICE

27 Cleasby Road
Menston
Ilkley
LS29 6JE

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
Pelican House
10 Currer Street
Bradford
BD1 5BA

BANKERS

Secure Trust Bank PLC
PO Box 11915
Arleston Way
Solihull
B90 9ZX

HSBC plc
Oxford Road
Guiseley
Leeds
LS20 8AA

The Abbeyfield Menston Society Limited (Limited by Guarantee)

Report of the Directors

Year ended 31 July 2008

The Executive Committee presents its report and the financial statements of the Society for the year ended 31 July 2008.

Principal activities

The Society is a registered charity and is engaged in the provision, upkeep and maintenance of a supportive hostel for the aged and lonely people of Menston.

Status

The Society is:

- a company limited by guarantee (Number 01125756), having no share capital, and with solely charitable objectives. As a company it is governed by its Memorandum and Articles of Association.
- registered as a charity (Number 502709)
- registered with the Housing Corporation as a social landlord (Number H0369)
- member of the National Housing Federation.

Review of Business and Results during the Year

The financial statements show a deficit of £ 1,048 (2007: deficit £578) on the Hostel Revenue Account. The deficit has been taken to the general income and expenditure account which, prior to the hostel property deficit, shows a surplus of £8,115 (2007: £7,515). The overall surplus of £ 7,067 compares with £6,937 surplus for the previous year.

Merger with The Abbeyfield Ilkley Society Limited

We are in the process of finalising terms for this Society to merge with The Abbeyfield Ilkley Society Limited ("Abbeyfield Ilkley"). Abbeyfield Ilkley is building a new residential home in Menston which is expected to be completed by the end of 2009. The current residents of our Society will be offered accommodation in the new premises.

Achievement of Objectives

The objectives for the year were to provide a happy and safe environment for the residents and to make a surplus. It is believed that these have been achieved.

Organisational and Decision-Making Structure

The ultimate responsibility for the Society lies with the directors. They work as an Executive Committee which is responsible for the overall strategy of the Society. The House Committee has responsibility for the running of the house and ensures that the Abbeyfield Standards are maintained. The Chairman of the House Committee reports to Executive on the running of the house.

Activities of the Society

The Society owns and runs a traditional Abbeyfield home in Menston which provides sheltered accommodation for a maximum of 7 residents.

Fixed Assets

Details of cost and depreciation of tangible fixed assets are set out in note 8.

Appointment of Trustees

Potential candidates are identified and after interview the chosen person may be invited to join the Executive Committee, subject to references and a Criminal Records Bureau check.

Directors (Executive Committee)

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

D Smith	Chairman
PN Wilbraham	Secretary
RCM Webb	Treasurer
Mrs K Dixon	
Miss MA Paine	
Mrs F Johnson	

In accordance with the Society's Articles of Association, D Smith will retire from the Executive Committee and being eligible, offers himself for re-election.

**Abbeyfield Menston Society Limited
(Limited by Guarantee)**

Report of the Directors (continued)

Year ended 31 July 2008

Statement as to disclose of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

Baker Tilly UK Audit LLP were appointed as auditors during the year and, being eligible, a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Committee

A handwritten signature in black ink, appearing to be 'PN Wilbraham', written over a horizontal line.

PN Wilbraham
Company Secretary

The Abbeyfield Menston Society Limited

(Limited by Guarantee)

Directors' Responsibilities in the Preparation of Financial Statements

Year ended 31 July 2008

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society as at the end of that year and of the surplus or deficit of the Society for that period. In preparing those financial statements, the directors are required to:-

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent; and
- c) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society which enable it to ensure that the financial statements comply with the relevant legislation. It is also responsible for safeguarding the assets of the Society and hence for taking steps for the prevention and detection of fraud and other irregularities.

Statement of the Society's System of Internal Financial Control

The directors are responsible for the Society's system of internal financial control. It recognises that such a system can provide reasonable, but not absolute, assurance against material misstatement or loss.

The main features of the internal financial control system are:

- written standing orders and financial regulations which delineate responsibilities and levels of authorities;
- annual budgets, set in the context of a longer term business plan with clear accountability for control of each part of the budget;
- formal budgetary control arrangements with a quarterly reporting cycle;
- directors approval of the parameters under which new investments in properties are entered into.

The directors have reviewed the effectiveness of the system of internal control over the past year.

The Abbeyfield Menston Society Limited (Limited by Guarantee)

Independent Auditors' Report to the Members of The Abbeyfield Menston Society Limited

We have audited the financial statements of The Abbeyfield Menston Society Limited for the year ended 31 July 2008 on pages 6 to 12 which have been prepared on the basis of the accounting policies set out on pages 8 and 9.

This report is made solely to the company's 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 company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2006. We also report to you if, in our opinion, the Directors' Report is 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 other transactions is not disclosed.

We read the Directors' Report 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 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 directors 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.

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 2008 and of its surplus for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2006; and
- the information given in the Directors' Report is consistent with the financial statements for the year ended 31 July 2008.

Baker Tilly UK Audit LLP

Bradford
21 January 2009

Baker Tilly UK Audit LLP
Chartered Accountants
Registered Auditors

The Abbeyfield Menston Society Limited
(Limited by Guarantee)

Income and Expenditure Account

Year ended 31 July 2008

	Note	2008 £	2007 £
Turnover	2	65,976	63,446
Operating costs		(67,024)	(64,024)
Operating deficit	3	(1,048)	(578)
Interest receivable and similar income	6	8,115	7,515
Surplus for the year		7,067	6,937
Retained surplus brought forward		230,609	215,895
Transfer from revaluation reserve		7,777	7,777
Retained surplus carried forward	15	245,453	230,609

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

No operations have been discontinued or acquired during the year, and the amounts above relate entirely to continuing operations.

A statement of total recognised surpluses and deficits is given below.

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

Statement of Total Recognised Surpluses and Deficits

	2008 £	2007 £
Surplus for the year	7,067	6,937
Unrealised deficit on fixed asset investments	-	-
	7,067	6,937

The notes on pages 8 to 12 form part of these financial statements

The Abbeyfield Menston Society Limited
(Limited by Guarantee)

Balance Sheet

Year ended 31 July 2008

	Notes	2008 £	2007 £
Fixed assets			
Tangible assets	8	462,066	468,556
Less: Social Housing Grant	9	(45,472)	(45,472)
		<u>416,594</u>	<u>423,084</u>
Investments	10	-	-
		<u>416,594</u>	<u>423,084</u>
Current Assets:			
Investments	11	120,775	115,352
Debtors	12	2,507	2,832
Cash at bank and in hand		84,514	74,805
		<u>207,796</u>	<u>192,989</u>
Creditors: Amounts falling due within one year	13	(5,583)	(4,333)
Net current assets		<u>202,213</u>	<u>188,656</u>
Total assets less current liabilities		<u>618,807</u>	<u>611,740</u>
Net assets financed by:			
Capital Reserves			
Income and expenditure - accumulated surplus	15	245,453	230,609
Property revaluation reserve	15	373,354	381,131
	15	<u>618,807</u>	<u>611,740</u>

These financial statements were approved by the directors and authorised for issue on 17/11/08 and signed on its behalf by:

D Smith
Director

PN Wilbraham
Director

RCM Webb
Director

The notes on pages 8 to 12 form part of these financial statements

The Abbeyfield Menston Society Limited (Limited by Guarantee)

Notes to the Financial Statements

Year ended 31 July 2008

1. Accounting Policies

Accounting convention

The financial statements have been prepared in accordance with applicable accounting standards and statement of recommended practice in the United Kingdom. The accounts comply with the Housing Act 1996, the Accounting Requirements for Registered Social Landlords General Determination 2006, and the Statement of Recommended Practice: Accounting by Registered Social Landlords (issued in May 2005). The accounts have been prepared on the historical cost basis of accounting (as modified by the revaluation of certain fixed assets).

The Society is in advanced discussions about merging with Abbeyfield Ilkley Society Limited. Initial indications are that assets will be transferred at book value and there is therefore no difference between accounts being prepared on a break-up basis and going concern basis. For this reason, the directors feel it is appropriate to prepare the accounts on a going concern basis.

Turnover

Turnover represents property income, rental and service income receivable.

Fixed Assets: Housing Land and Buildings: SHG Assisted Schemes

Cost includes, irrespective of the source of finance, costs of acquisition, development expenditure, interest on mortgage and other loan during development, less Social Housing Grant

Fixed Assets: Fixtures, fittings and equipment

Assets donated to the Society are not included in the Balance Sheet; other assets are included at cost.

Depreciation

Fixed assets are depreciated at rates calculated to write off the cost less estimated residual value of the asset over its expected useful life at the following rates:-

Housing land	Nil%
Housing buildings	2% per annum on cost
Fixtures fittings and equipment	10% per annum on cost
Computer equipment	33% per annum on cost

The carrying value of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Grants

Social Housing Grants are made by the Department of the Environment and are utilised to reduce the amount of mortgage loans approved for SHG 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. Provision is made for repayment of the Social Housing Grant where the property is expected to be sold in the foreseeable future. In accordance with the terms of The Accounting Requirements for Registered Social Landlords General Determination 2006, these grants are shown in the balance sheet as a deduction from the cost of land and buildings.

Corporation tax and VAT

The Society has charitable status and is exempt from corporation tax on the income it has received. The Society is not registered for VAT and accordingly no VAT is charged to residents and expenditure in the income and expenditure accounts includes the relevant VAT added to expenditure.

Investments

Fixed asset investments are stated at their market values. For listed investments, market value is based on the closing middle market price on a recognised stock exchange.

The Abbeyfield Menston Society Limited (Limited by Guarantee)

Notes to the Financial Statements (continued)

Year ended 31 July 2008

1. Accounting Policies (continued)

Cash flow statement

The Society has taken advantage of the Housing Corporation Regulations which allow Registered Associations, not currently in receipt of public funds, exemption from the preparation of a cash flow statement.

Donations

Donations are accounted for as and when they are received.

Interest Receivable

Interest is credited in the period when it is receivable.

2. Turnover

	2008 £	2007 £
Rents	65,964	65,296
Donations	12	1,002
	<u>65,976</u>	<u>66,298</u>
Void losses	-	(2,852)
	<u>65,976</u>	<u>63,446</u>

3. Operating deficit

	2008 £	2007 £
Operating deficit for the year is stated after charging:		
Depreciation	6,490	6,791
Auditors' remuneration - audit	2,480	2,722
Auditors' remuneration - non audit services	-	-
Loss on sale of investments	-	138
	<u>-</u>	<u>138</u>

4. Staff costs

	2008 £	2007 £
Employee costs:		
Salaries and wages	25,597	24,605
Social Security costs	1,168	1,964
	<u>26,765</u>	<u>26,569</u>

The average weekly number of persons employed by the Society during the year was :

	Number	Number
Housekeeping staff	2	2
	<u>=</u>	<u>=</u>

5. Payments to members and officers

No fees or remuneration have been paid or are payable to any member, committee member or officer (2007: Nil) other than expenses reimbursed of £307 (2007: £439).

The Abbeyfield Menston Society Limited
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Notes to the Financial Statements (continued)

Year ended 31 July 2008

6. Interest receivable

	2008 £	2007 £
Interest receivable from listed investments	-	333
Bank and money market interest	8,115	7,182
	<u>8,115</u>	<u>7,515</u>

7. Housing stock

	2008 Number	2007 Number
Hostel accommodation – number of bed spaces	7	7
	<u>7</u>	<u>7</u>

8. Tangible fixed assets

	Housing Land £	Housing Buildings £	Fixtures, Fittings & Equipment £	Computer £	Total £
Cost or valuation					
At 1 August 2007	200,000	275,000	50,973	907	526,880
Additions	-	-	-	-	-
At 31 July 2008	<u>200,000</u>	<u>275,000</u>	<u>50,973</u>	<u>907</u>	<u>526,880</u>
Depreciation					
At 1 August 2007	-	11,000	46,417	907	58,324
Charge for year	-	5,500	990	-	6,490
At 31 July 2008	<u>-</u>	<u>16,500</u>	<u>47,407</u>	<u>907</u>	<u>64,814</u>
Net book value					
At 31 July 2008	<u>200,000</u>	<u>258,500</u>	<u>3,566</u>	<u>-</u>	<u>462,066</u>
At 31 July 2007	<u>200,000</u>	<u>264,000</u>	<u>4,556</u>	<u>-</u>	<u>468,556</u>

	2008 £	2007 £
Gross Cost Housing Land & Buildings	86,153	86,153
Revaluation	388,847	388,847
	<u>475,000</u>	<u>475,000</u>
Social Housing Grant	(45,472)	(45,472)
	<u>429,528</u>	<u>429,528</u>

A valuation of housing land and buildings was carried out on an existing use value for Social Housing basis by Dacre, Son and Hartley, Chartered Surveyors on 9 August 2005.

The Abbeyfield Menston Society Limited

(Limited by Guarantee)

Notes to the Financial Statements (continued)

Year ended 31 July 2008

9. Housing Corporation Grants

	2008 £	2007 £
At beginning of year and end of the year	<u>45,472</u>	<u>45,472</u>

In the event of the sale of properties on which Housing Corporation grants have been received, there may be a liability to repay the grants.

10. Fixed asset investments

	2008 £	2007 £
Listed investments - valuation		
At 1 August 2007	-	4,052
Disposals	-	(4,052)
Revaluation	-	-
	<u> </u>	<u> </u>
At 31 July 2008	<u>-</u>	<u>-</u>

The cost of listed investments at 31 July 2008 was £Nil (2007 - £Nil).

11. Current asset investments

	2008 £	2007 £
HSBC Money Market	<u>120,775</u>	<u>115,352</u>

12. Debtors

	2008 £	2007 £
Prepayments and accrued income	<u>2,507</u>	<u>2,832</u>

13. Creditors: Amounts falling due within one year

	2008 £	2007 £
Accruals and deferred income	<u>5,583</u>	<u>4,333</u>

14. Share capital

The company does not have a share capital. It is limited by guarantee of £1 each given by not more than 50 members. At 31 July 2008, guarantees had been given by 21 members.

The Abbeyfield Menston Society Limited
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Notes to the Financial Statements (continued)

Year ended 31 July 2008

15. Reserves

	Profit & Loss Account £	Property Revaluation Reserve £	Total £
Balance brought forward	230,609	381,131	611,740
Surplus for the year	7,067	-	7,067
Transfer	7,777	(7,777)	-
	<u>245,453</u>	<u>373,354</u>	<u>618,807</u>

**The Abbeyfield Menston Society Limited
(Limited by Guarantee)**

Detailed Income and Expenditure Account

Year ended 31 July 2008

	2008	2007
	£	£
Summary Hostel Revenue Account		
Turnover	65,976	63,446
Operating expenditure	(67,024)	(64,024)
Deficit for the year	(1,048)	(578)
 Other income		
Gross investment income	-	333
Bank and money market interest	8,115	7,182
	8,115	7,515
 Surplus for the year	7,067	6,937

The Abbeyfield Menston Society Limited
(Limited by Guarantee)

Hostel Revenue Account

Year ended 31 July 2008

INCOME	2008	2007
	£	£
Net income from residential charges	65,964	62,444
Donations	12	1,002
	<u>65,976</u>	<u>63,446</u>
EXPENDITURE		
Management expenses		
Insurance	1,215	1,296
Telephone	550	424
Affiliation fee – The Abbeyfield Society	1,097	949
Audit and accountancy	2,875	3,121
Printing and stationery	57	72
Advertising	-	28
	<u>5,794</u>	<u>5,890</u>
Repairs and maintenance	<u>4,145</u>	<u>1,997</u>
Service costs		
Care and catering:		
- Employee costs	26,765	26,569
- Food and household costs	14,603	14,390
Rates	3,114	2,210
Heating and lighting	5,725	5,136
Travel expenses	388	903
Diminution in value of fixed asset investments	-	-
Loss on sale of investments	-	138
Depreciation of fixtures and equipment	990	1,291
Depreciation of freehold buildings	5,500	5,500
	<u>57,085</u>	<u>56,137</u>
Total expenditure	<u>67,024</u>	<u>64,024</u>
Deficit for the year	<u>(1,048)</u>	<u>(578)</u>